



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2005

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2004.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2004.

2. Audit Report

The financial statements of the Company for the year ended 31 December 2004 were not subject to any audit qualification.

3. Seasonality And Cyclicity of Operations

The business operations of the Group are not materially affected by any seasonal or cyclical factors during the quarter under review.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter.

5. Changes In Estimates

There were no changes in estimates reported in the prior financial year that have a material effect in the current quarter.



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QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2005

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6. Debt And Equity Securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities for the current period.

At the AGM held on 24 May 2004, the shareholders of the Company approved the proposed share buy-back resolution.

During the 1st quarter ended 31 March 2005, the Company bought back from the open market, 1,165,600 shares at an average buy-back price of RM3.06. The total consideration paid for the share buy-back including transaction cost, was RM3,564,139 and was financed by internally generated funds.

The shares bought back are held as treasury shares in accordance with Section 67A of the Companies Act, 1965. None of the treasury shares held were resold or cancelled during the 1st quarter ended 31 March 2005.

7 Dividends Paid

There was no dividend paid during the quarter under review.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2005

NOTES TO THE INTERIM FINANCIAL REPORT

8. Segmental Reporting

	Segment Revenue		Segment Result	
	3 months ended			
	31 March			
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Property development	51,575	62,906	24,654	20,485
Construction	14,978	28,969	4,217	8,828
Sale of goods/services	8,287	7,698	(148)	354
	74,840	99,573	28,723	29,667
Inter Segment	(2,944)	(3,065)	-	-
	71,896	96,508	28,723	29,667
Unallocated expenses			(221)	(299)
Other operating income			316	980
Operating profit			28,818	30,348
Income from investment			160	305
Reserve on consolidation recognised			1,568	1,545
Interest expense			(21)	(37)
Share of profit of associate			222	107
Share of profit of jointly controlled entity			51	82
Profit before tax			30,798	32,350
Tax expense			(8,304)	(8,502)
Minority interest			(4,103)	(4,243)
Net profit for the period			18,391	19,605

9. Valuation of Property, Plant And Equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

The Group did not revalue any of its property, plant and equipment.



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QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2005

NOTES TO THE INTERIM FINANCIAL REPORT

10. Subsequent Material Events

There is no material event subsequent to the end of the period reported on, that has not been reflected in the financial statements for the said period, made up to the date of this quarterly report.

11. Changes In The Composition Of The Group

There were no changes in the composition of the Group during the current quarter.

12. Contingent Liabilities

There were no contingent liabilities in respect of the Group that had arisen since 31 December 2004 till the date of this quarterly report.

13. Capital Commitments

	As At 31 March	
	2005 RM'000	2004 RM'000
Authorised and contracted for		
Purchase of Computer Software	271	1,220
Authorised but not contracted for		
Investment Property	58,898	3,020
Motor Vehicles	1,911	1,781
Furniture, Fittings & Equipments	927	1,143
Plant and Machinery	8,104	755
Office Renovation	485	-
Information Technology Systems	1,967	-
	<u>72,292</u>	<u>6,699</u>
	<u>72,563</u>	<u>7,919</u>
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QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2005

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14. Significant Related Party Transactions	Note	3 months ended 31 March 2005 RM'000
TR Concrete Sdn Bhd	(a)	
Sale of cement		(1,408)
Transport charges received		(2)
Purchase of ready mixed concrete		548
HWS Properties Sdn Bhd	(b)	
Rental		6

Note

(a) An associate of the Group.

(b) Company in which William Wei How Sieng has interests.

These transactions have been entered into in the normal course of business and were transacted at arm-length.



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QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2005

ADDITIONAL REQUIREMENT REQUIRED BY APPENDIX 9(B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS

(I) Review of Performance

For the current quarter, the Group recorded revenue and profit after tax and minority interests of RM71.90 million and RM18.39 million respectively, compared to RM96.51 million and RM19.61 million respectively recorded in the previous corresponding period.

Property development and construction contributed 71.7% and 20.8% to the profit before taxation respectively.

(II) Comparison with Preceding Quarter's Results

The revenue and profit before tax for the current quarter are RM71.90 million and RM30.80 million respectively as compared to RM90.55 million and RM32.37 million respectively for the immediate preceding quarter. The higher performance in the preceding quarter was mainly due to the completion of major construction projects

(III) Prospect For 2005

The economic outlook for the state remains favourable. Financial institutions continue to offer attractive financial packages for home buyers. Consequently, demand for residential properties in Sarawak is expected to remain robust.

The Group expects stronger quarters ahead. As for construction, a number of new projects secured by the Group are expected to commence this year and shall drive its earnings in 2005 and beyond.

(IV) Profit Guarantee

The Group did not issue any profit guarantee.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2005

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(V) Tax Expense

	3 months ended 31 March	
	2005	2004
	RM'000	RM'000
Current tax expense – Malaysian	8,388	8,432
Deferred taxation - Malaysian	(146)	16
Tax expense on share of profit of associate	48	30
Tax expense on share of profit of jointly controlled entity	14	24
Total	8,304	8,502

(VI) Unquoted Investments And/Or Properties

There was no sale of unquoted investments and/or properties included in the properties, plant and equipment during the current quarter under review.

(VII) Quoted Investments

	3 months ended 31 March 2005
	RM'000
(a) (i) Quoted Shares	
Purchase of quoted securities	-
(a) (ii) Unit Trust	
Purchase of unit trust	16



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QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2005

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(b) Investments in quoted shares and unit trust as at 31 March 2005.

	Quoted Shares RM'000	Unit Trust RM'000	Total RM'000
Cost	637	179	816
Carrying Value	324	117	441
Market Value	487	271	758

(VIII) (a) **Status of Corporate Proposals**

There was no corporate proposal announced but not completed at the date of this quarterly report.



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QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2005

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(b) Status of Utilisation of Proceeds

As at the date of this report, the proceeds raised from the Public Issue pursuant to the listing of the Company on the Main Board of the Bursa Malaysia amounting to RM 60.548 million were utilised as follows:

	As Approved By Securities Commission RM '000	Utilised As At Date of Report RM '000	Variation RM '000	Unutilised As At Date of Report RM '000
Acquisition of land for property development and property investment	25,000	-	-	25,000
Purchase of machinery	7,400	-	-	7,400
Purchase of information technology systems	3,082	1,386	-	1,696
Repayment of bank borrowings	7,430	6,153	-	1,277
Listing expenses	4,600	4,523	(77)*	-
Working capital	13,036	6,120	77*	6,993
	<hr/> 60,548	<hr/> 18,182	<hr/> -	<hr/> 42,366
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* Unutilized listing expenses of RM77,000 is re-allocated to working capital during this current quarter.

(IX) Group Borrowings And Debt Securities

Group borrowings at the end of this quarter were as follows:

	31 March 2005 RM'000
Current	
Secured - Hire Purchase	234
Non-Current	
Secured - Hire Purchase	152
	<hr/> 386
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All borrowings are denominated in Ringgit Malaysia.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2005

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(X) Off Balance Sheet Financial Instruments

The Group did not enter into any financial instruments with off balance sheet risk during the quarter.

(XI) Changes In Material Litigations

In March 2005, Naim Cendera Tujuh Sdn. Bhd. (“NC7”), a wholly owned subsidiary, received in a Writ of Summons from 5 persons suing on behalf of themselves and 79 others, claiming to have native customary rights over part of NC7’s leasehold land known as Lot 23, Block 34, Kemena Land District, Bintulu. Approximately 100 acres out of a total of 1,000 acres of the land are claimed by the plaintiffs.

The said land was previously alienated by the Government of Sarawak and due land premium had been settled in prior years. Should the matter not be satisfactorily resolved or should the court rule in favour of the plaintiffs, NC7 will approach the State authorities for substitution of the land. The suit therefore does not have any material impact to the Group as the affected land area does not fall within the Group’s development plans for the next five years.

(XII) Dividend

The Board did not declare any dividend in the current quarter in respect of the financial year ending 31 December 2005.

(XIII) Earnings Per Share

Basic Earning Per Share

The calculation of the basic earnings per share was based on the Group net profit for the quarter divided by the weighted average number of ordinary shares in issue during the quarter.

	3 months ended 31 March 2005
Net Profit (RM’000)	18,391 -----
Weighted average number of ordinary share in issue (’000)	247,432 -----
Basic earnings per ordinary shares (sen)	7.43 -----