



NAIM CENDERA HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - THIRD QUARTER ENDED 30 SEPTEMBER 2007

CONDENSED CONSOLIDATED INCOME STATEMENT				
For the quarter ended 30 September 2007				
(The figures have not been audited)				
	CURRENT QUARTER		CUMULATIVE QUARTER	
	<i>3 months ended 30 September</i>		<i>9 months ended 30 September</i>	
	2007	2006	2007	2006
	RM' 000	RM'000	RM' 000	RM'000
Revenue	142,012	115,044	461,791	329,284
Cost of sales	(106,749)	(83,537)	(352,116)	(244,812)
Gross profit	35,263	31,507	109,675	84,472
Other income	2,591	916	6,389	3,688
Administration expenses	(7,711)	(6,170)	(20,422)	(17,335)
Selling and distribution expenses	(1,504)	(1,648)	(3,343)	(2,932)
Other expenses	(172)	(48)	(989)	(418)
Finance costs	(447)	(24)	(545)	(52)
Share of profit of associates, net of tax	1,205	244	1,623	619
Share of profit of joint ventures, net of tax	1,559	1,056	3,047	2,365
Profit before taxation	30,784	25,833	95,435	70,407
Income tax expense	(9,995)	(7,560)	(27,872)	(19,856)
Profit for the period	20,789	18,273	67,563	50,551
Attributable to:				
Equity holders of the parent	20,217	15,346	65,096	44,058
Minority interests	572	2,927	2,467	6,493
	20,789	18,273	67,563	50,551
Basic earnings per ordinary share attributable to equity holders of the parent (sen)	Note XIII	8.27	6.28	26.63
			18.02	

The notes set out on pages 5 to 16 form an integral part of, and should be read in conjunction with, this interim financial report.
The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006.



NAIM CENDERA HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - THIRD QUARTER ENDED 30 SEPTEMBER 2007

CONDENSED CONSOLIDATED BALANCE SHEET			
As at 30 September 2007 (The figures have not been audited)			
	Notes	30 September 2007 RM' 000	31 December 2006 RM' 000
ASSETS			
Non-current assets			
Property, plant and equipment		23,140	25,542
Land held for property development		133,240	136,614
Investment properties	11	480	490
Prepaid lease payments		51,245	18,650
Intangible assets		1,551	2,133
Interest in associates		93,813	3,994
Interest in joint ventures		7,715	7,638
Other investments		461	449
Deferred tax assets		588	588
		312,233	196,098
Current assets			
Property development costs		198,835	191,788
Inventories		14,565	14,837
Trade and other receivables		329,688	269,109
Deposits, cash and bank balances		146,323	122,009
		689,411	597,743
TOTAL ASSETS		1,001,644	793,841
EQUITY AND LIABILITIES			
Share capital		250,000	250,000
Share premium		86,092	86,092
Capital reserve		200	200
Retained profits		222,442	169,839
Treasury shares		(16,315)	(16,315)
Equity attributable to equity holders of the company		542,419	489,816
Minority interests		36,254	39,890
TOTAL EQUITY		578,673	529,706
Non-current liabilities			
Borrowings		79,651	1,124
Deferred tax liabilities		56,811	59,012
		136,462	60,136
Current Liabilities			
Trade and other payables		285,209	203,422
Borrowings		854	557
Taxation		446	20
		286,509	203,999
TOTAL LIABILITIES		422,971	264,135
TOTAL EQUITY AND LIABILITIES		1,001,644	793,841
Net assets per share attributable to equity holders of the parent(RM)		2.17	1.96

The notes set out on pages 5 to 16 form an integral part of, and should be read in conjunction with, this interim financial report.
The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006.



NAIM CENDERA HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - THIRD QUARTER ENDED 30 SEPTEMBER 2007

CONDENSED CONSOLIDATED CASH FLOW STATEMENT		
For the period ended 30 September 2007 (The figures have not been audited)		
	30 September 2007 RM'000	30 September 2006 RM'000
Net cash generated from operating activities	56,951	12,457
Net cash (used in) investing activities	(92,201)	(10,379)
Net cash generated from/(used in) financing activities	59,564	(42,006)
Net increase/(decrease) in cash and cash equivalents	24,314	(39,928)
Cash and cash equivalents at beginning of financial period	120,357	131,817
Cash and cash equivalents at end of financial period	<u>144,671</u>	<u>91,889</u>
	RM'000	RM'000
Cash and cash equivalents at end of financial period	144,671	91,889
Add: Fixed Deposits Pledged	1,652	2,111
Deposits, cash and bank balances at end of financial period	<u>146,323</u>	<u>94,000</u>

The notes set out on pages 5 to 16 form an integral part of, and should be read in conjunction with, this interim financial report.

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006.



NAIM CENDERA HOLDINGS BERHAD (585467-M)

QUARTERLY REPORT - THIRD QUARTER ENDED 30 SEPTEMBER 2007

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY										
For the period ended 30 September 2007 (The figures have not been audited)										
	Total equity attributable to shareholders of the Company							Minority Interests	Total Equity	
	Non Distributable				Distributable					
	Share capital RM' 000	Share premium RM' 000	#	Capital reserve RM' 000	Reserve on consolidation RM' 000	Treasury shares RM' 000	Retained profits RM' 000			Sub-total RM' 000
<u>9 months ended 30 September 2006 (Restated)</u>										
At 1 January 2006	250,000	86,092		-	16,224	(15,610)	122,793	459,499	36,404	495,903
Effects of adopting FRS 3					(16,224)		16,224	-		-
As Restated	250,000	86,092		-	-	(15,610)	139,017	459,499	36,404	495,903
Bonus share issued by a subsidiary				200			(200)	-		-
Profit for the period							44,058	44,058	6,493	50,551
Dividends paid							(35,207)	(35,207)	(5,675)	(40,882)
Treasury shares purchased - at cost						(704)		(704)		(704)
Acquisition of Minority Interests in existing subsidiary								-	(40)	(40)
At 30 September 2006	250,000	86,092		200	-	(16,314)	147,668	467,646	37,182	504,828
<u>9 months ended 30 September 2007</u>										
At 1 January 2007	250,000	86,092		200	-	(16,315)	169,839	489,816	39,890	529,706
Profit for the period							65,096	65,096	2,467	67,563
Dividends paid							(12,493)	(12,493)	(6,103)	(18,596)
At 30 September 2007	250,000	86,092		200	-	(16,315)	222,442	542,419	36,254	578,673

The notes set out on pages 5 to 16 form an integral part of, and should be read in conjunction with, this interim financial report.
The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 2007

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* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2006.

2. Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following revised Financial Reporting Standards (FRSs) :

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of FRS 117 and FRS 124 does not have significant financial impact to the Group.

With the adoption of the revised FRSs, the Group has effected the necessary changes to the accounting policies and disclosures as disclosed under Note 2.1 and 2.2 below.

2.1 Changes in accounting policies resulting from adoption of the revised FRS 117

FRS 117 Leases

The Group had previously classified a lease of land as finance lease and had recognized it as property within its property, plant and equipment. It was stated at cost less accumulated depreciation and impairment losses. On adoption of FRS 117, the Group now treats such a lease as operating lease, with the unamortized carrying amount classified as prepaid lease payments. Such prepaid lease payments are amortised evenly over the unexpired lease terms.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 2007

NOTES TO THE INTERIM FINANCIAL REPORT

2. Changes in accounting policies (continued)

2.1 Changes in accounting policies resulting from adoption of revised FRS 117 (continued)

The classification of leasehold land as prepaid lease payment has been accounted for retrospectively and as disclosed in Note 2.2.

2.2 The financial effects of changes in accounting policies and restatement of comparative figures as a result of the adoption of the revised FRS 117:

Consolidated balance sheet

Other than the reclassification of leases of land to prepaid lease payments (see below), the adoption of the revised FRS 117 has no financial impact to the Group.

	Previously stated RM'000	Re- classification RM'000	Restated RM'000
Carrying amounts as at 31 December 2006			
Properties, plant and equipment	44,192	(18,650)	25,542
Prepaid lease payments	-	18,650	18,650

2.3 Impending change of accounting policies

The Group has not adopted the following revised/amended FRSs, which are effective for annual reporting periods beginning on or after 1 July 2007.

Effective date 1 July 2007

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of these revisions/amendments is not expected to have any material impact on the financial statements of the Group.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 2007

NOTES TO THE INTERIM FINANCIAL REPORT

3. Audit report

The financial statements of the Group for the year ended 31 December 2006 were not subject to any audit qualification.

4. 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.

5. Unusual items

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

6. Changes in estimates

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

7. Debt and equity securities

There were no issuances, cancellations, repurchases, re-sales and repayments of debt and equity securities for the current period under review.

8. Dividend paid

An interim dividend of 7 sen per share less tax of 27% for the year ending 31 December 2007 was paid on 12 June 2007.

RM'000

12,493



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 2007

NOTES TO THE INTERIM FINANCIAL REPORT

9. Segmental reporting

	Segment revenue		Segment results	
	-----9 months ended 30 September -----			
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Property development	150,670	151,297	45,194	44,666
Construction	279,945	149,823	43,897	20,164
Sale of goods/services	58,910	34,007	8,345	3,183
	489,525	335,127	97,436	68,013
Inter Segment	(27,734)	(5,843)	(7,079)	(621)
	461,791	329,284	90,357	67,392
Unallocated expenses/income			(970)	(1,241)
Income from investments			1,923	1,324
Finance costs			(545)	(52)
Share of profit of associates			1,623	619
Share of profit of joint ventures			3,047	2,365
Profit before tax			95,435	70,407
Income tax expense			(27,872)	(19,856)
Profit for the period			67,563	50,551
Attributable to:				
Equity holders of the parent			65,096	44,058
Minority Interests			2,467	6,493

10. 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.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 2007

NOTES TO THE INTERIM FINANCIAL REPORT

11. Investment properties

	As at 30 September	
	2007	2006
	RM'000	RM'000 (Restated)
Building, stated at carrying amount	480	493
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Indicative fair value	800	800
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12. Subsequent material events

There are no material events 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, except as disclosed in Note VIII(a).

13. Changes in the composition of the Group

During the first quarter, Naim Cendera Sdn Bhd (“NCSB”), the wholly owned subsidiary of the Company, acquired seven (7) new subsidiaries as disclosed in note 29 of the audited financial statements for the year ended 31 December 2006. The new subsidiaries are presently dormant.

On 27 August 2007, Naim Cendera Holdings Berhad completed the acquisition of 45% equity interests in Dayang Enterprise Sdn Bhd, DESB Marine Services Sdn Bhd and Fortune Triumph Sdn Bhd for an aggregate cash consideration of RM87,750,000.00.

14. Contingent liabilities

There were no contingent liabilities in respect of the Group that had arisen since 31 December 2006 till the date of this quarterly report.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 2007

NOTES TO THE INTERIM FINANCIAL REPORT

15. Capital commitments

	As at 30 September	
	2007	2006
	RM'000	RM'000
Authorised and contracted for		
Purchase of computer software	190	190
Authorised but not contracted for		
Acquisition of land bank	201,000*	307,948*
Investment property	79	54,976
Buildings	183	259
Motor Vehicles	1,409	-
Furniture, Fittings & Equipments	607	-
Plant and Machinery	1,927	12,891
Office Renovation	1,298	1,150
Information Technology Systems	2,279	1,602
	<u>208,782</u>	<u>378,826</u>
	<u>208,972</u>	<u>379,016</u>

* Proposed to be financed by cash/debt/ equity or a combination thereof.

16. Key Management Personnel compensation

Total compensation to directors of the company and other members of key management during the quarter under review are as follows:

	9 months ended	
	30 September	
	2007	2006
	RM'000	RM'000
Directors of NCHB	4,316	4,164
Other key management personnel	<u>3,781</u>	<u>4,234</u>
	<u>8,097</u>	<u>8,398</u>



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 2007

NOTES TO THE INTERIM FINANCIAL REPORT

17. Significant related party transactions

	Transaction value 9 months ended 30 September		Balance outstanding as at 30 September	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000

Transactions with associates

Sale of construction materials	(3,160)	(3,558)	1,437	1,429
Purchase of raw materials	933	1,348	(430)	(433)
Construction cost paid	16,666	8,130	(9,294)	(3,522)
Machinery rental income	(488)	(492)	1,387	492

Transactions with unincorporated joint venture

Construction contract revenue	31,421	28,736	13,669	10,551
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Transactions with Directors of the Company and its subsidiaries and with companies connected to them

Procurement of IT services	-	152	(47)	(41)
Procurement of equipment	6,025	-	(15)	-
Rental expenses	12	19	6	7
Advertisement charges	40	-	20	-
Purchase of construction materials	226	1,231	-	9
Construction cost paid	5,119	1,223	(1,446)	(496)
Sales of construction materials	(361)	(716)	189	582
Watchman and cleaning services	-	19	-	-
Rental paid	21	21	2	2
Advisory fee paid	90	90	-	-



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 2007

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

(I) Review of performance

The Group recorded revenue of RM462 million in the period under review as against RM329 million recorded in 2006, an increase of 40%. Profit before tax for the period was RM95 million against RM70 million achieved in 2006.

Contribution to revenue from the construction division increased from 45% in the corresponding period of the preceding year to 61% in the current period.

(II) Comparison with preceeding quarter's results

The revenue and profit before tax for the current quarter were RM142 million and RM31 million respectively compared to RM185 million and RM32million respectively in the immediate preceding quarter.

(III) Prospect for 2007 and beyond

The Group is actively seeking to increase its construction order book which currently stands at around RM3.5 billion, inclusive of RM1.8 billion on joint venture basis, of which RM1.3 billion at the Letter of Intent stage. These projects are expected to enhance the earnings prospect of the Group.

Concomitantly, the Group is continuously sourcing for new land banks to ensure sustainable growth earnings for the Group's property development activities in the future.

There are no changes to the prospects or matters as disclosed in the last quarter.

We are confident that the 2007 results will outperform its previous years, barring unforeseen circumstances.



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 2007

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

(IV) Profit guarantee

The Group did not issue any profit guarantee.

(V) Tax expense

	9 months ended 30 September	
	2007 RM'000	2006 RM'000 (Restated)
Current tax expense		
Malaysian - current	30,072	22,579
Deferred tax expense		
Malaysian - current	(2,200)	(2,723)
Total	27,872	19,856

(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) Other investments

Investments in quoted shares and unit trust:

	As at 30 September					
	Quoted shares		Unit trust		Total	
	2007	2006	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost	637	637	199	188	836	825
Carrying Value	324	369	137	125	461	494
Market Value	924	473	304	203	1,228	676



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 2007

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

(VIII) (a) Status of corporate proposals

The proposed acquisition of 45% equity interests in Dayang Enterprise Sdn Bhd, DESB Marine Services Sdn Bhd and Fortune Triumph Sdn Bhd for an aggregate cash consideration of RM87,750,000 as reported in the quarterly report for the period ended 30 June 2007 was completed on 27 August 2007.

The Company had on 1 October 2007, obtained approval from the Securities Commission for its proposed issuance of Islamic Commercial Papers (“ICP”) and Islamic Medium Term Notes (“IMTN”) pursuant to an Islamic Commercial Paper Issuance Programme of RM100 million and an Islamic Medium Term Note Issuance Programme of RM500 million respectively, which will not exceed RM500 million in aggregate outstanding Nominal Value at any one time.

Save for the above, there are no other corporate proposals announced but not completed at the date of this quarterly report.

(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 Bursa Malaysia in 2003 amounting to RM60.547 million were utilised as follows:

	As approved by Securities Commission RM'000	Utilised as at date of report RM'000	+ / (-) RM'000	Unutilised as at date of report RM'000
Acquisition of land for property development and property investment	25,000	(6,039)	-	18,961
Purchase of machinery	7,400	(2,214)	-	5,186
Purchase of information technology systems	3,082	(3,082)	-	-
Repayment of bank borrowings	7,430	(7,263)	-	167
Listing expenses	4,600	(4,523)	(77)	-
Working capital	13,035	(13,112)	77	-
	60,547	(36,233)	-	24,314

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



NAIM CENDERA HOLDINGS BHD (585467-M)

QUARTERLY REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 2007

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

(IX) Group borrowings and debt securities

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

		As at 30 September	
		2007	2006
		RM'000	RM'000
Current			
Secured	- Hire Purchase	854	514
Non-Current			
Secured	- Hire Purchase	676	907
Unsecured	- Revolving Credit	78,975	-
		<hr/>	<hr/>
		80,505	1,421

All borrowings are denominated in Ringgit Malaysia.

(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.



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QUARTERLY REPORT – THIRD QUARTER ENDED 30 SEPTEMBER 2007

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

(XII) Dividend

Total dividend paid for the financial year ending 31 December 2007 to date	RM'000 12,493
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The Board had declared a second interim dividend, in respect of financial year ending 31 December 2007, of 8 sen per share less tax at 27% totaling RM14.28 million, payable to shareholders on 21 December 2007. The dividend entitlement date shall be 30 November 2007.

(XIII) Earnings per share

Basic earnings per share (“EPS”)

The calculation of the basic EPS was based on the Group profit for the period divided by the weighted average number of ordinary shares in issue.

	9 months ended 30 September	
	2007	2006
Net profit attributable to shareholders of the Company (RM'000)	65,096	44,058
Weighted average number of ordinary share in issue ('000)	244,491	244,495
Basic earnings per ordinary shares (sen)	26.63	18.02