



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – FOURTH QUARTER ENDED 31 December 2005

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134 ²⁰⁰⁴, 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.

- a. 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.

During the 4th quarter ended 31 December 2005, the Company bought back from the open market, 2,605,800 shares at an average buy-back price of RM2.86. The total consideration paid for the share buy-back including transaction cost, was RM7,458,720.66 and was financed by internally generated funds.

- b. A direct subsidiary, NCSB Engineering Sdn Bhd increased its paid-up capital by way of a bonus issue of 900,000 ordinary shares at RM1.00 each.

The shares bought back mentioned in (a) above 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 4th quarter and the year ended 31 December 2005. The number of treasury shares held as at 31 December 2005 was 5,272,000 (31.12.2004: 1,499,600)

7 Dividends Paid

	RM'000
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.	12,465
An interim dividend of 7 sen per share less tax of 28% for the financial year ended 31 December 2005 was paid on 10 October 2005.	12,466

	24,931
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8. Segmental Reporting

	Segment Revenue		Segment Result	
	12 months ended 31 December			
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Property development	299,222	208,889	105,858	86,214
Construction	85,072	116,832	7,293	20,167
Sale of goods/services	71,660	29,502	(4,066)	141
	455,954	355,223	109,085	106,522
Inter Segment	(51,511)	(11,513)	-	-
	404,443	343,710	109,085	106,522
Unallocated expenses			1,141	(3,527)
Other operating income			2,008	2,231
Operating profit			112,234	105,226
Income from investment			788	2,488
Reserve on consolidation recognised			6,271	6,299
Interest expense			(142)	(82)
Share of profit of associate			575	725
Share of profit of jointly controlled entities			1,786	308
Profit before tax			121,512	114,964
Tax expense			(34,093)	(32,190)
Minority interest			(9,956)	(13,279)
Net profit for the period/year			77,463	69,495

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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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 material changes in the composition of the Group.

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 December	
	2005	2004
	RM'000	RM'000
Authorised but not contracted for		
Investment Property	-	3,020
Motor Vehicles	121	-
Furniture, Fittings & Equipments	528	526
Plant and Machinery	5,000	565
Office Renovation	476	-
Information Technology Systems	36	-
	<u>6,161</u>	<u>4,111</u>
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14. Significant Related Party Transactions	Note	12 months ended 31 December 2005 RM'000
TR Concrete Sdn Bhd	(a)	
Sale of construction materials		(4,717)
Transport charges received		(6)
Purchase of raw materials and others		602
HWS Properties Sdn Bhd	(b)	
Rental received		(27)

Note

- (a) An associate of the Group.
- (b) Company in which William Wei How Sieng has interests. William Wei 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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QUARTERLY REPORT – FOURTH QUARTER ENDED 31 December 2005

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

(I) Review of Performance

The Group recorded an excellent performance for the financial year ended 31 December 2005 as compared to the corresponding period in 2004. Revenue increased by 17.7% from RM343.71 million to RM404.44 million, net profit by 11.5% from RM69.50 million to RM77.46 million and earnings per share increased by 12.6% from 27.84 sen to 31.35 sen.

Property development remained the main core business of the Group. Property development contributed 74% to the turnover of the Group, followed by construction 21% and others 5%.

(II) Comparison with Preceding Quarter's Results

The revenue and profit before tax for the current quarter were RM161.24 million and RM45.22 million respectively compared to RM93.72 million and RM21.21 million respectively for the immediate preceding quarter, representing an increase of 72% in revenue and 117% in profit before tax.

(III) Prospect For 2006

The Group is expecting a significant contribution from the construction sector in 2006, backed by its locked-in revenue of more than half a billion ringgit. In addition, the Group is also confident that the property sector, with flagship projects located at Bandar Baru Permyjaya in Miri and Kota Samarahan in Kuching, will continue to deliver and contribute to profits, especially with the recently launched "The Riveria", a new mixed development project on the fringes of Kuching City.

Barring any unforeseen circumstances, the group is confident of achieving double digit earnings growth in 2006.



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(IV) Profit Guarantee

The Group did not issue any profit guarantee.

(V) Tax Expense

	3 months ended		12 months ended	
	31 December			
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Current tax expense – Malaysian	23,784	11,295	45,829	32,955
Deferred taxation - Malaysian	(10,602)	(1,066)	(12,583)	(1,050)
Tax expense on share of profit of associate	10	60	184	201
Tax expense on share of profit of jointly controlled entities	87	20	663	84
Total	13,279	10,309	34,093	32,190

(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	12 months ended
	31 December 2005	31 December 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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MALAYSIA LISTING REQUIREMENTS

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

	Quoted Shares RM'000	Unit Trust RM'000	Total RM'000
Cost	637	179	816
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Carrying Value	324	117	441
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Market Value	454	279	733
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(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	1,100	-	6,300
Purchase of information technology systems	3,082	2,149	-	933
Repayment of bank borrowings	7,430	6,204	-	1,226
Listing expenses	4,600	4,523	(77)*	-
Working capital	13,036	12,959	77*	-
	60,548	25,835	-	33,459

* 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:

	31 December 2005 RM'000
Current	
Secured - Hire Purchase	192
Non-Current	
Secured - Hire Purchase	39
	<u>231</u>
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All borrowings are denominated in Ringgit Malaysia.



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QUARTERLY REPORT – FOURTH QUARTER ENDED 31 December 2005

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

The Board declared a second interim gross dividend of 5 sen per share for the year ended 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/year divided by the weighted average number of ordinary shares in issue during the quarter.

	3 months ended 31 December 2005	12 months ended 31 December 2005
Net Profit (RM’000)	30,538	77,463
Weighted average number of ordinary share in issue (’000)	244,728	247,115
Basic earnings per ordinary shares (sen)	12.48	31.35