



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 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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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.

During the 2nd quarter ended 30 June 2005, the Company bought back from the open market, 1,000 shares at an average buy-back price of RM3.24. The total consideration paid for the share buy-back including transaction cost, was RM3,244.61 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 3rd quarter ended 30 September 2005. The number of treasury shares held as at 30 September 2005 was 2,666,200 (31.12.2004: 1,499,600)

7 Dividends Paid

A final dividend of 7 sen per share less tax at 28% for the financial year ended 31 December 2004 was paid on 17 June 2005.

RM'000

12,465

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2005 Interim Dividend

An interim dividend of 7 sen per share less income tax of 28% in respect of the financial year ending 31 December 2005 was declared by the Board in August 2005 paid in October 2005.



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8. Segmental Reporting

	Segment Revenue		Segment Result	
	9 months ended 30 September			
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Property development	162,793	146,049	55,757	55,614
Construction	64,862	82,790	14,295	16,727
Sale of goods/services	58,472	38,837	(2,264)	44
	286,127	267,676	67,788	72,385
Inter Segment	(42,919)	(24,396)	-	-
	243,208	243,280	67,788	72,385
Unallocated expenses			(957)	(845)
Other operating income			1,669	3,310
Operating profit			68,500	74,850
Income from investment			528	875
Reserve on consolidation recognised			4,703	4,720
Interest expense			(36)	(59)
Share of profit of associate			538	555
Share of profit of jointly controlled entities			2,059	228
Profit before tax			76,292	81,169
Tax expense			(20,814)	(21,881)
Minority interest			(8,553)	(8,100)
Net profit for the period			46,925	51,188

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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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 30 September	
	2005 RM'000	2004 RM'000
Authorised but not contracted for		
Investment Property	54,000	3,020
Motor Vehicles	285	236
Furniture, Fittings & Equipments	940	819
Plant and Machinery	8,016	705
Office Renovation	482	-
Information Technology Systems	1,294	-
	<u>65,016</u>	<u>4,780</u>
	=====	=====



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NOTES TO THE INTERIM FINANCIAL REPORT

14. Significant Related Party Transactions

	Note	9 months ended 30 September 2005 RM'000
TR Concrete Sdn Bhd	(a)	
Sale of construction materials		(4,208)
Transport charges received		(5)
Purchase of raw materials and others		550
HWS Properties Sdn Bhd	(b)	
Rental		(20)

Note

(a) An associate of the Group.

(b) Company in which William Wei How Sieng has interests. William Wei has resigned as director on 31 May 2005.

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



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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 RM93.72 million and RM13.00 million respectively, compared to RM90.84 million and RM17.84 million respectively recorded in the corresponding period.

Contribution to turnover for the period was mainly from the Group's core activities of property development (66.94%) and construction (26.68%).

The reason for the lower than expected contribution from construction activities and hence net profits was that a number of projects, including the Dewan Undangan Negeri Complex and Police General Operations Force Camp in Kuching and the ungrading of the Kuching-Sibu Road, which were supposed to commence earlier in the year only started recently. These are expected to contribute significantly to profits in 2006.

(II) Comparison with Preceding Quarter's Results

The revenue and profit before tax for the current quarter are RM93.72 million and RM21.21 million respectively as compared to RM77.60 million and RM24.29 million respectively for the immediate preceding quarter.

(III) Prospect For Remaining 2005

The Board is confident of the Group's prospects and expects its results for 2005 to be comparable to that achieved in 2004.

The Board's confidence stems from the enthusiastic response to the recent launch of "The Riveria", a new mixed development project just outside the City of Kuching. 80% of Phase I were sold within 3 days of launching which reflects our continuing confidence in the sustainability of the property market in Sarawak. In addition, our mainstay development of Bandar Baru Permyjaya in Miri is performing according to expectations. Total property sales amounting to RM184 million were recorded for the nine months ended 30 September 2005 compared with RM151 million for the same period in 2004.

Meanwhile, commencement of works on two construction projects, the RM313 million Police General Operations Force Camp and the RM176 million upgrading of the Kuching-Sibu Road, part of our outstanding order book of RM1.3 billion, will also contribute to performance in the final quarter of 2005, making up ground lost in first half of 2005.

The Board expects an improved performance for 2006 with its already substantial and locked-in revenue of RM711 million. The Group is focused on achieving double digit growth in net profits, contingent upon government policies and continuing economic growth; favourable market conditions; low interest rates and favourable financing terms which affect take-up rates for its developments.



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(IV) Profit Guarantee

The Group did not issue any profit guarantee.

(V) Tax Expense

	3 months ended		9 months ended	
	30 September			
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Current tax expense – Malaysian	7,391	6,630	22,045	21,660
Deferred taxation - Malaysian	(1,362)	-	(1,981)	16
Tax expense on share of profit of associate	75	90	174	141
Tax expense on share of profit of jointly controlled entities	-	21	576	64
Total	6,104	6,741	20,814	21,881

(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	9 months ended
	30 September 2005	
	RM'000	RM'000
(a) (i) Quoted Shares		
Purchase of quoted securities	-	-
(a) (ii) Unit Trust		
Purchase of unit trust	-	16



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

(b) Investments in quoted shares and unit trust as at 30 September 2005.

	Quoted Shares RM'000	Unit Trust RM'000	Total RM'000
Cost	637	179	816
Carrying Value	324	117	441
Market Value	471	278	749

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

(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 in 2003 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	2,094	-	988
Repayment of bank borrowings	7,430	6,204	-	1,226
Listing expenses	4,600	4,523	(77)*	-
Working capital	13,036	12,251	77*	862
	60,548	25,072	-	35,476

* Unutilised listing expenses of RM77,000 are re-allocated to working capital during the first quarter of 2005.

(IX) Group Borrowings And Debt Securities

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

	30 September 2005 RM'000
Current	
Secured - Hire Purchase	198
Non-Current	
Secured - Hire Purchase	83
	<u>281</u>
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All borrowings are denominated in Ringgit Malaysia.



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

(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 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

An interim dividend of 7 sen per share less income tax of 28% in respect of the financial year ending 31 December 2005 was declared by the Board in August 2005 paid in October 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 30 September 2005	9 months ended
Net Profit (RM’000)	12,997	46,925
Weighted average number of ordinary share in issue (’000)	247,334	247,464
Basic earnings per ordinary shares (sen)	5.25	18.96