New Logo Rationale

In an effort to continue to build value in every way, we launched our new brand identity and guidelines in conjunction with the close of our 20th Anniversary celebrations.

Our new corporate logo displays the word ‘Naim’ in green, gold and red colours, which reflects the Group’s strength and capabilities. Green represents growth, sincerity and fairness, gold represents excellence and superior quality, and red represents strength and prosperity.

More importantly, there is fluidity in design, where every alphabet is interconnected, signifying the need for coherence and co-operation among all functions of the business to fulfill our brand purpose of ‘Building Value In Every Way’. In addition, the building blocks displayed therein symbolise our vision and desire to build and add value to our stakeholders, community, State and country at large.

This new identity is supported by a set of guidelines ensuring that its representation in our operations is consistent for stronger brand recall. This new identity will undoubtedly provide us with new opportunities for new impetus and involvement with the brand.
Theme For
Cover Design

The close of our 20th Anniversary celebrations signals a new and exciting chapter for our Group. Our journey forward is all about ‘Building Value In Every Way’, being our brand purpose henceforth.

Guided by this purpose as the foundation in everything we do and supported by our workforce armed with the S.P.I.R.I.T.E.D. core values and work culture, NAIM will continue to be the enabler to build value in every way, now and in time to come!
Relaxing boardwalk at Naim Southlake Permyjaya Miri
Our Vision

To be a TOP NOTCH GLOBAL property developer and infrastructure builder

Our Mission

To achieve our aspiration, we are committed to BUILD VALUE IN EVERY WAY, with you and for you by:

• EXPERIENCING CUSTOMER EXPECTATIONS

• Being The BEST PLACE TO WORK on earth

• Being The BEST COMPANY TO INVEST IN and DO BUSINESS WITH

• Being an EXEMPLARY CORPORATE CITIZEN that CONTRIBUTES GENEROUSLY to the society, community and environment
Our S.P.I.R.I.T.E.D Cultural Beliefs

SERVICE
I make customers & their needs my primary focus

PROFESSIONALISM & INTEGRITY
I demonstrate professionalism & integrity in everything I do

RESPECT
I treat others with dignity and respect, and expect to be treated the same

INNOVATION
I look for innovative ways to continually improve what we do in NAIM

TEAMWORK & ENGAGEMENT
I work as a team, and engage the contribution of Valued Partners to achieve collective goals

EMPOWERMENT
I am empowered and accountable for all my actions

DETERMINATION
I am determined & committed to overcoming challenges for the success of NAIM!

Corporate Responsibility Statement
To consider, monitor and ensure that our operations continue to have a positive impact on our employees, the communities we work in and the environment that nurtures us, and to promote trust and mutual respect amongst our customers and all other stakeholders.
Cautionary Statement Regarding Forward-Looking Statements

This Annual Report contains some forward-looking statements in respect to the Naim Group’s financial condition, results of operations and business. These forward-looking statements represent the Naim Group’s expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Readers are hereby cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. In this respect, readers must therefore not rely solely on these statements in making investment decisions regarding the Naim Group. You should rely on your own evaluation to assess the merits and risks of any investment decisions and seek independent advices from your stockbroker, bank manager, solicitor, accountant, financial consultant/analyst or other professional adviser immediately. The Board and the Naim Group shall not be responsible for any investment decisions made by readers in reliance on those forward-looking statements. Forward looking statements speak only as of the date they are made, and it should not be assumed that they have been reviewed or updated in the light of new information or future events that would arise in the interim of the publication of this Annual Report and the time of reading this Annual Report.
Performance At A Glance

8 Corporate Profile
9 Group Financial Summary
10 10-Year Financial Highlights
12 Share Performance
Corporate Profile

Commencing operations in 1995 with its landmark development in Tudan, Miri (now known as Naim Bandar Baru Permyjaya), Naim ventured into construction with its first low cost housing project for the then Housing and Development Commission and the construction of the Pujut 7 bridge across Miri River in 1997.

In 1999, it expanded to Kuching with its Naim Desa Ilmu development, followed by its upmarket satellite township called the Naim Riveria development in Kota Samarahan, Kuching. Naim was listed on the Main Board of Bursa Malaysia Berhad on 12 September 2003.

Today, Naim Holdings Berhad, an investment holding company with two main subsidiaries, Naim Land Sdn. Bhd. (NLSB) and Naim Engineering Sdn. Bhd. (NESB), is a fully-integrated property and construction player focusing on integrated property developments, construction, civil engineering, oil and gas and infrastructure projects, and oil and gas services through its investment in Dayang Enterprise Holdings Bhd.

Naim is a Class A Contractor with ISO 9001 certification. It has also emerged as one of Malaysia’s largest Bumiputera contractors, having carried out more than RM5 billion worth of works (including its own development projects).

With its flagship property developments known as Naim Bandar Baru Permyjaya in Miri, Naim Kuching Paragon integrated development, Naim Desa Ilmu and Naim Riveria in Kuching and Naim Bintulu Paragon integrated development in Bintulu. Naim has also built and developed more than 20,000 properties for the Sarawak community.

Customer satisfaction year after year clearly demonstrates the philosophies of Naim’s existence – excellent quality, timely delivery, value and customer service. This has resulted in more than 29 industry awards/accolades being won since 2002, an acknowledgement of Naim’s significant contribution in the property and construction sectors.
Group Financial Summary

### Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>% Change From 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (RM'000)</td>
<td>428,030 - 27.99</td>
</tr>
<tr>
<td>Profit Before Tax (RM'000)</td>
<td>3,526 - 92.02</td>
</tr>
<tr>
<td>Net Profit Attributable to Owners of the Company (RM'000)</td>
<td>717 - 97.91</td>
</tr>
<tr>
<td>Total Assets (RM'000)</td>
<td>2,227,721 + 5.48</td>
</tr>
<tr>
<td>Shareholders’ Equity (RM'000)</td>
<td>1,314,572 + 0.56</td>
</tr>
<tr>
<td>Earnings Per Share (sen)</td>
<td>0.30 - 97.93</td>
</tr>
<tr>
<td>Net Assets Per Share (RM)</td>
<td>5.26 + 0.38</td>
</tr>
<tr>
<td>Return On Equity (%)</td>
<td>0.05 - 98.10</td>
</tr>
<tr>
<td>Gross Dividend (sen)</td>
<td>-</td>
</tr>
<tr>
<td>Gross Dividend Yield (%)</td>
<td>-</td>
</tr>
</tbody>
</table>

### Financial Calendar

<table>
<thead>
<tr>
<th>Financial Year End</th>
<th>31 Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Announcement of Results</td>
<td>1st quarter 26 May 2016</td>
</tr>
<tr>
<td></td>
<td>2nd quarter 26 Aug 2016</td>
</tr>
<tr>
<td></td>
<td>3rd quarter 24 Nov 2016</td>
</tr>
<tr>
<td></td>
<td>4th quarter 23 Feb 2017</td>
</tr>
<tr>
<td>Notice of Annual General Meeting &amp;</td>
<td>28 April 2016</td>
</tr>
<tr>
<td>Extraordinary General Meeting</td>
<td></td>
</tr>
<tr>
<td>Annual General Meeting &amp;</td>
<td>26 May 2016</td>
</tr>
<tr>
<td>Extraordinary General Meeting</td>
<td></td>
</tr>
</tbody>
</table>

### Investor Relations Service

The Group maintains a website (www.naim.com.my) which provides detailed information on the Group’s operations and latest developments. For further details, please forward your queries to investorrelations@naim.com.my (attn: Mr Johnny Wong).
## 10-Year Financial Highlights (in RM million)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>646.02</td>
<td>523.72</td>
<td>566.92</td>
<td>612.69</td>
<td>411.89</td>
<td>492.78</td>
<td>711.46</td>
<td>656.48</td>
<td>594.37</td>
<td>428.03</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>126.33</td>
<td>104.30</td>
<td>115.53</td>
<td>132.04</td>
<td>57.16</td>
<td>112.86</td>
<td>252.61</td>
<td>227.72</td>
<td>44.18</td>
<td>3.53</td>
</tr>
<tr>
<td>Net Profit Attributable to Owners of the Company</td>
<td>76.27</td>
<td>80.75</td>
<td>84.98</td>
<td>97.75</td>
<td>46.63</td>
<td>89.49</td>
<td>235.72</td>
<td>220.34</td>
<td>34.33</td>
<td>0.72</td>
</tr>
<tr>
<td>Earnings Per share (sen)</td>
<td>31.20</td>
<td>33.32</td>
<td>35.85</td>
<td>41.25</td>
<td>19.68</td>
<td>37.77</td>
<td>99.49</td>
<td>92.99</td>
<td>14.49</td>
<td>0.30</td>
</tr>
<tr>
<td>Total Assets</td>
<td>906.92</td>
<td>955.92</td>
<td>1,057.16</td>
<td>1,054.62</td>
<td>1,289.06</td>
<td>1,397.45</td>
<td>1,715.09</td>
<td>1,879.03</td>
<td>2,111.92</td>
<td>2,227.72</td>
</tr>
<tr>
<td>Shareholders' Equity</td>
<td>539.32</td>
<td>587.65</td>
<td>652.36</td>
<td>724.02</td>
<td>747.18</td>
<td>831.96</td>
<td>1,039.88</td>
<td>1,261.03</td>
<td>1,307.28</td>
<td>1,314.57</td>
</tr>
<tr>
<td>Net Tangible Assets</td>
<td>537.96</td>
<td>586.75</td>
<td>652.36</td>
<td>714.38</td>
<td>738.22</td>
<td>823.69</td>
<td>1,032.28</td>
<td>1,254.11</td>
<td>1,301.04</td>
<td>1,309.01</td>
</tr>
<tr>
<td>Net Tangible Assets Per Share (RM)</td>
<td>2.15</td>
<td>2.35</td>
<td>2.61</td>
<td>2.86</td>
<td>2.95</td>
<td>3.29</td>
<td>4.13</td>
<td>5.02</td>
<td>5.20</td>
<td>5.24</td>
</tr>
<tr>
<td>Total Number of Shares of RM1.00 each</td>
<td>250.00</td>
<td>250.00</td>
<td>250.00</td>
<td>250.00</td>
<td>250.00</td>
<td>250.00</td>
<td>250.00</td>
<td>250.00</td>
<td>250.00</td>
<td>250.00</td>
</tr>
<tr>
<td>Gross Dividend Rate (%)</td>
<td>15%</td>
<td>13%</td>
<td>8%</td>
<td>10%</td>
<td>8%</td>
<td>8%</td>
<td>3%</td>
<td>3.5%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Share Performance

NAIM HOLDINGS BERHAD Share Performance Chart
from 12 September 2003 to 31 March 2017

Share Price (Ringgit Malaysia)
Volume (Share in million)

Volume traded
Share Price

Naim Composite Construction Property
Corporate Information

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15 Corporate Structure
16 Board Of Directors
18 Directors’ Profiles
28 Key Senior Management
   Members’ Profiles
30 OUR VALUED PARTNERS:
   Talent Management And Development
34 Our Awards And Accolades
Corporate Information

BOARD OF DIRECTORS

Chairman
- Datuk Amar Abdul Hamed Bin Haji Sepawi

Managing Director
- Datuk Hasmi Bin Hasnan

Deputy Managing Director
- Wong Ping Eng

Senior Independent Non-Executive Directors
- Datu (Dr.) Haji Abdul Rashid Bin Mohd Azis

Independent Non-Executive Directors
- Dato Ir. Abang Jemat Bin Abang Bujang
- Emeritus Professor Dato’ Abang Abdullah Bin Abang Mohamad Alli
- Datin Mary Sa’diah Binti Zainuddin
- Tan Chuan Dyi

Non-Independent Non-Executive Director
- Chin Chee Kong

Company Secretaries
- Bong Siu Lian (MAICSA 7002221)
- Hasmiah Binti Anthony Hasbi (SAA0772-KH004)

Registered Corporate Office
9th Floor, Wisma Naim, 2½ Mile, Rock Road
93200 Kuching, Sarawak, Malaysia
Tel: 6 082 411667  Fax: 6 082 429869

Registrar
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel: 6 03 27839299  Fax: 6 03 27839222

Stock Exchange Listing
Bursa Malaysia
Listed on 12 September 2003
Sector: Property
Stock Code: 5073
Stock Name: Naim

Auditor
KPMG PLT
Corporate Structure (as at date of Annual Report)

**OIL & GAS**
- Dayang Enterprise Holdings Bhd.* (712243-U)

**PROPERTY**
- Naim Land Sdn. Bhd. (261213-T)

**PROPERTY DEVELOPMENT**
- Khidmat Mantap Sdn. Bhd. (507452-T)
- Desa Ilmu Sdn. Bhd. (413853-U)
- Naim Commercial Sdn. Bhd. (359709-W)
- Peranan Makmur Sdn. Bhd. (750132-X)
- Samalaju Properties Sdn. Bhd.* (752695-D)

**PROPERTY INVESTMENT AND MANAGEMENT**
- Naim Realty Sdn. Bhd. (359962-P)
- Naim Assets Sdn. Bhd. (560640-X)
- Harmony Faber Sdn. Bhd. (1007810-K)
- Naim Hotel Sdn. Bhd. (1102553-M)
- Naim Cendera Tujuh Sdn. Bhd. (516706-K)
- Naim Property Services Sdn. Bhd. (1039643-U)
- Miri Specialist Hospital Sdn. Bhd.* (916372-H)

**ENGINEERING / CONSTRUCTION**
- Naim Engineering Sdn. Bhd. (420203-w)
- Naim Capital Sdn. Bhd. (359566-U)
- Naim Capital Port Sdn. Bhd. (989050-T)
- Naim Capital Housing Sdn. Bhd. (988890-K)
- NAIM GAMUDA (NAGA) JV SDN. BHD. (1195225-X)
  (formerly known as Barisan Sehati Sdn. Bhd.)
- GAMUDA NAIM ENGINEERING AND CONSTRUCTION (GNEC) SDN. BHD.* (1194678-D)
  (formerly known as General Mission Sdn. Bhd.)
- Kempas Sentosa Sdn. Bhd.* (262075-U)

**OTHER BUSINESSES**

**MANUFACTURING**
- Naim Premix Sdn. Bhd. (764292-K)
- Unique Composite Sdn. Bhd. (1016726-M)

**TRADING / SERVICES**
- Vista Megalink Sdn. Bhd. (1108005-W)

**QUARRY OPERATIONS**
- Simbol Warisan Sdn. Bhd. (750204-D)
- Jelas Kemuncak Resources Sdn. Bhd. (746691-M)
- Naim Cendera Lapan Sdn. Bhd. (516711-V)

**TWENTY SIX OTHER SEMI-ACTIVE AND DORMANT COMPANIES**

* Associates
From Left to Right

1 Tan Chuan Dyi
   Independent Non-Executive Director

2 Datin Mary Sa’diah Binti Zainuddin
   Independent Non-Executive Director

3 Wong Ping Eng
   Deputy Managing Director

4 Datuk Hasmi Bin Hasnan
   Managing Director

5 Datuk Amar Abdul Hamed Bin Haji Sepawi
   Chairman

6 Datu (Dr.) Haji Abdul Rashid Bin Mohd Azis
   Senior Independent Non-Executive Director

7 Dato Ir. Abang Jemat Bin Abang Bujang
   Independent Non-Executive Director

8 Emeritus Professor Dato’ Abang Abdullah
   Bin Abang Mohamad Alli
   Independent Non-Executive Director

9 Chin Chee Kong
   Non-Independent Non-Executive Director
Directors’ Profiles

Datuk Amar Abdul Hamed Bin Haji Sepawi
Chairman

Malaysian, Male, Aged 67
Date of Appointment 25 July 2003

Qualification(s)
- BSc (Hons) from University of Malaya
- Undergraduate studies in forestry at the Australia National University
- MSc in Forest Products from Oregon State University, USA

Board Committees
- Chairman, Nominating Committee
- Member, Risk Management Committee

Present Directorship in other PLC(s)
- Ta Ann Holdings Berhad
- Sarawak Plantation Berhad

Present Directorship in Non Listed Company
- Sarawak Energy Berhad

Working Experience and Occupation
Prior to the Naim Group’s listing, he was Non-Executive Chairman of Naim Land Sdn. Bhd. since 12 October 1995. Whilst remaining active in the timber and plantation industries, Datuk Amar Abdul Hamed developed his career around his keen personal interest in the construction sector, which was first acquired through school vacation jobs in Miri. For more than 30 years, he has been active as an investor, manager and director in companies carrying out civil works, offshore engineering, construction, housing and property development.

He was conferred the coveted Sarawak State Outstanding Entrepreneurship Award 2014 by the Ministry of Industrial Development, in association with the Sarawak Chamber of Commerce and Industries (SCCI) and Ernst & Young in recognition of his contribution towards the State’s economic development. In 2015, he was conferred The BrandLaureate’s prestigious ‘Man of the Year’ Brand ICON Leadership Award 2015, an internationally recognised award honouring great iconic brand leaders who have transformed their brands into powerful brands which sustained the test of time.

He was also a member of the National Economic Consultative Council II.
Academic/Professional Qualification(s)
- BSc in Estate Management from the London South Bank University, UK
- Senior Certified Valuer with the International Real Estate Institute, USA
- Member of the International Real Estate Federation (FIABCI)

Board Committees
- Member, Remuneration Committee

Present Directorship in Non Listed Company
- Naim Incorporated Berhad
- Kebajikan Dayang Fatimah Berhad (non-profit company, limited by guarantee)

Working Experience and Occupation
He began his career in 1979 as a valuer in the Land and Survey Department of Sarawak. Since 1982, he has been involved in a wide range of businesses, including valuation, project management, property development and management, construction, timber, manufacturing, trading and publishing. In June 1993, he became the Managing Director of Naim Land Sdn. Bhd. and has since been the main driving force behind the Group’s growth and expansion. He was awarded the Property Man of the Year for 2008 by FIABCI in Kuala Lumpur.

In 2016, Datuk Hasmi was conferred the ‘Property Man of The Year’ award and ‘Sarawak State Outstanding Entrepreneurship’ award by the Sarawak Housing and Real Estate Developers Association (SHEDA) and Ministry of Industrial and Entrepreneur Development, Trade and Investment Sarawak in association with Sarawak Chamber of Commerce and Industry (SCCI) and Ernst and Young, respectively.
Directors’ Profiles (continue)

Wong Ping Eng
Deputy Managing Director
Malaysian, Female, Aged 43
Date of Appointment 29 November 2012

Academic/Professional Qualification(s)
- Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College, Kuala Lumpur
- A Certified Accountant with the Malaysian Institute of Accountants and Association of Chartered Certified Accountants (ACCA)

Present Directorship in other PLC(s)
- Dayang Enterprise Holdings Bhd.
- Perdana Petroleum Berhad

Present Directorship in Non Listed Company
- Naim Incorporated Berhad

Working Experience and Occupation
She has more than 15 years’ experience in financial and accounting field. She started her career as an Audit Assistant at KPMG Kuching in September 1997 until December 2000. In 2004, she moved to Naim as an Accountant. In July 2004-2008, she was appointed the Operations Manager for Naim’s Bandar Baru Permyjaya project in Miri where she was responsible for managing the whole of Miri’s operations. In July 2008, she was promoted as the Vice President – Finance and Accounts to oversee the Group’s Finance and Accounts Division and subsequently promoted as the Deputy Director, Finance and IT Division. In August 2012, she was promoted to Senior Director for the Group’s Support Division comprising Finance and Accounts, Administration, Human Resource and Information Technology. She was appointed as an Executive Director of Naim Holdings Berhad on 29 November 2012 and on 9 January 2013 she was re-designated as the Deputy Managing Director.
Datu (Dr.) Haji Abdul Rashid Bin Mohd Azis

Senior Independent Non-Executive Director

Malaysian, Male, Aged 71

Date of Appointment
16 February 2005

Academic/Professional Qualification(s)
- Diploma in Management Science (Finance), Institut Tadbiran Negara Malaysia (INTAN)
- Degree of Doctor (Honoris Causa) by Swinburne University of Technology, Australia
- Master in Business Administration from Brunel University, UK
- Certificate of Executive Programme AIM
- Senior Executive Fellows Programme, Harvard University, USA

Board Committees
- Chairman, Audit Committee
- Member, Nominating Committee
- Member, Remuneration Committee
- Member, Risk Management Committee

Working Experience and Occupation
He joined the Sarawak Administrative Service in 1965. He worked in the Government Service for 41 years and has held various senior posts in Government Departments and Statutory Bodies. The last post he held was as the Director of Sarawak Foundation until his retirement from government service in December 2005.

He was a Director of Sarawak Electricity Supply Corporation (SESCO), Aseambankers (M) Berhad, Tradewinds (Malaysia) Berhad and Sarawak Widows and Orphans Pension Fund (WOPF). Alternate Member to the State Secretary of Sarawak in Employees’ Provident Fund (EPF) Board and a member of Majlis Islam, Sarawak. Datu (Dr) Haji Abdul Rashid Bin Mohd Azis retired from the post of Deputy Chairman of Yayasan Sarawak and Board Member of Sarawak Economic Development Corporation (SEDC) in December 2016.

Currently, he is also the Chairman of the Charitable Trust, Bandar Sri Aman Mosque, a Board Member of Swinburne University of Technology and Deputy Chairman of the University’s Council (Sarawak Campus).
Dato Ir. Abang Jemat Bin Abang Bujang
Independent Non-Executive Director
Malaysian, Male, Aged 63

Date of Appointment
i. As Independent Non-Executive Director (25 July 2003)
ii. Re-designated to Non-Independent Non-Executive Director (14 March 2005)
iii. Reinstated as Independent Non-Executive Director (21 March 2011 till now)

Academic/Professional Qualification(s)
- Bachelor of Engineering (Electrical) from Newcastle University, New South Wales, Australia
- Registered Professional Engineer with the Board of Engineers, Malaysia
- Member of the Institute of Engineers, Malaysia

Board Committees
- Chairman, Remuneration Committee
- Member, Audit Committee
- Member, Long Term Incentive Plan Committee

Working Experience and Occupation
He served Telecom Department Sarawak from 1979 to 1990 as a Telecommunication Engineer and later as Director of Telecom Department Sarawak. He was the General Manager of Syarikat Telekom Malaysia Sarawak Region from 1995 to 1998. From 1999 to 2000, he was the Chief Executive Officer of TM Cellular Sdn. Bhd, a wholly-owned subsidiary of Syarikat Telekom Malaysia. From 2001 until his retirement on 31 October 2012, he was the Managing Director and Chief Executive Officer of Sacofa Sdn. Bhd. He was awarded the Pingat Perkhidmatan Bakti (PPB) in 1997 and Panglima Setia Bintang Sarawak (PSBS) in 2011 by TYT Yang di-Pertua Negeri Sarawak.
Datin Mary Sa’diah Binti Zainuddin
Independent Non-Executive Director

Malaysian, Female, Aged 60
Date of Appointment 27 February 2013

Academic/Professional Qualification(s)
- Bachelor of Social Science (Hons), Universiti Sains Malaysia

Board Committees
- Chairman, Risk Management Committee
- Member, Nominating Committee
- Member, Long Term Incentive Plan Committee
- Member, Remuneration Committee

Present Directorship in other PLC(s)
- KKB Engineering Berhad

Working Experience and Occupation
She has more than 30 years of experience in the oil and gas industry and was the General Manager, Petronas Sarawak Regional Office Kuching since 2009 till her retirement on 31 December 2012. Her 30 years’ of wide experience in Petronas includes management, public relations, administration, marketing, procurement and corporate affairs. She is also the President of Sarawak Women Hockey Association, a member of the Kuching North City Commission and a member of the Majlis Wanita & Keluarga Sarawak (Ministry of Women & Family).
Emeritus Professor Dato’ Abang Abdullah Bin Abang Mohamad Alli
Independent Non-Executive Director

Malaysian, Male, Aged 64

Date of Appointment 15 May 2007

Academic/Professional Qualifications
- Bachelor degree in Civil Engineering from the University of Brighton
- Master degree in Structural Engineering from the University of Manchester
- Registered Professional Engineer (PEng) with the Board of Engineers, Malaysia, and Chartered Engineer (CEng) with the Engineering Council, UK
- Fellow of the Institution of Engineers, Malaysia (FIEM), Institution of Civil Engineers, UK (FICE), International Ferrocement Society (FIFS), Academy of Sciences, Malaysia (FASc) and ASEAN Academy of Engineering and Technology (FAAET)
- Honorary Member (Academician) of the Kazakhstan Engineering Academy, Honorary Fellow of the Institution of Engineers, Malaysia and the ASEAN Federation of Engineering Organisations

Board Committees
- Chairman, Long Term Incentive Plan Committee

Working Experience and Occupation
Emeritus Professor Dato’ Abang Abdullah began his career as a lecturer at Universiti Putra Malaysia in 1976. During his almost 40 years career at Universiti Putra Malaysia, he was promoted to Associate Professor, Professor and Senior Professor. He held the position as Dean, Faculty of Engineering. He was conferred the title Emeritus Professor by Universiti Putra Malaysia on October 2016. He was the Chairman of the Malaysian Council of Engineering Deans and served as a Design Engineer at Malaysian International Consultants (Minconsult) and Perunding Bakti Sdn. Bhd. He has served as a Board Member of the Malaysian Highway Authority (LLM), Board of Engineers, Malaysia (BEM) and Malaysian Board of Technologists (MBOT). He is currently the President of the Malaysian Society for Engineering and Technology (MySET), and a past President of the Institution of Engineers, Malaysia (IEM) and Federation of Engineering Institutions of Islamic Countries (FEIIC).

He was elected as an Honorary Advisor to the Master Builders Association, Malaysia (MBAM) and Chairman of CIDB Steering Committee on Industrialised Building System. He was appointed an Advisor of King Abdullah University of Science and Technology (KAUST), Saudi Arabia, Adjunct Professor of Universiti Malaysia Sarawak, Board/Council Member of Universiti Kuala Lumpur (UniKL), Board Member of the National Accreditation Board (LAN), Director of Housing Research Centre (HRC) and Institute of Advanced Technology, Universiti Putra Malaysia, and Board Member of the Polytechnic Curriculum Board, Ministry of Higher Education.

He has written a book on Industrialised Buildings Systems (IBS) and has been involved in research work on housing and construction technology, specifically in the areas of low cost materials of construction, industrialised building systems and affordable quality housing.
Tan Chuan Dyi
Independent and Non-Executive Director
Malaysian, Male, Aged 45
Date of Appointment 23 February 2017

Academic/Professional Qualification(s)
• Bachelor of Science in Business Administration – Finance from California State University of Fresno

Working Experience and Occupation
He joined PRG Holdings Bhd in 2014 and is currently the Chief Operating Officer (Manufacturing). He has 19 years of experience in the financial services industry, particularly in the areas of fund management, institutional broking, investment banking and capital markets.

Prior to joining PRG, he was with Kenanga Investment Bank where during his tenure, he has held several positions namely Director, Head of Equity Syndication, Institutional Business and Projects.

Prior to Kenanga Investment Bank, he was Head, Equity Capital Markets of RHB Investment Bank Bhd. He started his career in the industry with Arab-Malaysian Asset Management before moving to Affin Securities and CIMB as Senior Vice President, Institutional Sales.
Directors’ Profiles (continue)

Chin Chee Kong
Non Independent and Non-Executive Director
Malaysian, Male, Aged 59
Date of Appointment 1 October 2015

Academic/Professional Qualification(s)
• Member, Malaysian Institute of Certified Public Accountants & Malaysian Institute of Accountants

Board Committees
• Member, Audit Committee
• Member, Long Term Incentive Plan Committee

Present Directorship in other PLC(s)
• Perdana Petroleum Berhad

Present Directorship in Non Listed Company
• Kebajikan Dayang Fatimah Berhad
  (non-profit company, limited by guarantee)

Working Experience and Occupation
He joined Peat Marwick Mitchell & Co (now known as KPMG) in Kuala Lumpur, Malaysia on 2 February 1979 as an audit junior. KPMG registered him as an articled student with The Malaysian Association of Certified Public Accountants (now known as The Malaysian Institute of Certified Public Accountants or MICPA) in the second half of 1979. After having passed the Foundation and Professional examinations set by MICPA and in the process won all the 5 gold medals on offer for the Professional I and Professional II examinations, he was seconded to the tax division of KPMG Melbourne, Australia from October 1984 to March 1985. In August 1985, he was transferred to take charge of the Kuching Office of the firm and on 1 October 1990, he was promoted to be a partner of KPMG Malaysia. During his tenure with the Firm, he was principally involved in the provision of audit, taxation, financial advisory and corporate advisory services to corporate clients, both public listed and privately held. He retired from the Firm on 31 December 2013.
Construction works for Naim Sapphire On The Park condominium in progress
Key Senior Management Members’ Profiles

Dato’ Haji Mohd Nizam Bin Abdul Malik
Chief Executive Officer – Construction and Oil & Gas

Malaysian, Male, Aged 50

Date of Appointment
1 December 2016

Academic/Professional Qualification(s)
• B. Eng (Hons) Electrical & Electronic Engineering, The Polytechnic of Wales
• MBA (Finance), International Islamic University Malaysia
• Ordinary Member of Malaysian Institute of Management
• Graduate Member of Institution of Engineers, Malaysia
• Graduate Member of Board of Engineers, Malaysia
• Affiliate Member of IChemE, UK

Working Experience and Occupation
He joined Naim as the Chief Executive Officer – Construction and Oil & Gas on 1 December 2016. He has more than 26 years of work experience in the power sector, oil & gas, petrochemicals, oleo/biochemicals and general industries.

Tan Kian Ann
Senior General Manager – QAQC

Malaysian, Male, Aged 61

Date of Appointment
4 January 2016

Academic/Professional Qualification(s)
• Bachelor of Science (Architecture), University of New South Wales, Australia
• Bachelor of Architecture, University of New South Wales, Australia
• Professional Architect (Ar.) registered with the Board of Architect Malaysia since 1991

Working Experience and Occupation
He joined Naim as the Senior General Manager – QAQC & Process on 4 January 2016. He has more than 30 years of work experience as an Architect.

Lee Han Ming
Chief Executive Officer – Property

Malaysian, Male, Aged 49

Date of Appointment
16 December 2015

Academic/Professional Qualification(s)
• Bachelor of Science, University of Malaya, Malaysia
• Master in Business Administration, University of New England, Australia

Working Experience and Occupation
He joined Naim as the Chief Executive Officer – Property on 16 December 2015. He has more than 25 years of work experience, having held various senior management positions in multinational corporations across Asia Pacific.

Andrew Chan Geh Hui
Head of Group Human Resources

Malaysian, Male, Aged 49

Date of Appointment
16 December 2015

Academic/Professional Qualification(s)
• Bachelor of Science, University of Malaya, Malaysia
• Master in Business Administration, University of New England, Australia

Working Experience and Occupation
He joined Naim as the Head of Group Human Resources on 16 December 2015. He has more than 25 years of work experience, having held various senior management positions in multinational corporations across Asia Pacific.
Emily Hii San San
Deputy Director – Finance

Malaysian, Female, Aged 39

Date of Appointment
1 June 2010

Academic/Professional Qualification(s)
• Bachelor of Commerce, majoring in Accountancy and Diploma for Graduates, University of Otago, New Zealand
• Chartered Accountant of New Zealand Institute of Chartered Accountant (now known as Chartered Accountants Australia and New Zealand)
• Member of MIA, August 2005

Working Experience and Occupation
She joined Naim on 1 June 2010 as Finance Manager. On 1 August 2012, she was promoted to the position of Deputy Director – Finance. She has more than 15 years of work experience in accounting and tax related areas.

• The members of the key senior management team were appointed to head the operating subsidiaries.

• None of the members of the key senior management team holds directorship in public companies and listed issuers.

• There is no family relationship between members of the key senior management team and Directors and/or Major Shareholders of the Company.

• The members of the key senior management team have no conflict of interests with the Company.

• None of the members of the key senior management team were convicted of any offences within the past 5 years other than traffic offences.
OUR VALUED PARTNERS: Talent Management And Development

Strengthening Valued Partners’ Growth
At Naim, we believe in enhancing our Valued Partners’ growth, professionally, personally and emotionally. This is based on the philosophy that better people, from the aspect of capability, values and mindset, will contribute immensely towards the creation of a happy and positive work environment, adding value to our Group’s growth ultimately.

We were indeed honoured when our continued commitment and efforts in human capital development and management were duly recognised by the Employer Branding Institute and Stars of Industry Group, in collaboration with the CHRO Asia and Asian Confederation of Businesses, when we were adjudged a winner of the ‘Malaysia Best Employer Brand Awards’, joining the ranks of Malaysia’s Top 50 employer brands.

Very importantly, our initiatives in honing Valued Partners’ talent, creativity and execution power, inculcating our S.P.I.R.I.T.E.D. core values, and promoting total employee wellness reaffirm our commitment in making Naim THE BEST PLACE TO WORK ON EARTH.

Learning through Technology
We have rolled out an internally-developed ‘Computer Based Training’ platform during the year to enhance our Valued Partners’ knowledge on our Group’s Standard Operating Procedures (SOPs) and Best Practices to facilitate operational efficiency. Comprising information giving and interactive contents, the platform serves as a convenient professional development tool for Valued Partners.

Face-to-Face Professional Training and Development Interventions
As part of the Group’s commitment to focus on continuous development of our people, various structured training and development interventions were organised throughout the year. These training interventions were the result of a detailed training needs analysis done in an effort to close the performance gap.

Some of the training and development programmes organised were:
- Time Management and Work-Life Balance
- Essential General Management Skills (Malaysia Institute of Management)
- Communication & Negotiation Skills: Team Building & Bonding
- Contract Administration & Strategy
- Sales & Marketing Retreat
- Primavera Contracts Management
- Project Management in Construction
- Skills-based training such as Brick & Block Laying Skills, etc.

In addition to internally-organised training interventions, our Valued Partners also attended programmes organised by various professional bodies and other regional conferences, which included:
- MBAM Site Safety Supervisor
Engage and Align

We believe that an engaged workforce brings passion, inspiration, organisational alignment and productivity to the organisation. More importantly, workforce engagement helps build a sense of belonging to the organisation, a concept of ‘shared destiny’.

At Naim, we are never short of initiatives to facilitate greater engagement with our Valued Partners. One of our key initiatives in this regard is the launch of our Employee Engagement Guidelines for Heads of Departments and Team Leaders to bring our level of employee engagement to new heights.

In addition, other key activities in this regard include the Group Managing Director’s sharing sessions, regular
OUR VALUED PARTNERS:
Talent Management And Development (continue)

town hall sessions, mentoring and coaching activities and also departmental gatherings and brainstorming sessions.

As the saying goes, ‘no knowledge is ever wasted’– besides the fun element, such initiatives not only allow us to discover ‘hidden gems’ among our Valued Partners, but also add value to their career development in time to come.

Rewarding Outstanding Efforts, Innovation and Long Service
Staying true to our Group’s philosophy of rewarding excellence, innovation and commitment, we presented various awards such as the Chairman’s Award for overall excellence, ‘SPOT’ awards for outstanding efforts in specific areas and long service awards. Such awards were presented during events such as ‘Ramadhan Buka Puasa’ get-togethers and our 20th Anniversary Closing ceremony.

Adding Value to Total Employee Wellness
In line with our commitment towards total employee wellness, we rolled out our employee helpdesk digital platform called the ‘Employee Support Centre’ (ESC) during the year. The ESC is accessible by Valued Partners via our Naim Intranet and comprises various informative modules which add value to Valued Partners’ professional knowledge and personal development.

In addition, we also organised various financial management-related programmes to assist Valued Partners plan for periods beyond their employments as follows:
- Building a ‘Retirement-Ready’ Workforce
- Better-Manage Your EPF/KWSP ‘i-Akaun’ seminar

Upholding the Concept and Importance of the ‘Greater Good’
In pursuant of our strong belief that everyone can and must make a difference for our environment and communities, we created opportunities for our Valued Partners to be involved in a series of corporate social responsibility initiatives and outreach programmes. These initiatives included wetlands and forest conservation activities, collaborations with institutions of higher learning, community outreach programmes and many more.

Such initiatives will not only foster greater team work and camaraderie among our Valued Partners, but more importantly, will make them BETTER PEOPLE, for the benefit of the current and future generations.
Promoting Workforce and Workplace Diversity

We encourage workplace diversity and provide equal opportunity for all team members – all team members irregardless of age, gender, race, religion, nationality and education work in harmony and have equal opportunity to succeed.

We also believe in recruiting the best talent available and developing them to realise their full potential. As at 31 December 2016, out of our total monthly paid staff, approximately 58% holds tertiary and technical qualifications consistent with our objective to absorb more young graduates and technically qualified persons into the workforce. Among our executive level employees, 57% possesses professional and/or postgraduate qualifications.

We have also increased the participation of women in our workforce, with an increase of 2% in 2016 as compared with 2015.

Manpower Distribution by Job Category as at 31 December 2016

- Executive Management: 1%
- Senior Management: 3%
- Middle Management: 13%
- Junior Management: 45%
- Executive Management: 1%
- Non Executive: 38%

Manpower Distribution for Monthly Paid Employees as at 31 December 2016

- Master Degree: 3%
- Bachelors Degree: 32%
- Diploma: 15%
- Certificate: 7%
- Professional: 1%
- Others: 7%
- Primary: 9%
- Secondary: 26%

Manpower Distribution for Monthly Paid Employees (Executives & Above) as at 31 December 2016

- Professional: 2%
- Bachelors Degree: 51%
- Diploma: 21%
- Masters Degree: 4%
- Others: 2%
- Primary: 1%
- Secondary: 12%
- Certificate: 7%

Manpower Distribution between Men and Women for Monthly Paid Employees as at 31 December 2016

- Male: 60%
- Female: 40%
Our Awards And Accolades

29. 2016
The Sarawak CMEA Award:
Large Enterprise (Construction)

Sarawak State Outstanding Entrepreneurship Award

27. 2016
SHEDA Excellence Awards:
Property Man of The Year

The Best Qlassic Achievement
Non-Residential (Large) Category

25. 2015
One of Malaysia’s Top 20 Property Developers
(The Edge Malaysia’s Top Property Developers Awards 2015) & the ONLY East Malaysia-based developer award recipient

24. 2015
Award For PLWS Practitioners

23. 2015
Malaysia Property Insight Prestigious Developer Awards: Outstanding Developer East Malaysia

22. 2014
One of Malaysia’s Top 20 Property Developers
(The Edge Malaysia’s Top Property Developers Awards 2014) & the ONLY East Malaysia-based developer award recipient

21. 2014
The Sarawak CMEA Award:
Large Industries (Services and Other Sectors - Construction)

20. 2014
Malaysian Reserve Property Press Awards
Most Prestigious Integrated Development - Bintulu Paragon

19. 2014
Malaysian Reserve Property Press Awards
Most Prestigious Integrated Lifestyle Residential Development - Southlake Permyjaya

18. 2014
Readers’ Choice Malaysian Reserve Property Press Awards Best Commercial Development - Bintulu Paragon

17. 2014
AREA Social Empowerment Category

16. 2013
APEA Outstanding Entrepreneurship Category
15. **2012**
   The Sarawak CMEA Award: Large Enterprise Category (Construction)

14. **2010**

13. **2010**
   The Sarawak CMEA Award: Large Enterprise Category (Construction)

12. **2009**
   SHEDA Excellence Awards: Top Developer in Residential Development

11. **2008**
   FIABCI Malaysia Property Award: Property Man of The Year

10. **2007**
    The Malaysian Construction Industry Excellence Awards: Contractor Award Grade 7

9. **2005**
   Malaysia Corporate & Social Environment Responsibility Award

8. **2005**
   17th International Construction Awards: New Millennium Award Spain, Madrid

7. **2004**
   KPMG Shareholder Value Awards

6. **2004**
   The Malaysian Construction Industry Excellence Awards: Builder of The Year Award

5. **2004**
   The Malaysian Construction Industry Excellence Project Awards: Medium Scale Project Engineering Category

4. **2004**
   Malaysia Canada Business Council Excellence Awards: Industry Excellence for Construction Award

3. **2003**
   SCCI Annual Corporate Report Awards: Best Annual Report Award

2. **2003**
   The Malaysian Construction Industry Excellence Project Awards: Medium Building Category

1. **2002**
   CIDB Builders Building Works Category Awards: Institutional Building Project
Business Review

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Dear Valued Shareholders

On behalf of the Board of Directors, we take great pleasure in presenting to you, the Annual Report of Naim Holdings Berhad for the year ended 31 December 2016.

2016 also marked the closing of our 20th Anniversary celebration, and the renewal of our commitment in BUILDING VALUE IN EVERY WAY, for our company, workforce, communities, State and nation at large, in our S.P.I.R.I.T.E.D. journey forward!

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REVIEW OF FINANCIAL PERFORMANCE

2016 saw the continuation of global macro headwinds, which have resulted in long and deep impact on the world economy. Back home, it was similarly a challenging year, with factors such as ringgit depreciation, unfavourable crude oil prices, tighter monetary policy, and the lingering effects of the imposition of the Goods and Services Tax (GST) leading to a slowdown in the economy.

We believe that a company’s strength is tested during challenging times. While we are cognizant that there is still much room for improvement, with our shortcomings contributing to our lacklustre performance in 2016, we have strong fundamentals for future success. These, coupled with the hunger for success among our dedicated workforce, will make our company more resilient and poised for continued growth amidst a challenging economic landscape.

Our Performance

For the year under review, we recorded a decline in revenue, from RM594.4million in 2015 to RM428.0million in 2016. In terms of segmental contributions to overall revenue, our Property, Construction and Others segment contributed 34.8% (RM149.2million), 56.6% (RM242.1million) and 8.6% (RM36.7million) respectively.

In terms of profit, there was a decline in profit before tax, from RM44.2million in 2015, to RM3.5million in 2016. The decline was mainly due to the significant decrease in the contribution by our major associate, Dayang Enterprise Holdings Bhd, from RM51.1million in 2015 to RM16.1million in 2016, and also the loss of RM18.8million reported by the Construction segment.

Property

Our Property Division recorded revenue of RM149.2million, 5% lower than the RM156.4million achieved in 2015. However, there was an increase of some 30% in profit from RM11.7million in 2015 to RM15.8million in 2016. The increase was partly due to improved work progress of development projects, and higher new sales of about RM111.7million, as compared with RM104million in 2015. The new sales are expected to progressively contribute positive results to this segment within the next 2 years.
Construction
Our Construction Division reported lower revenue of RM242.1million as compared with RM398.7million in 2015. The Division also recorded loss of RM18.8million as compared with RM12.6million in 2015.

The decline in performance was mainly due to:
● Delay in commencement of certain newly secured projects due to late finalisation of contract details with clients, resulting in lower contributions from these projects by more than 50% from what was initially expected
● Increase in operational costs (including additional acceleration costs incurred to complete various projects within the contractual timeline)
● Downward adjustments in the contract sums of certain construction projects upon their completion due to various negative variation orders due to reduction/omission of works by the clients
● Low contribution from projects secured late in the year, such as the Pan Borneo Highway project

Other Segment
This segment recorded a revenue of about RM36.7million as compared with RM39.3million in 2015. At the same time, the segment reported a loss of RM0.6million in 2016, as compared with a profit of RM0.2million in 2015. The decline was primarily due to lower turnover.

Associate Company – Dayang Enterprise Holdings Bhd.
Meanwhile, Dayang Enterprise Holdings Bhd. (hereinafter known as ‘Dayang’) registered a lower level of profit after tax attributable to owners of about RM54.9million* as compared with RM171.6million* in 2015. The decline was mainly due to higher finance costs, one-off break fund costs arising from early loan settlements and losses reported by newly acquired subsidiary, Perdana Petroleum Berhad (which was acquired in the last quarter of 2015).

* based on Dayang’s announced accounts
OUR MILESTONES
Awards and Accolades
Staying true to our vision to be a top notch global infrastructure builder, we are honoured to be adjudged the winner of the QLASSIC Excellence Awards 2016 in the Non-Residential (Large) category, for the University College of Technology Sarawak (UCTS)(Phase 2, Stage 1), our JV project with Hock Peng Furniture and General Contractor Sdn.Bhd. In addition, the project also received the High QLASSIC Achievement accolade for the highest score achieved for any project in the 2016’s Awards.

Developed by Malaysia’s Construction Industry Development Board (CIDB), the Quality Assessment System in Construction or QLASSIC is an assessment system that measures and evaluates the workmanship quality of a building’s construction work based on the country’s construction industry standard (CIS).

Indeed, this award instilled in us, a need to continuously improve so that we not only meet but exceed the expectations of our clients, customers and other stakeholders. The award was also a testament of our continued commitment in raising the bar in terms of construction workmanship quality.

LOOKING AHEAD
Economic Situation
As we enter a new financial year, the global economy is still expected to maintain its sluggish outlook. An expected stabilization in energy and commodity prices may provide a small tailwind for resource rich economies in 2017, but the medium-term trend continues to be dominated by weaker growth in key inputs, notably investment and labour supply. In addition, countries and businesses have to prepare for more disruptions from geopolitical tensions, policy uncertainties and financial market volatility.

As a highly open and trade dependent economy, Malaysia continues to be susceptible to both unanticipated and anticipated external shocks, which include U.S. President Donald Trump’s protectionist policies which may affect emerging markets, Brexit process and China’s economic slowdown. A combination of all these factors is expected to lead to continued weak consumer sentiment locally.
Letter To Our Shareholders (continue)

Property
We expect the property market to remain challenging due to factors such as rising costs of doing business, increased competition and property stocks, tighter monetary policy and weak buying sentiment attributed to rise in living costs alongside the weaker currency, subsidies’ rationalisation, imposition of the Goods and Services Tax (GST) and a generally less-than-positive outlook on the economy, business sentiment and job prospects.

Although we expect some degree of slowdown in the take-up of our products in general, we will continue to focus on our three flagship developments, namely Naim Bintulu Paragon integrated development (Street Mall, Small Office Versatile Office (SOVO) and ‘The Peak’ condominium), Naim Kuching Paragon integrated development (Sapphire on the Park condominium) and Naim SouthLake Permyjaya integrated township development (a range of landed residential properties) in Miri. Various initiatives such as attractive product packaging, other value-added features and innovative sales strategies will help to sustain demand for these properties. Plans are also in the pipeline to launch more medium range and affordable products. We will also adopt a more cautious approach towards product launches in 2017, by scheduling launches based on market dynamics.
Nevertheless, it is hoped that Sarawak’s long term development plans such as the Sarawak Corridor of Renewable Energy (SCORE) designed to accelerate its economic growth by attracting some RM300 billion worth of investments by 2030 (Source: The Borneo Post, 25 August 2016) will continue to create a bustling business environment, to help sustain market demand in the State, including property and construction.

As part of our long term plans, we will continue to seek opportunities to acquire strategic land banks in Sarawak, Sabah and Peninsular Malaysia to further strengthen the growth of our property segment in terms of sales, profit and market share. The slowdown in the economy, which is expected to continue in the next few years, could also give rise to the opportunity in acquiring land at bargain prices.

**Construction**

On the Construction front, we have managed to secure cumulatively, about RM1.6 billion new order book in 2016, due to the award of works packages for the Pan Borneo Highway (Pantu Junction to Batang Skrang section), being our joint-venture project with Gamuda Berhad, and the KPJ Miri Specialist Hospital project. This new order book is expected to sustain our short and medium term earnings growth.
Letter To Our Shareholders  (continue)

We are continuously seeking further businesses and have submitted bids for various projects including roads, buildings and other infrastructure projects. We are cautiously optimistic to secure some to replenish our order book.

We will continue to implement measures to improve efficiency and cost control. At the same time, we will enhance project monitoring to ensure projects are on schedule, improve risk management and embark on tightening of internal controls for this segment.

In terms of the Oil and Gas segment, our previous collaborations with reputable global industry players namely Samsung Engineering Co. Ltd. and JGC Corporation, Japan has given us a valuable insight and lesson in world class project management system by virtue of ‘transfer of knowledge’. This will put us in good stead in terms of our involvement in the Oil and Gas industry, against the backdrop of the challenging business environment brought about by the uncertainty in the oil and gas market, reduction in oil and gas projects and also an increasing number of players in the industry.

Other Segment
Our venture into retail property, Permy Mall has also spurred us to explore similar developments in Bintulu, Miri and Kuching in the future. We will also be embarking on other types of commercial properties for example hotel in Naim Bintulu Paragon for recurring income. We are implementing measures to improve the quarry and premix operations and sales.

The Group may look into divesting non-performing businesses to realise some funds.
Associate Company – Dayang Enterprise Holdings Bhd.
We expect Dayang to contribute positively to our results in the near future in view of an anticipation of more maintenance jobs to come in the next quarters or years, as PETRONAS recalibrates its budget, and optimism that maintenance activities for the oil and gas industry would remain resilient. This is an area of specialty of the group.

On its longer term prospects, these are still positive considering the group’s healthy order book estimated at around RM3billion to last until 2018 and an outstanding tender book of approximately RM4billion. In addition, the group has excellent operational track record and has a clear market leadership in the brownfield services segment and there is potential further upside from the rationalisation efforts at Perdana Petroleum and also operational synergies.

Enhancing Our People, Our Valued Partners
At Naim, we continuously invest in our people known as Valued Partners, as they are the backbone of our company, the catalyst in propelling Naim to greater heights. We are also proud to celebrate our differences and foster an environment where every Valued Partner has the opportunity to reach his/her full potential.
2016 saw a series of development interventions being conducted in relation to specific operational areas and mind set change. Valued Partner engagement exercises were also intensified to facilitate inculcation of the S.P.I.R.I.T.E.D. values among our team members. One of the notable initiatives was undoubtedly the rolling out of our Computer-Based Training platform to facilitate better understanding of our Standard Operating Procedures and Best Practices among our Valued Partners.

**Employee Incentive – Long Term Incentive Plan (LTIP)**

As part of our efforts to be an employer of choice, we have put in place the Long Term Incentive Plan (LTIP), which was approved in the annual general meeting held on 26 May 2015. The purpose of the LTIP is to provide equity incentives to executives and employees in order to align their interests with the long-term stock holder interest, motivate and reward them to facilitate the achievement of long-term results, as well as to retain key executives and employees amidst the competitive market for talent. However, due to the uncertainty in the economic climate, no grants have been issued as at date.

**Corporate Governance**

Our commitment to the principles of good corporate governance reflects our strong belief that ethical and responsible business conduct is vital in sustaining and enhancing stakeholder value.

In line with our commitment to uphold the principles of good corporate governance, we have adopted and substantially complied with the recommendations as set out in the Malaysian Code of Corporate Governance 2012 (MCCG 2012) throughout the financial year ended 31 December 2016.

We will continue to strive for the highest standards of business integrity and is continuously taking steps to review and uphold the best practices, and maintain an exemplary corporate governance framework within the organization.

**Responsible Business**

As a responsible corporate citizen, we remain committed to our Triple Bottom Line of PEOPLE, PLANET and PROFIT. Our increased efforts in this regard are a testimony to our enduring commitment to balance overall environmental, social and economic goals towards building a sustainable future, for the benefit of future generations.
ACKNOWLEDGEMENTS
Finally, we would like to take this opportunity to record our appreciation to all our stakeholders: our shareholders, customers, clients, Valued Partners and their families, Directors, joint venture partners, subcontractors, consultants, financiers and associates for their dedication, concerted effort and faith in us.

Our heartfelt gratitude also goes to Ministries, Departments, Statutory Bodies and Regulatory Agencies for the support extended to our Group.

At this juncture, we would like to acknowledge the contribution of our outgoing Directors, Tan Sri Izzuddin Bin Dali and Tuan Haji Soedirman Bin Haji Aini for their support over the years. We would also like to welcome our new Director Mr Tan Chuan Dyi, and we greatly look forward to his kind guidance to propel Naim to greater heights in time to come.

We value and look forward to your continued support and dedication as we undertake new challenges and opportunities ahead, in our endeavour to build value in every way, with you and for you.

Once again, thank you and our warmest regards.

Datuk Amar Abdul Hamed Bin Haji Sepawi
Chairman

Datuk Hasmi Bin Hasnan
Managing Director