

BUILDING VALUE SPIRITEDLY



NAIM HOLDINGS BERHAD

Registration Number 200201017804 (585467-M)

Braving The Challenges

Annual Report 2023

Scan for a
copy of our
2023 annual report



GROUP HIGHLIGHTS 2023

Total assets of
RM1.8 billion

Net assets of
RM1.3 billion

Revenue of
RM317.0 million

Profit of
RM35.0 million

Land bank of
1,400 acres

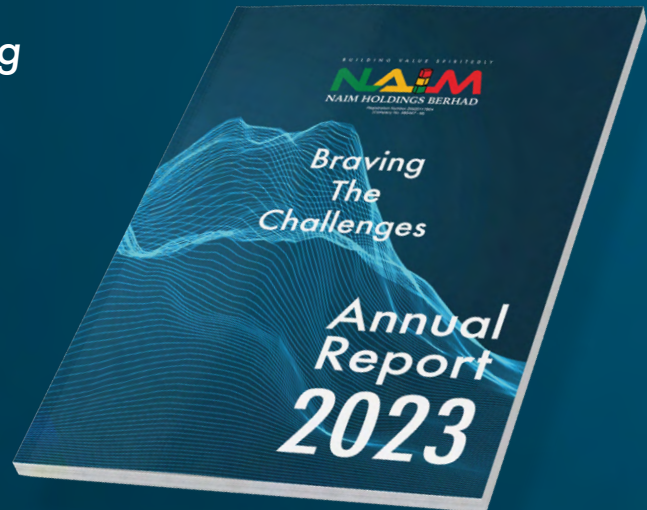
RATIONALE FOR COVER DESIGN

The mountainous terrain in the style of digital lines signify our embarking on digitalisation in line with current technological trends. The cover symbolizes NAIM's dedication to navigating this digital age towards greater heights and more possibilities. This symbolism also doubles as a subtle message of the potential opportunities waiting to be explored and the future achievements by the Group. The colour blue, which features prominently in this Annual Report, signifies stability and inspiration, while also alludes to the colour of water, often linked with agility.

22nd
Annual General Meeting
 of BUILDING VALUE SPIRITEDLY

 NAIM HOLDINGS BERHAD

The Twenty-Second ("22nd") Annual General Meeting ("AGM") of Members of NAIM HOLDINGS BERHAD will be conducted at Sapphire On The Park, Function Hall, 3rd Floor, Jalan Lintang Selatan, Batu Lintang, 93200 Kuching, Sarawak on Thursday, 30 May 2024 at 10:00 a.m.



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.

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 Sarawak 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 satellite township called the Naim Riveria development in Kota Samarahan, Kuching. Naim was listed on the Main Market of Bursa Malaysia Securities 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, as well as oil and gas industry involvement through its investment in Dayang Enterprise Holdings Bhd.

With its flagship property developments known as Naim Bandar Baru Permyjaya, which includes SouthLake and Naim Desa Damai 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 built and developed more than 23,000 units of property in Sarawak.

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 a total of 47 industry awards and accolades being won since 2002, an acknowledgement of NAIM's significant contribution in the property and construction sectors.

NAIM is a Class A Contractor with ISO 9001 certification. It is also one of Malaysia's leading Bumiputera contractors, having carried out more than RM5 billion worth of works (including its own development projects).



Intertek



014

Explore partnered with 

up to 120% Home Financing

on your dream home & beautify your interiors!

*Terms & Conditions Apply



SAPPHIRE
ON THE PARK



desa
damai
PERMYJAYA, MIRI






THE PEAK



*Actual Image Of The Peak, Bintulu Paragon



Visit us at our Sales Galleries or contact us:

Hotline: +6012 927 5688 | Kuching: +6082 416 288 | Bintulu: +6086 343 881 | Miri: +6085 491 000
naimproperties.com.my |    naim properties



VISION, MISSION, CORPORATE RESPONSIBILITY STATEMENT, H.I. - C.O.D.E.S CORE VALUES AND NACOS



Bintulu Region's Team NAIM during NaCOS Launch event

Our Vision

To bring tears of joy to one million people and more

Our Mission

To achieve our aspirations, we are committed to **BUILD VALUE SPIRITEDLY**, with you and for you by:

- ◆ Exceeding customer expectations.
- ◆ Being the best company to invest in and do business with.
- ◆ Developing our people to be the best they can be.
- ◆ Being an exemplary corporate citizen that contributes generously to the society, community and environment.

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.

H. I. - C. O. D. E. S Core Values

I believe in:

H I - C O D E S

HUMILITY

Humility isn't about thinking less of yourself. It's about thinking of yourself less.

INTEGRITY

Integrity is not something you show others. It's how you behave behind their back.

COURAGE

Courage doesn't mean you don't get afraid. It means you don't let fear stop you.

OPTIMISM

Optimism is the ability to see the good in every situation.

DETERMINATION

Determination is the drive that makes the impossible, possible.

ENTHUSIASM

Enthusiasm is about living every day of your life as a fresh new start.

SPIRITED

The embodiment of HI-CODE values.

I am living the H.I. - C.O.D.E.S. values everyday!

NaCOS - Nurturing A Culture of Obsessed Service



NaCOS
Nurturing A Culture of Obsessed Service

At NAIM, we want to establish a competitive advantage over other companies that are focused on short-term gains rather than long-term customer advocacy.

We aspire to foster good relationships with our customers & stakeholders, to achieve high levels of productivity at all levels of the business and ultimately to thrive in the workplace and marketplace.

“To that end, we commit to deliver standards of customer service & quality at the highest level, reflective of our vision, mission and core values.”

What's Inside

NAIM'S ANNUAL REPORT 2023

- 1 Group Highlights 2023
- 2 Rationale for Cover
- 3 Cautionary Statement Regarding Forward-looking Statements
- 4 Corporate Profile
- 6 Vision, Mission, Corporate Responsibility Statement, H.I.-C.O.D.E.S, Core Values and NaCOS

PART 3

Business Review

- 38 Letter to Shareholders
- 42 Review of Performance and Operations
- 47 Sustainability Statement

PART 1

Performance at a Glance

- 12 Financial Calendar
- 13 Share Performance
- 14 5-Year Financial Highlights

PART 4

Other Highlights

- 72 Corporate Events
- 76 NAIM in the News

PART 2

Corporate Information

- 18 Corporate Information
- 19 Corporate Structure
- 20 Directors' Profiles
- 28 Senior Management Team Profiles
- 34 Awards and Accolades

PART 5

Corporate Governance

- 80** Corporate Governance Overview Statement
- 93** Audit Committee Report
- 96** Statement on Risk Management and Internal Control

PART 6

Financial Statements

- 100** Directors' Report
- 106** Statements of Financial Position
- 108** Statements of Profit or Loss and Other Comprehensive Income
- 110** Consolidated Statement of Changes in Equity
- 112** Statement of Changes in Equity
- 113** Statements of Cash Flows
- 116** Notes to the Financial Statements
- 181** Statement by Directors
- 182** Statutory Declaration
- 183** Independent Auditors' Report

PART 7

Other Information

- 192** Analysis of Shareholdings
- 194** Top 10 Properties
- 195** Notice of Annual General Meeting
- 200** Administrative Details for the Twenty-Second Annual General Meeting ("22nd AGM") of NAIM Holdings Berhad
- 203** Proxy Form



PART 1

Performance at a Glance

- 12 FINANCIAL CALENDAR
- 13 SHARE PERFORMANCE
- 14 5-YEAR FINANCIAL HIGHLIGHTS

FINANCIAL CALENDAR

Announcement of Results	1st quarter	25 May 2023
	2nd quarter	29 August 2023
	3rd quarter	29 November 2023
	4th quarter	27 February 2024
22 nd Annual General Meeting ('AGM') of Naim Holdings Berhad	Notice of 22 nd AGM 30 April 2024	22 nd AGM 30 May 2024

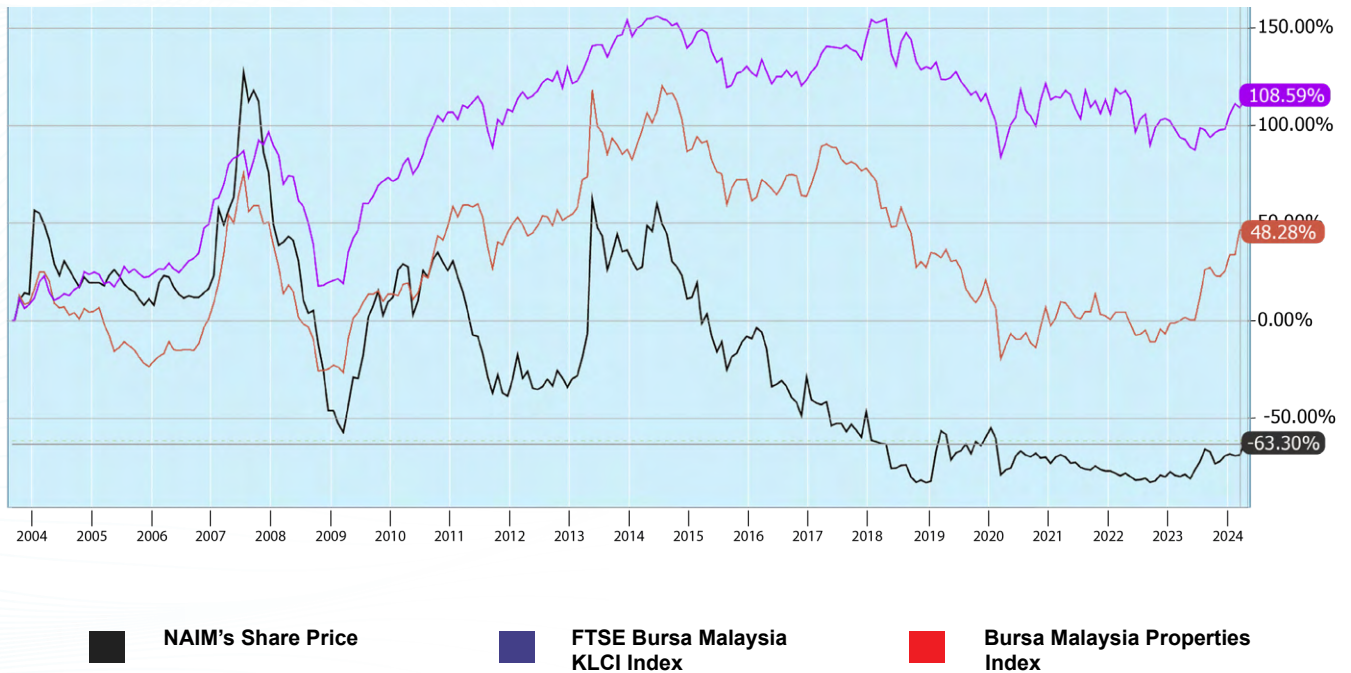
Investor Relations Service

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



SHARE PERFORMANCE

NAIM HOLDINGS BERHAD Share Performance Chart
 from 12 September 2003 to 29 March 2024



5-YEAR FINANCIAL HIGHLIGHTS (IN RM MILLION)

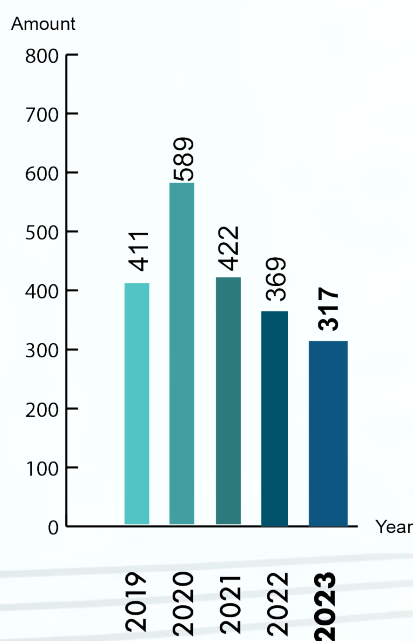
Year	2019	2020	2021	2022	2023
Revenue	411	589	422	369	317
Profit/(Loss) before tax	63	101	(71)	32	43
Net Profit/(Loss) attributable to Owners of the Company	57	54	(79)	25	35
Basic Earnings/(Loss) per share (sen)	11.71**	10.69 [^]	(15.71) [^]	4.95 [^]	7.00[^]
Total Assets	2,244	2,060	1,836	1,804	1,806
Shareholders' Equity	1,349	1,349	1,231	1,265	1,308
Net Tangible Assets	1,345	1,347	1,230	1,265	1,307
Net Tangible Assets per Share (RM)[#]	2.62	2.63	2.39	2.46	2.54
Total Number of Shares (gross) (in million)	514	514	514	514	514

** Based on total weighted average no. of shares of 483.4 million (net of treasury shares of 13.1 million)

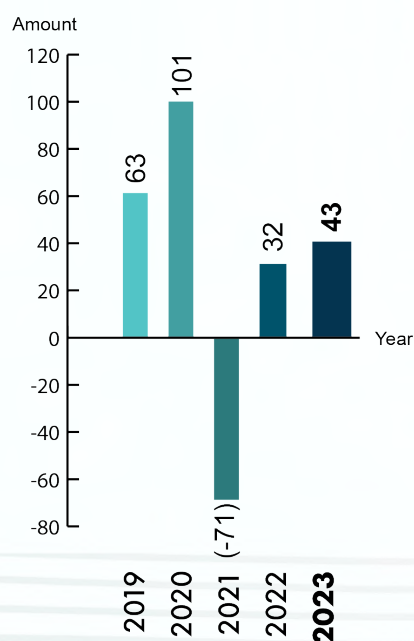
[^] Based on total no. of issued shares of 500.7 million, net of treasury shares of 13.1 million

[#] Based on total no. of issued paid up shares of 513.8 million

Revenue (in RM million)

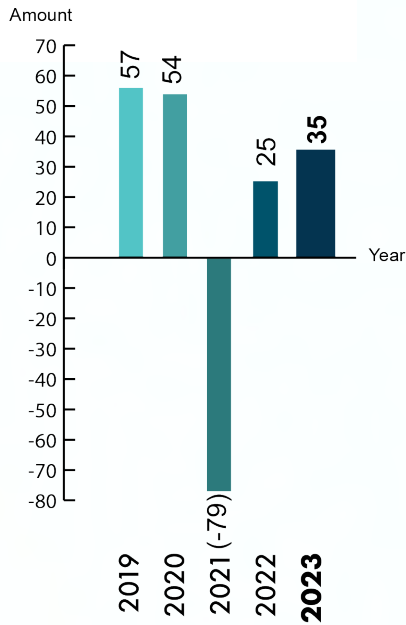


Profit/(Loss) before tax (in RM million)

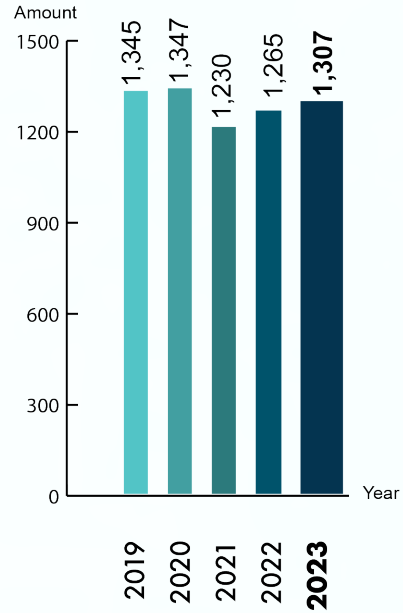


Net Profit/(Loss) attributable to Owners of the Company

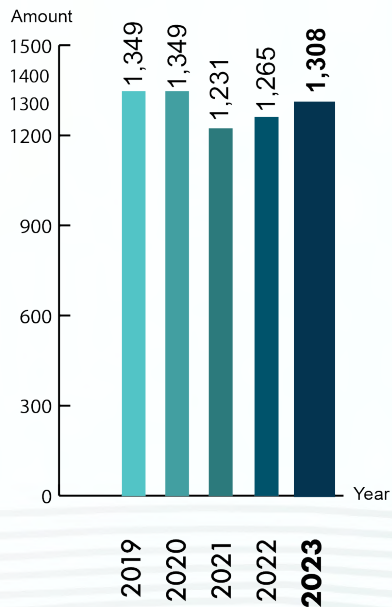
(in RM million)



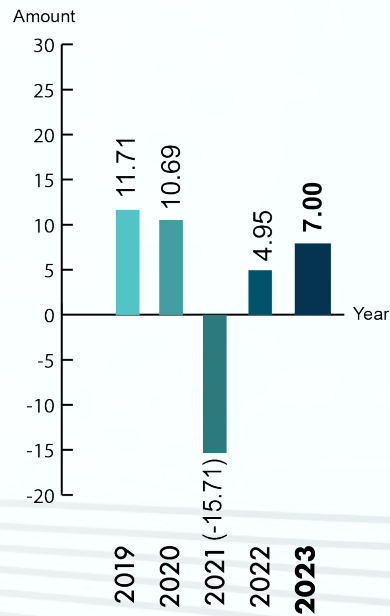
Net Tangible Assets (in RM million)



Shareholders' Equity (in RM million)



Earnings/(Loss) per Share (sen)





PART 2

Corporate Information

- 18 **CORPORATE INFORMATION**
 - 19 **CORPORATE STRUCTURE**
 - 20 **DIRECTORS' PROFILES**
 - 28 **SENIOR MANAGEMENT
TEAM PROFILES**
 - 34 **AWARDS AND ACCOLADES**
- 

CORPORATE INFORMATION

Board of Directors

Non-Executive Chairman

Datuk Amar Abdul Hamed Bin Haji Sepawi

Managing Director

Datuk Hasmi Bin Hasnan

Independent Non-Executive Directors

Datin Mary Sa'diah Binti Zainuddin

Tan Chuan Dyi

Sulaihah Binti Maimunni

Datuk Ahmad Bin Abu Bakar

Non-Independent Non-Executive Director

Chin Chee Kong

Company Secretary

Low Wai See (MAICSA 7051463)

SSM Practising Certificate No. 202008000868

Registered Corporate Office

9th Floor, Wisma Naim, 2½ Mile, Rock Road,
93200 Kuching, Sarawak,
Malaysia

Tel: **+6 082 411 667** Fax: **+6 082 429 869**

Email: **enquiries@naim.com.my**

Registrar

Tricor Investor & Issuing House Services Sdn. Bhd.
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 2783 9299** Fax: **+6 03 278 39222**

Stock Exchange Listing

Bursa Malaysia Securities Berhad

Listed on 12 September 2003

Sector : **Property**

Stock Code : **5073**

Stock Name : **Naim**

Auditor

KPMG PLT

CORPORATE STRUCTURE (AS AT DATE OF ANNUAL REPORT)

BUILDING VALUE SPIRITEDLY



NAIM HOLDINGS BERHAD

REGISTRATION NO. 200201017804 (585467 - M)



PROPERTY

- **Naim Land Sdn. Bhd.** 199301006476 (261213-T)

PROPERTY DEVELOPMENT

- **Khidmat Mantap Sdn. Bhd.** 200001004847 (507452-T)
- **Desa Ilmu Sdn. Bhd.** 199601041500 (413853-U)
- **Naim Commercial Sdn. Bhd.** 199501030503 (359709-W)
- **Peranan Makmur Sdn. Bhd.** 200601030374 (750132-X)
- **Samalaju Properties Sdn. Bhd.** 200601032936 (752695-D)*

PROPERTY INVESTMENT AND MANAGEMENT

- **Yakin Pelita Sdn. Bhd.** 199901009501 (484401-H)
- **Naim Realty Sdn. Bhd.** 199501030756 (359962-P)
- **Naim Assets Sdn. Bhd.** 200101024882 (560640-X)
- **Harmony Faber Sdn. Bhd.** 201201023318 (1007810-K)
- **Naim Hotel Sdn. Bhd.** 201401044371 (1120553-M)
- **Petrochemical Hub Sdn. Bhd.** 200001014100 (516706-K)
- **Naim Property Services Sdn. Bhd.** 201301009801 (1039643-U)
- **Miri Specialist Hospital Sdn. Bhd.** 201001032447 (916372-H)*
- **Bintulu Paragon Sdn. Bhd.** 201201020798 (1005290-M)



ENGINEERING / CONSTRUCTION

- **Naim Engineering Sdn. Bhd.** 199701004707 (420203-W)
- **Naim Capital Sdn. Bhd.** 199501030360 (359566-U)
- **Naim Capital Port Sdn. Bhd.** 201201018905 (989050-T)
- **Naim Capital Housing Sdn. Bhd.** 201201015373 (988890-K)
- **Naim Gamuda (NAGA) JV Sdn. Bhd.** 201601024286 (1195225-X)
- **Gamuda Naim Engineering and Construction (GNEC) Sdn. Bhd.** 201601023739 (1194678-D)*
- **Kempas Sentosa Sdn. Bhd.** 199301007338 (262075-U)*



OIL & GAS

- **Dayang Enterprise Holdings Bhd.** 200501030106 (712243-U)*
- **Perdana Petroleum Berhad** 199501042909 (372113-A)*



OTHER BUSINESSES

TRADING / SERVICES

- **Naim Supply & Logistic Sdn. Bhd.** 199501032222 (361428-K)
- **Naim Human Capital Sdn. Bhd.** 201401031921 (1108005-W)

QUARRY OPERATIONS

- **Simbol Warisan Sdn. Bhd.** 200601030446 (750204-D)
- **Jelas Kemuncak Resources Sdn. Bhd.** 200601026936 (746691-M)

EDUCATION

- **Mawar Education Centre Sdn. Bhd.** 198501000729 (133172-U)



TWENTY SIX OTHER SEMI-ACTIVE AND DORMANT COMPANIES

* Associates

DIRECTORS' PROFILES



Datuk Amar Abdul Hamed Bin Haji Sepawi

Non-Executive Chairman

Academic/Professional 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 Public Listed Companies

- Ta Ann Holdings Berhad
- Sarawak Plantation Berhad

Present Directorship in Non-Listed Public Company

- Sarawak Energy Berhad

Age
74

Gender
Male

Nationality
Malaysian

Date of Appointment
25 July 2003

Working Experience and Occupation

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 40 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 also has past directorship and ownership of oil and gas company, education and communication sector.

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 adjudged 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 sustain the test of time. On 19 October 2022, he was honoured to receive the Outstanding Global Muslim Entrepreneur Lifetime Achievement Award by Global Muslim Business Forum.

He was also a member of the National Economic Consultative Council II. He has been appointed as a member of a special advisory body to consult Prime Minister Dato Seri Anwar Ibrahim on finance matters on 7 February 2023.

He continued to receive prestigious accolades in recognition of his exemplary leadership and outstanding contributions. In 2023, he was honored with the esteemed "Global Muslim Leader Of The Year Award" reaffirming his stature as a prominent figure in the global Muslim community. He was also bestowed with the distinguished "Malaysia Global Business Icon Leadership" award, further underscoring his remarkable influence and impact on the international stage.

Datuk Hasmi Bin Hasnan

Managing Director

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 Committee

- Member, Remuneration Committee

Present Directorship in other Public Listed Companies

- Dayang Enterprise Holdings Bhd
- Perdana Petroleum Berhad

Present Directorship in Non-Listed Public Companies

- 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 company's growth and expansion. He was awarded the Property Man of the Year for 2008 by FIABCI in Kuala Lumpur.



Age
71

Gender
Male

Nationality
Malaysian

Date of Appointment
25 July 2003

DIRECTORS' PROFILES (CONTINUED)



Datin Mary Sa'diah Binti Zainuddin

Independent Non-Executive Director

Academic/Professional Qualification(s)

- Bachelor of Social Science (Hons), Universiti Sains Malaysia

Board Committees

- Chairman, Risk Management Committee
- Member, Nominating Committee
- Member, Remuneration Committee
- Member, Sustainability Committee

Present Directorship in other Public Listed Company

- 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 Hockey Association of Sarawak, Deputy President of Malaysia Hockey Confederation and a member of the Kuching North City Commission.

Age
68

Gender
Female

Nationality
Malaysian

Date of Appointment
27 February 2013

Chin Chee Kong

Non-Independent and Non-Executive Director

Academic/Professional Qualification(s)

- Member, Malaysian Institute of Certified Public Accountants & Malaysian Institute of Accountants

Board Committees

- Member, Audit Committee
- Chairman, Sustainability Committee

Present Directorship in other Public Listed Company

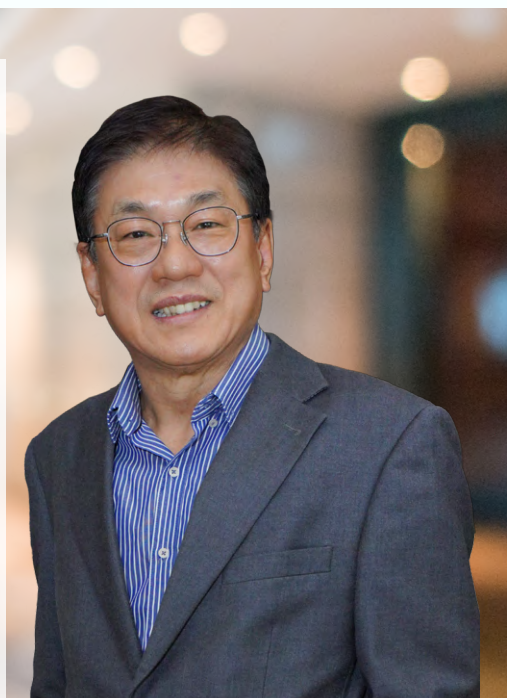
- Perdana Petroleum Berhad

Present Directorship in Non-Listed Public Companies

- Industrial and Commercial Bank of China (Malaysia) Berhad
- 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 winning all 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 1 January 2014.



Age

66

Gender

Male

Nationality

Malaysian

Date of Appointment

1 October 2015

DIRECTORS' PROFILES (CONTINUED)



Tan Chuan Dyi

Independent Non-Executive Director

Academic/Professional Qualification(s)

- Bachelor of Science in Business Administration – Finance from California State University of Fresno

Board Committee

- Chairman, Audit Committee
- Member, Anti-Bribery & Corruption Compliance Committee

Working Experience and Occupation

He joined PRG Holdings Bhd in 2014 and is currently the Chief Operating Officer, Manufacturing Division of Furniweb Holdings Limited that is principally engaged in manufacturing industry listed on GEM of the Stock Exchange of Hong Kong Limited. He has more than 20 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 Group, 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.

He recently assumed the roles of Managing Director of the Manufacturing Division and Executive Director of Furniweb Holdings Limited, a company listed on the GEM Board.

Age
52

Gender
Male

Nationality
Malaysian

Date of Appointment
23 February 2017

Sulaihah Binti Maimunni

Independent Non-Executive Director

Academic/Professional Qualification(s)

- Bachelor of Science in Civil Engineering (Hons), Swansea University, United Kingdom

Board Committees

- Member, Risk Management Committee
- Member, Nominating Committee
- Member, Anti-Bribery & Corruption Compliance Committee
- Member, Sustainability Committee

Working Experience and Occupation

She has 30 years of experience in the development and project management of privatised and non-privatised construction projects in Malaysia and in several other countries. She also has some experience in financial analysis of projects and management of companies. Her experience in roads, expressways, infrastructure, land development and dam with notably the roads in Sabah, Fiji, expressways in Malaysia, Qatar and India, land development in Malaysia, Vietnam and Qatar and dam in Malaysia. She has also undertaken several feasibility studies in Pakistan, Sri Lanka, Ghana, Sudan, Morocco, Indonesia, Chile and several countries in the Middle East.

Her career development has been via Minconsult Sdn. Bhd., a consultancy firm where she spent 8 years developing her career from graduate engineer to senior engineer, the UEM Group, for 17 years rising from project engineer in Pengurusan Lebuhraya Bhd to Executive Director/Chief Executive Officer of UEM Construction Sdn. Bhd. with responsibilities in project development management, company management and directorship in several non-listed companies, Sarawak Hidro Sdn. Bhd., the developer of Bakun Dam where she, on secondment from the UEM Group, spent 2 years as the Managing Director to progress the more than 2 years delayed project and lastly with Naim Holdings Berhad for 3 years from 2009, as Vice President at the Managing Director's office with additional appointment as Executive Director of Naim Holdings Berhad and Director of Dayang Enterprise Holdings Bhd, both public listed companies.



Age
67

Gender
Female

Nationality
Malaysian

Date of Appointment
1 August 2018

DIRECTORS' PROFILES (CONTINUED)



Datuk Ahmad Bin Abu Bakar

Independent Non-Executive Director

Academic/Professional Qualification(s)

- Fellow Member of the Chartered Association of Certified Accountants (UK)
- Chartered Accountant under the Malaysian Institute of Accountants

Board Committee

- Chairman, Anti-Bribery & Corruption Compliance Committee
- Chairman, Remuneration Committee
- Member, Audit Committee

Working Experience and Occupation

He has more than three decades of experience in accounting, banking, manufacturing, managerial and directorial roles alongside his vast insight in the field of property development, oil and gas, oil palm and timber-related industries. He was a board member of various listed, including Land & General Berhad, Naim Holdings Berhad, UDA Holdings Berhad Group and other non listed companies. He was a manager for Sime Darby subsidiary companies, DMIB Berhad and Consolidated Plantations Bhd.

Age
69

Gender
Male

Nationality
Malaysian

Date of Appointment
1 June 2019

- Please refer to page 193 for Directors' securities holdings in the Company.
- There is no other family relationship between the Directors and/or major shareholders of the Company.
- Apart from directors who are also substantial shareholders, none of the other directors have family relationship with major shareholders.
- None of the Directors has been convicted of any offence within the past 5 years other than traffic offences.
- Please refer to page 82 and 83 for Directors' attendance at board meetings held during the financial year.

SENIOR MANAGEMENT TEAM PROFILES



Emily Hii San San
Senior Vice President
cum Chief Financial Officer

Age	Gender	Nationality
47	Female	Malaysia

Academic/Professional Qualification(s)

- Bachelor of Commerce Degree, major in Accountancy and Diploma for Graduates, University of Otago, New Zealand
- Chartered Accountant of Chartered Accountants Australia and New Zealand
- Member of Malaysian Institute of Accountants (MIA)

Working Experience

Emily, a chartered accountant, previously served as a Senior Audit Manager at KPMG before joining NAIM on 1 June 2010 as Finance Manager. Her exceptional performance led to a promotion to Deputy Director of Finance in August 2012, where she oversaw the Finance and Corporate Planning portfolios. Recognising her significant contributions, Emily was further promoted to her current role as Senior Vice President cum Chief Financial Officer on 1 February 2019.

With over 20 years of extensive experience in accounting, tax, audit, finance, treasury, and corporate finance planning, Emily brings a wealth of expertise to her current position. Actively involved in the strategic development of the Group's core business divisions, she ensures continuous budgetary management and monitoring while steering the revamping of key group policies, including procurement and commercial. Emily also plays a pivotal role as a member of the Executive Committee, contributing to major business decision-making processes for all operations.

In 2024, Emily also spearheads the group commercial unit, together with the Head of Contract, Commercial & Procurement to oversee all strategic matters of commercial and procurement.

Shaharum Bin Ramli
Chief Operating Officer - Bintulu Region

Age	Gender	Nationality
44	Male	Malaysia

Academic/Professional Qualification(s)

- Bachelor of Engineering, major in Chemical Engineering from University of Adelaide, 2003.
- Member of Petroleum Engineers

Working Experience

Shaharum was appointed as Deputy Chief Operating Officer - Strategic Planning and New Business at NAIM on 1 July 2022. His role focuses mainly on driving business transformation strategies, expanding the Group's core businesses, and spearheading the development of new ventures. With over 19 years of experience in strategic business development, Shaharum brings a wealth of knowledge garnered from local and international exposure across 6 continents, including North America, South America, Africa, the Middle East, Europe, and Oceania.

In recognition of his outstanding performance and potential, Shaharum was subsequently promoted to the position of Chief Operating Officer for Bintulu operation. This promotion aimed to empower him to tackle the one of the group's most significant integrated development projects. In his new role, Shaharum is also tasked to oversee the planning and implementation of the proposed upcoming property development projects in Bintulu namely the NAIM Bintulu Avenue. He is also responsible for ensuring the profitability of property sales and leasing while optimising the operational efficiency of Bintulu Paragon Streetmall.



Mohamad Faisal Bin Ahmad Zaidin

Chief Operating Officer - Kuching Region

Age	Gender	Nationality
53	Male	Malaysia

Academic/Professional Qualification(s)

- Masters in Interdisciplinary Design for Build Environment, University of Cambridge, 2015
- Bachelor's Degree in Quantity Surveying, Leeds Beckett University, 1994
- Member of the Royal Institute of Chartered Surveyors (MRICS)
- Member of the Royal Institution of Surveyors Malaysia (MRISM)

Working Experience

On 3 October 2022, Mohd Faisal joined us as an Executive Consultant - Consultant. His role expanded to Regional Chief Operating Officer (Kuching) on 1 January 2024, solidifying his pivotal role in shaping our operations.

With a distinguished career spanning nearly 30 years, Mohd Faisal epitomises excellence as a Chartered Quantity Surveyor, boasting a proven track record of delivering exceptional projects across various sectors. His international experience across Ireland, Saudi Arabia, Malaysia, and the United Kingdom imbues him with a nuanced understanding of global markets and regulatory frameworks.

In his present role, Mohd Faisal holds a key position in enhancing operational efficiency and bolstering profitability at the Kuching Regional Office. He spearheads initiatives aimed at ensuring the successful culmination of projects, aligning operational strategies with organisational objectives to optimize efficiency and cultivate sustainable growth. His leadership serves as a beacon, motivating teams to exceed expectations and maintain our unwavering dedication to excellence. He leads strategic efforts across significant projects including Wisma Melayu office building, Batang Lupar bridge, and Kuching Paragon, further solidifying his pivotal role in driving forward our organisational objectives.

Haliza Binti Segar

Regional General Manager Cum
Interim Chief Operating Officer - Miri Region

Age	Gender	Nationality
37	Female	Malaysia

Academic/Professional Qualification(s)

- Master of Business Administration from Asia E University, 2020
- Diploma In Strategic Management and Leadership practice from Chartered Management Institute, CMI Level 7, 2020
- Diploma in Business Administration Majoring Human Resources Management, IBS College Miri, 2007
- Negotiator, Malaysian Institute of Estate Agents

Working Experience

Haliza embarked on her professional journey in 2007 with Naim, followed by a two-year stint in the banking sector starting in 2012 with Bank Simpanan Nasional and Maybank, before returning to Naim in 2014 to lead the sales team and eventually ascending to the role of RGM cum interim COO - Miri Region in December 2023.

She is an experienced professional with a diverse background spanning real estate, property development, and banking. Noteworthy is her instrumental role in devising business plans for key property developments in Bandar Baru Permyjaya Miri, namely Desa Bahagia, Desa Damai, South Lake and the upcoming commercial projects.

As the RGM, she ensures operational efficiency across the Miri region, meticulously overseeing the profitability of various investments, projects, and developments within the group. Her leadership within the Miri region teams is characterised by her ability to inspire, motivate, and drive results, further solidifying her reputation as a dynamic and accomplished leader.

SENIOR MANAGEMENT TEAM PROFILES (CONTINUED)



Hasmiah Anthony Hasbi
Head of Corporate Services

Age	Gender	Nationality
50	Female	Malaysia

Academic/Professional Qualification(s)

- Bachelor of Laws, Middlesex University, UK, 1997
- Certificate in Legal Practice, 1999
- Admitted to the High Court of Sabah & Sarawak in 2001
- Master of Business Administration, UiTM, 2004

Working Experience

Hasmiah joined Naim on 1 October 2023 as the Head of Corporate Services, reporting directly to the Chief Financial Officer. She has more than 25 years of working experience in legal and corporate services related matters.

Hasmiah is the niece of Datuk Hasmi Bin Hasnan, NAIM's Group Managing Director.

Loh Yen Hua
Chief People Officer

Age	Gender	Nationality
42	Female	Malaysia

Academic/Professional Qualification(s)

- Bachelor of Education (Hons) TESL, Universiti Industri Selangor
- Certificate in Talent, Competency & Talent Management, Pennsylvania State University
- Certified Practitioner of Neuro-Linguistic Programming (NLP) & Certified NLP Coach, American Board of Neuro-Linguistic Programming (ABNLP)
- Certified & Registered Hypnotherapist, American Board of Hypnotherapy (ABH)
- Professional in Human Resources – International (PHRi), HR Certification Institute

Working Experience

Elise brought her wealth of experience and expertise to NAIM when she assumed the role of Chief People Officer on 6 September 2022. With 13 years of dedicated service in honing HR best practices across diverse industries such as insurance, property and construction, service, and retail, Elise exemplifies unwavering tenacity and adaptability. In her current capacity, she not only champions but also strategizes and drives sustainable people, process, and platform transformation initiatives within the organization.

Elise's outstanding contributions to the field of HR have earned her prestigious accolades and recognition. She was honored by Women Entrepreneur India as one of the 'Top 10 Women Chief People Officers in Asia - 2023' and celebrated as an HR Icon in 2024 by ETHRWorld. Furthermore, she won the esteemed MIHRM 23rd Malaysia - International HR Leader Award.

Beyond her pivotal role in fostering positive human capital growth, Elise leads the charge in strategic stakeholder engagement. As NAIM continues its journey of growth and transformation, Elise's leadership embodies a unique blend of visionary foresight, strategic insight, and a deep-rooted commitment to fostering a culture of excellence and collaboration.



Alexander Lim Kuok Hui
Chief Information Officer

Age	Gender	Nationality
48	Male	Malaysia

Academic/Professional Qualification(s)

- Master of Science in Computer Science, Oxford Brookes University, United Kingdom
- Bachelor of Science (Hons) in Computer Science majoring in Computing and Software Engineering, Oxford Brookes University, United Kingdom
- Professional Technologist (Ts.), MBOT (Malaysia Board of Technologists)
- Member of PIKOM (The National ICT Association of Malaysia) CIO Chapter
- Member of APTT (Association of Professional Technicians and Technologists Sarawak)

Working Experience

Alex Lim joined NAIM in March 2012, as Manager - Information Technology (IT), entrusted with leading the System and Software Development units. Recognising his exceptional leadership and expertise, he ascended to the position of Head of Information Technology (IT) in January 2017. In this capacity, Alex led the management of the System, Software development, IT Infrastructure, and Network portfolios. His dedication and outstanding performance led to his promotion to Chief Information Officer (CIO) in March 2021.

As CIO, Alex plays a pivotal role in orchestrating the entire information technology lifecycle. His responsibilities encompass IT operations management, core system development, application development, and infrastructure management. This recently expanded to information and technology management, aligning with the organisation's strategic initiative to enhance process and platform efficiency.

Alex is at the forefront of spearheading an organisation-wide digitisation initiative aimed at transforming platforms, enhancing data utilisation, and implementing advanced analytics capabilities, among other endeavors. His leadership not only ensures technological excellence but also fosters a culture of innovation, continuous improvement, and a data-centric approach within the organisation.

Muhammad Shafiq Bin Hashim
Head of Contract, Commercial & Procurement

Age	Gender	Nationality
38	Male	Malaysia

Academic/Professional Qualification(s)

- Bachelor's Degree in Quantity Surveying (Hons) from Mara Technology University, 2008
- Certificate in Physical Science in Perak Matriculation College, 2005

Working Experience

Muhammad Shafiq was appointed as Head of Contract, Commercial and Procurement on 4 January 2023. He commands over 15 years of experiences in both construction and oil and gas industries; among his notable roles were to head the Group Supply Chain Management of Uzma Berhad and Procurement in Petra Resources Sdn Bhd.

He also has significant experience working as a quantity surveyor for Gamuda Engineering Sdn Bhd and Amer & Associates, where he oversaw the construction of government buildings, properties, and infrastructure projects.

He is responsible for ongoing management of contract, purchasing, commercial and procurement strategy and activity, and for ensuring the functions are operating in line with the objectives of the Group, regulations and governance.

SENIOR MANAGEMENT TEAM PROFILES (CONTINUED)



Farah Nadia Masrol

Head of Strategic Planning

Age	Gender	Nationality
36	Female	Malaysia

Academic/Professional Qualification(s)

- Bachelor of Chemical Engineering with Honours

Working Experience

With over a decade of experience in engineering, business operations planning, and strategic management with PETRONAS Carigali Sdn. Bhd, Farah transitioned to NAIM Holdings Berhad in 2021. Currently serving as the Head of Strategic Planning, Farah is instrumental in leading sustainable strategic initiatives, conducting market research, and enhancing brand positioning.

Farah is recognised for her expertise in operations, strategic planning, and stakeholder management, contributing to sustainable growth and organisational excellence. She leads strategic planning for the group's long-term roadmap, providing invaluable insights and recommendations.

Additionally, she coordinates regional developments, ensuring seamless integration and effective control. Farah also spearheads customer and employee experience initiatives, driving impactful change management activities. Her leadership style is characterised by inspiration, motivation, and results-driven approach, establishing her as a dynamic and accomplished leader.

Beyond her professional endeavours, Farah is a founding member of Lean In Sarawak, advocating for diversity and equality for societal development.

William Ong

Senior Manager, Risk Management

Age	Gender	Nationality
41	Male	Malaysia

Academic/Professional Qualification(s)

- Bachelor of Computer Science with Distinction, University of Wollongong, 2005
- Microsoft Certified Professional Developer (MCPD), 2011

Working Experience

William has a strong passion in creating solutions with technology to meet and resolve business users' needs and issues.

He started his career as Software Developer in 2007 and was promoted to Assistant Manager, System Development in 2012 to manage the business applications development and implementation at NAIM.

With the knowledge and experience gained from working with various business units, he began to take up the challenge to lead the Risk Management department. Since taking on the role, he has continuously made improvements to the risk management methods, aimed to better support the needs of the Group and other stakeholders. He also provides support and counsel to the business divisions and shared services in driving process optimisation and innovation from the angle of quality, efficiency and compliance.



Low Wai See

Head of Company Secretarial

Age	Gender	Nationality
50	Female	Malaysia

Academic/Professional Qualification(s)

- Institute of Chartered Secretaries and Administrators, United Kingdom
- Chartered Secretary and Chartered Governance Professional
- Associate of the Malaysian Institute of Chartered Secretaries and Administration

Working Experience

Low assumed the position of Head of Company Secretarial at NAIM on 3 April 2023. Since then, she has spearheaded the Group's Company Secretarial function, in achieving important milestones and driving operational excellence.

With a career spanning over two decades, Low has amassed a wealth of experience in company secretarial practice, having worked across diverse sectors including manufacturing, financial institutions, and telecommunications. Her pivotal role in governance operations and commitment to ensuring statutory and regulatory compliance has been instrumental in the success of the organisations she has served.

As the Company Secretary, she serves as a guardian of compliance, a facilitator of communication between the Board of Directors and other stakeholders, and a custodian of corporate records.

- None of the Senior Management Team holds directorship in public companies and listed issuers except for Shaharum Bin Ramli who is an alternate director to En. Jamalludin Bin Obeng in Dayang Enterprise Holdings Bhd.
- There is no family relationship between the Senior Management Team and Directors and/or Major Shareholders of the Company, except for Hasmiah Anthony Hasbi who is related to NAIM's Group Managing Director, Datuk Hasmi Bin Hasnan, as disclosed in page 30.
- The Senior Management Team have no conflict of interests with the Company.
- None of the Senior Management Team has been convicted of any offences within the past 5 years other than traffic offences.

AWARDS AND ACCOLADES

2023

- The Edge Property Excellence Award 2023 (Top 30 Developers in Malaysia)
- SHEDA (Top 30 Developers in Sarawak)
- Construction Industry Development Board (CIDB) QCLASSIC Award 2023
- Malaysian Institute of Human Resource Management (MIHRM) (HR Best Practices Award)
- Malaysian Institute of Human Resource Management (MIHRM) (Diversity & Inclusivity Award)

2022

- One of Malaysia's **Top 30 Property Developers** (The Edge Malaysia's Top Property Developers Awards 2022) & the **ONLY East Malaysia-based** developer award recipient
- SHEDA Property Expo: **Corporate Image Award**

2020 - 2021

- **Asia Pacific Property Awards Development AWARD WINNER** Residential High Rise Development Malaysia - Naim Sapphire Luxury Homes
- One of Malaysia's **Top 30 Property Developers** (The Edge Malaysia's Top Property Developers Awards 2021) & the **ONLY East Malaysia-based** developer award recipient

2019

- StarProperty.my Awards: **The Borneo Star Award (Honours)** Naim Sapphire Luxury Homes
- SHEDA Property Expo: **Best Booth Award**
- One of Malaysia's **Top 30 Property Developers** (The Edge Malaysia's Top Property Developers Awards 2019) & the **ONLY East Malaysia-based** developer award recipient
- The BrandLaureate **Iconic Brand of the Decade Industry Champion Award** in Property & Infrastructure

2018

- SHEDA Property Expo: **Best Booth Award**
- **Malaysia's Best Employer Brand Award 2018** (World HRD Congress)

2017

- SHEDA Property Expo **Best Booth Award**
- **Gold Award 2017** 13th Moshpa OSH Excellence Award 2017
- One of Malaysia's **Top 30 Property Developers** (The Edge Malaysia's Top Property Developers Awards 2017) & the **ONLY East Malaysia-based** developer award recipient

2016

- **The Best Classic Achievement** Non-Residential (Large) Category
- SHEDA Excellence Awards: **Property Man of The Year**
- **Sarawak State Outstanding Entrepreneurship Award**
- The Sarawak CMEA Award: **Large Enterprise (Construction)**

2015

- Malaysia Property Insight **Prestigious Developer Awards: Outstanding Developer East Malaysia**
- Award for PLWS Practitioners
- 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

2014

- AREA **Social Empowerment Category**
- Readers' Choice **Malaysian Reserve Property Press Awards** Best Commercial Development - Bintulu Paragon
- **Malaysian Reserve Property Press Awards** Most Prestigious Integrated Lifestyle Residential Development - Southlake Permyjaya
- **Malaysian Reserve Property Press Awards** Most Prestigious Integrated Development - Bintulu Paragon
- The Sarawak CMEA Award: **Large Industries (Services and Other Sectors - Construction)**
- 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

2013

- APEA **Outstanding Entrepreneurship Category**

2011 - 2012

- The BrandLaureate Best Brands Awards 2011-2012: **The BrandLaureate Conglomerate Awards 2011-2012**
- The Sarawak CMEA Award: **Large Enterprise Category (Construction)**

2010

- The Sarawak CMEA Award: **Large Enterprise Category (Construction)**

2009

- SHEDA Excellence Awards: **Top Developer In Residential Development**

2008

- FIABCI Malaysia Property Award: **Property Man of The Year**

2007

- The Malaysian Construction Industry Excellence Awards: **Contractor Award**

2005

- 17th International Construction Awards: **New Millennium Award Spain, Madrid**
- **Malaysia Corporate & Social Environment Responsibility Award**

2004

- Malaysia Canada Business Council Excellence Awards: **Industry Excellence for Construction Award**
- The Malaysian Construction Industry Excellence Project Awards: **Medium Scale Project Engineering Category**
- The Malaysian Construction Industry Excellence Awards: **Builder of The Year Award**
- **KPMG Shareholder Value Awards**

2003

- The Malaysian Construction Industry Excellence Project Awards: **Medium Building Category**
- SCCI Annual Corporate Report Awards: **Best Annual Report Award**

2002

- CIDB Builders Building Works Category Awards: **Institutional Building Project**



2023
Quality Assessment System in Construction (CLASSIC) 2023

THE EDGE
Property Excellence Awards 2023
Top 30 Developers in Malaysia



2023
Malaysian Institute of Human Resource Management HR Best Practices Award



2023
Diversity and Inclusivity Award



2023
Top 30 Developers in Sarawak



2019
The BrandLaureate Iconic Brand of The Decade Industry Champion Award in Property & Infrastructure



2019
SHEDA Property Expo Best Booth Award



2019
JobStreet.com TOP 10 Employers of Choice



2019
StarProperty.my Awards: **The Borneo Star Award (Honours) Naim Sapphire Condominium Homes**



2018
SHEDA Property Expo Best Booth Award



2017
Gold Award 13th Moshpa Excellence Award



2017
SHEDA Property Expo Best Booth Award



2016
The Sarawak CMEA Award: Large Enterprise (Construction)



2016
Sarawak State Outstanding Entrepreneurship Award



2016
SHEDA Excellence Awards: Property Man of The Year



2016
The Best Classic Achievement Non-Residential (Large)



2015
Award For PLWS Practitioners



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



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



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



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



2014
Readers' Choice Malaysian Reserve Property Press Awards Best Commercial Development - Bintulu Paragon



2014
AREA Social Empowerment Category



2013
APEA Outstanding Entrepreneurship Category



2012
The Sarawak CMEA Award: Large Enterprise Category (Construction)



2012
The BrandLaureate Best Brands Awards 2011-2012: The BrandLaureate Conglomerate Awards 2011-2012



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



2009
SHEDA Excellence Awards: Top Developer in Residential Development



2008
FIABCI Malaysia Property Award: Property Man of The Year



2007
The Malaysia Construction Industry Excellence Awards: Contractor Award Grade 7



2005
Malaysia Corporate & Social Environment Responsibility Award



2005
17th International Construction Award: New Millennium Award Spain, Madrid



2004
KPMG Shareholder Value Awards



2004
The Malaysia Construction Industry Excellence Awards: Builder of The Year Award



2004
The Malaysia Construction Industry Excellence Project Awards: Medium Scale Project Engineering Category



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



2003
SCCI Annual Corporate Report Awards: Best Annual Report Award



2003
The Malaysia Construction Industry Excellence Project Awards: Medium Building Category



2002
CIDB Builders Building Works Category Awards: Institutional Building Project



PART 3

Business Review

- 38 LETTER TO SHAREHOLDERS
- 42 REVIEW OF PERFORMANCE AND OPERATIONS
- 47 SUSTAINABILITY STATEMENT

LETTER TO SHAREHOLDERS



Datuk Amar Abdul Hamed Sepawi giving opening speech at NAIM's Corporate Retreat 2023

Dear Shareholders,

On behalf of the Board of Directors (“The Board”) of Naim Holdings Berhad (“NAIM” or “Our Group”), we are honoured to present our Group’s annual report and audited results for the financial year ended 31 December 2023 (“FY2023”).

The year 2023 was characterised by resilience and strategic transformation. Despite the economic headwinds and market uncertainties, we have remained steadfast in our commitment to delivering value to our shareholders and excellence to our customers. This reflects our deepest gratitude to our dedicated management team, our valued business partners, and our loyal customers.

STRATEGIC ADAPTABILITY AND INNOVATION

2023 was a year of audacious adaptability and pioneering innovation. In a business climate characterised by rapid changes and uncertainties, we remained agile – anticipating trends, embracing technological advancements, and adapting our strategies accordingly. Our ability to pivot in response to the evolving market conditions has allowed us to maintain our competitive edge and positioned us as industry leaders, ready to capitalise on new opportunities, particularly in the regions where we currently operate. Throughout 2023, we pursued various strategic initiatives aimed at enhancing our operational efficiency, expanding our market presence, and diversifying our revenue streams. Our strategic decisions are anchored in our commitment to long-term value creation and sustainable growth.

FINANCIAL STEWARDSHIP AND ORGANISATIONAL GROWTH

The year 2023 presented a challenging yet opportunistic landscape for NAIM. While the global economic climate exerted pressure on various sectors, we navigated these challenges with strategic foresight and operational resilience.

For FY2023, our Group recorded revenue of RM 317.0 million, a 14% decrease from RM368.6 million in FY2022, mainly due to lower work progress on existing ongoing projects. However, the Group reported a higher net profit before tax of RM43.2 million, compared to the net profit of RM31.5 million reported in the corresponding period of FY2022.

Our major associate, Dayang Enterprise Holdings Bhd. (“DEHB”) posted a substantial increase in earnings contribution for FY2023. The share of net profit from DEHB rose sharply to about RM53.2 million from RM 30.9 million in FY2022, contributing positively to our overall group results for the year. At the same time, our core business operations also improved, registering a lower level of loss of RM2.2 million for FY2023, compared to a net loss of RM4.6 million in FY2022. These factors led to the overall improvement in group results for FY2023.



NAGA Received Pan Borneo Appreciation Award at JKRS Gala Dinner in 2023



Kuching Region Year End Town Hall in 2023



NAIM Hock Peng JV at the Qlassic Award Ceremony 2023

CORE BUSINESS UNITS' PERFORMANCES:

Our core business operations, namely Property Development, Construction and Others Segment each made significant stride in their respective segments. Despite the current soft property market, the Property Development segment implemented various sales and marketing initiatives, including social media and digital marketing, value-added service packages and stakeholder engagement activities/events. These efforts not only gradually improved the performance of this segment, but also fortified our relationships with customers over time. Moreover, we are also exploring opportunities beyond Sarawak and even Malaysia, looking to expand our reach and deliver value to a broader customer base. The Construction segment, despite experiencing a revenue decrease, reported a notable improvement in its performance for FY2023. This was achieved through disciplined cost management, which resulted in cost savings from certain completed projects, which positively contributed to the overall group results. Our focus on timely project delivery with expected return has been central to our operational success. We have seen gradual improvement in the Other segment, particularly in our retail leasing and hotel business. We are continuously committed to various revamping activities to improve occupancy rates and achieve sustainable investment yields. Competitive rental rates and stringent cost control measures are implemented to adapt to the changing working culture and the rise of e-commerce.

LETTER TO SHAREHOLDERS (CONTINUED)

COMMITMENT TO VALUE AND SUSTAINABLE PRACTISES:

Our responsibilities extend far beyond financial metrics. We have embraced the Environment, Social and Governance (“ESG”) principles, underscoring our long-term commitment to a future where business success aligns with societal and environmental well-being. We actively engage in environmentally sustainable practices, social empowerment, and ethical governance, recognising these as drivers of enduring success in the long term.

Our vision for the future is imbued with optimism and an unyielding commitment to progress. We are not content with mere financial growth; we aspire to be the harbingers of sustainable development, creating enduring value not only for our shareholders and stakeholders but also for the communities where we operate. Our path to success focuses on innovation, excellence, and strategic foresight, and we are eager to seize the opportunities that lie ahead.

NURTURING A CULTURE OF OBSESSED SERVICE (NaCOS):

In FY2023, we introduced a culture of obsessed service through NaCOS to all our employees, including senior management and the Board of Directors, emphasising customer obsession strategy. Through NaCOS, we develop a profound interest in understanding our customers, both internal and external, and turn this into the focal point for decisions related to product and service delivery. NaCOS aims not only to operationalise and instill Customer Obsession as a culture but also to uphold our brand promise to deliver good quality products and excellent services over time. At NAIM, we aim to establish a competitive advantage by focusing on short-term and long-term customer advocacy. We aspire to foster good relationships with customers and other stakeholders, achieve high productivity at all business levels, and ultimately thrive in both the workplace and the marketplace.

To that end, we commit to continuously delivering high-level standards of customer service and quality – a reflection of our vision, mission, and core values; so NAIM can be the best company to work for, invest in and do business with.



NAIM Miri Region and Natural Resources and Environment Board (NREB) during an Environment Awareness Campaign at NAIM Clubhouse SouthLake Permyjaya



Launch of NaCOS at Wisma NAIM



NAIM and PDRM during the official launch of the Auxilliary Police team in Miri

SOCIAL AND BIODIVERSITY

During the year, our Group embarked on the education business through an outright acquisition of approximately 53.3% equity interest in an established private school under Mawar Education Centre Sdn. Bhd.

This move aims to create higher quality township developments integrated with modern education facilities. In addition, during FY 2023, as part of our corporate social responsibilities (CSR) initiatives, we contributed approximately RM383,000 to various local communities through the Tabung Amanah NAIM and other subsidiaries within our Group.



Sekolah Rendah Sri Mawar in Miri

APPRECIATION FOR TEAMWORK AND PARTNERSHIPS

I would like to express my sincere gratitude to the Board of Directors, senior management, and our employees for their dedication and commitment throughout FY2023. Their dedication, commitment and hard work are the bedrock of our success. My heartfelt thanks go to each team member for their unwavering support and exceptional contributions.

To our shareholders, external stakeholders, business partners, and customers, your trust and collaboration have been invaluable. Together, we have faced challenges and celebrated successes. The relationships we have forged are integral to our success, and we look forward to strengthening these bonds in the years ahead. As we look to the future, NAIM is poised to embrace the opportunities and challenges that lie ahead. Your confidence in NAIM fuels our determination to achieve greater heights. We are committed to a future of prosperity, innovation, and sustainable growth.

In 2024, we look forward to continuing this journey with you and achieving the goals we have set for ourselves and the communities we serve.

Datuk Amar Abdul Hamed Bin Haji Sepawi.
Non-executive Chairman

REVIEW OF PERFORMANCE AND OPERATIONS

Throughout the year 2023, we have continuously pursued our strategic initiatives to invest in outstanding customer services, talent development as well as sustainable innovation. These initiatives not only aim to enhance operational efficiency but also to create more sustainable business growth in years to come. Our continuous efforts of building and embracing resilience, agility and adaptability across all our operations have enviably emerged us to become stronger in this ever-challenging business environment.

In FY2023, our Group recorded a 41% improvement in net profit, rising from RM24.8 million in FY2022 to RM35.0 million in FY2023. Despite our core business operations performing below expectations, various transformation efforts invested and initiated during FY2023 begin to yield positive results, with these operations showing approximately 50% improvement from the segment loss of RM4.6 million reported in FY2022. Additionally, a higher share of profits from our major associate, Dayang Enterprise Holdings Bhd. of RM53.2 million (2022: RM30.9 million) had also contributed positively to our group performance for FY2023.

A review of performance of our key operating segments is summarised in the following pages.





Artist Impression of Liliium, Desa Damai at Bandar Baru Permyjaya.



Artist Impression of Luna Riverdale at SouthLake, Bandar Baru Permyjaya

Property Development Segment:

The Property Development segment experienced a decline in revenue, from RM85.6 million in FY2022 to RM71.8 million in FY2023. The decrease in revenue was primarily attributed to lower work progress achieved, especially in some newly launched projects during FY2023. However, the segment's performance showed slight improvement due to changes in the product mix sold.

Amid the property market's gradual recovery in FY2023, the Group secured higher new property sales totalling RM79.9 million, representing about 35% increase from the RM59.3 million sales achieved in FY2022. Emphasising various sales and marketing initiatives such as digital marketing and enhanced value-added service packages, we aim to reduce the inventory levels while improve the performance of this segment.

As part of our initiatives to expand our customers base, we are also exploring opportunities to promote our products beyond Sarawak and even Malaysia, through the Sarawak-Malaysia My Second Home (SMM2H) programme. In addition, we are continuously striving to enhance and foster more sustainable customer relationships through various stakeholders' engagement activities. This includes the rewards programmes like the Nfinity loyalty program, exclusively designed for Naim customers, and a Referral Programme for other stakeholders. These efforts are in alignment with our core value initiative - Nurturing a Culture of Obsessed Services (NaCOS) – which was introduced in FY2023.

While the property market is expected to remain soft for 2024, we maintain a positive outlook on the upcoming growth prospects. *“Demand for property is likely to continue its steady recovery, barring any changes in socio-economic fundamentals”*¹. This optimism is fuelled by various state economy and green initiatives across major cities in Sarawak, supported by an increased development expenditure allocation of more than RM100 billion over the next 6 years². In the coming year, we anticipate higher levels of sales activities in the regions we operate. Several medium housing developments are in the pipeline for near-term launch to cater to the anticipated demand in the market.

Footnote

1. CH Williams Talhar Wong & Yeo Sdn Bhd in its Sarawak Property Market Bulletin 12/2023
2. NST online news “Sarawak’s growth will be backed by increased DE allocation, says RHB Research” dated 20 February 2024

REVIEW OF PERFORMANCE AND OPERATIONS (CONTINUED)

Construction Segment

The Construction segment recorded a revenue of RM220.2 million, marking a 17% decrease from the RM265.3 million achieved in FY2022. The lower revenue was attributed to the non-recognition of certain variation works that are currently under assessment, as a prudent measure. However, the construction profit for FY2023 improved significantly, reaching approximately RM4.5 million which was nearly three times higher than FY2022. This improvement was driven by cost savings arising from the completion of certain projects upon the finalisation of accounts with the clients and/or contractors.

The current projects on hand are under close monitoring and management to ensure that these projects are completed within the targeted timeline and achieve the expected returns. As part of our efforts to bolster the performance of this segment, we are continuously on the lookout for opportunities arising from numerous people-centric initiatives currently implemented or going to be implemented by the State, to build up and replenish our order book. Our focus will primarily be on projects where we have proven track records and experience, supported by available project management resources.



Construction of Wisma Melayu as at November 2023 (Top) and Artist Impression of Wisma Melayu (bottom)



Aerial shot of Wisma Melayu construction site in early 2024.

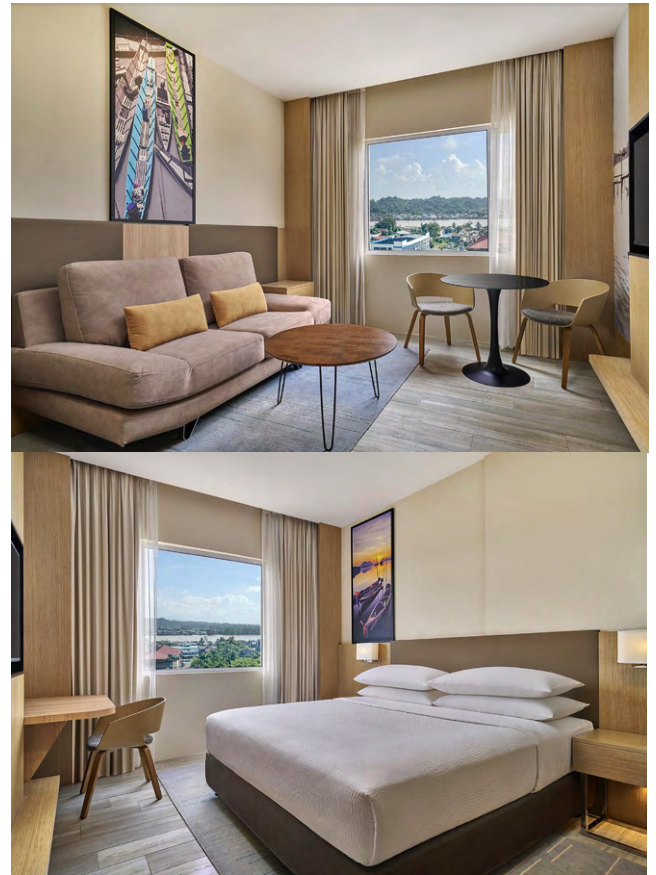
Other Segment

In FY2023, the Other Segment saw a notable increase in revenue, reaching RM24.9 million, marking a robust growth of 41% compared to the RM17.6 million recorded in FY2022. This growth was primarily driven by higher quarry sales and increased income from property maintenance services. Despite the revenue increased, the segment continued to incur losses, largely due to fixed overheads and interest expenses. Additionally, lower-than-anticipated hotel room occupancy rates had a negative impact on overall revenue and performance for this segment.

The Group anticipates a gradual improvement in contributions from this segment over time, particularly in the retail leasing and hotel businesses in Bintulu and Miri. Various revamping plans have been underway since FY2022, aiming at enhancing existing occupancy rates and investment yield. We understand that these initiatives may take some time to yield fruitful results. Plans include the introduction of new anchors stores, food & beverage, and other exciting retail offerings, as well as some proposed upgrades to the physical mall infrastructure of the malls, with enhancement plans still under study. We believe that these revamping initiatives will gradually transform Bintulu Paragon Streetmall and Miri Permy Mall into major lifestyle and community leisure destinations in the local market.

Simultaneously, we are implementing various initiatives to diversify and enhance performance of our business hotel, Fairfield by Marriott Bintulu Paragon, which stands as the only 4-star international hotel operating in Bintulu. We believe that through partnership with Marriot group, our hotel operations will generate better returns in near term, supported by various upcoming Marriot initiatives such as the Marriot Bonvoy loyalty programme, rate strategy and revenue enhancement plans.

We maintain optimism that the significant investments attracted to Bintulu of some RM52 billion³ have will positively impact our current investments in Bintulu, namely Bintulu Paragon Streetmall and Fairfield by Marriott Bintulu Paragon, in the years to come.



Recently launched Junior Suite at Fairfield by Marriott Bintulu Paragon

Aerial perspective of Bintulu Paragon which includes Fairfield by Marriott Bintulu Paragon.

Footnote

3. The Borneo Post online news "S'wak govt continues to attract more high-quality investments to become high income economy by 2030" dated 20th October 2023

REVIEW OF PERFORMANCE AND OPERATIONS (CONTINUED)

Major associate

Our major associate, Dayang Enterprise Holdings Bhd. ("DEHB"), reported an unaudited net profit after tax attributable to owners of approximately RM218.9 million⁴ in FY2023, against a net profit after tax of RM121.2 million in FY2022. The significant improvement in DEHB's performance during FY2023 was mainly driven by higher work orders/contracts, increased vessel chartering margin and utilisation rates, as well as reversal of some impairment losses previously recognised against certain assets and associated goodwill.

As of 31 December 2023, DEHB maintained a strong financial position with healthy net assets of about RM1.7 billion (unaudited) and a strong cash position of about RM495.1 million (unaudited). Additionally, its outstanding estimated call-out contracts stand at approximately RM1.9 billion as of December 2023.

Throughout FY2023, the Group has been taking various proactive approaches to address market challenges and continuously identify new ways to sustain group performance in the current dynamic business environment. The Group not only focuses to understand and meet customers' needs, but also continuously finds ways to build sustainable customer relationships and explore all potential business opportunities to diversify its income streams in the medium and long term.



Perdana Petroleum Emerald



Dayang Enterprise Holdings Vessel

Footnote

4. Extracted from the announced quarterly result of DEHB for the year ended 31 December 2023

SUSTAINABILITY STATEMENT

Naim Holdings Berhad (“NAIM”) is committed to the ideals espoused in the Environmental, Social and Governance (ESG) framework and is continuously developing sustainability strategies that are intertwined with financial targets of key business units and inculcating a culture of employee awareness on actions taken towards achieving sustainability across the Group. We continue to aim to be the industry leader as a responsible property developer, contributing to a sustainable world and a better financial future for our customers.

Our Sustainability Statement covers aspects that are material to NAIM and that could have significant impact on stakeholders from an ESG perspective. It also highlights initiatives undertaken to manage these material matters in a manner that creates value for all stakeholders.

For a more comprehensive account of NAIM’s business and operational performance, readers are encouraged to read this together with the rest of the Annual Report.

SUSTAINABILITY STATEMENT (CONTINUED)

1. SUSTAINABILITY POLICY

a. Mission Statement for Sustainable Property Developer and Construction Contractor

“As a leading property developer and construction contractor in Sarawak, NAIM strives to create lasting value for stakeholders while prioritising social and environmental responsibility.”

b. Scope

This Policy applies to all business operations and activities of the holding Group and all major Group subsidiaries in Malaysia only, for which NAIM has direct managerial control but excludes data from associates and joint ventures outside of management control.

c. Our Commitment

NAIM continues to commit to:

- i. **Fostering a Sustainable Culture** by Promoting Awareness of Environmental, Social, and Governance Issues Among Our Employees
 - a. Apply a sustainable approach to our development projects.
 - b. Provide education facilities through incorporation of schools in our township developments and township planning, and monetary donations to educational institutions and scholarships to deserving candidates.
- ii. **Cultivating Inclusivity, Innovation and Digital Transformation:** For Optimal Product and User Experience Across Customers & Stakeholders
 - a. Support the well-being of the communities.
 - b. Positive employment conditions that help attract and develop employees, support their well-being, and encourage gender equality.
 - c. Ensure the health and safety of our offices and premises including corporate office, site offices, malls etc.
- iii. **For a Greener Tomorrow:** Driving Towards Malaysia Net Zero Carbon by 2050
 - a. Reduce greenhouse gas emissions, manage our energy, water and waste footprint as well as protect and conserve biodiversity.

2. KEY FOCUS AREAS



Ensure healthy lives and promote well-being for all regardless of age



Provide inclusive and equitable quality education for all



Encourage gender equality and empower women and girls



Promote inclusive and productive employment for all



Build resilient infrastructure to achieve sustainable economic growth



Make cities and human settlements safe and sustainable



Take urgent action to combat climate change and its impacts



Strengthen implementation and revitalise the partnerships for sustainable development

3. SUSTAINABILITY APPROACH

Our commitment to sustainability is rooted in the ethos of generating meaningful value for both our internal and external stakeholders, fostering a positive impact within the communities where we are active. Internally, our stakeholders encompass esteemed shareholders or investors who share in our vision, as well as our dedicated and talented workforce.

Externally, our engagement extends to a diverse spectrum of partners, including valued customers, vigilant regulators, supportive bankers, reliable contractors, trusted suppliers, the broader communities we serve, and the influential media.

This comprehensive approach ensures that sustainability is not merely a goal but a collaborative journey towards holistic positive change.

4. STAKEHOLDER ENGAGEMENT

Effectively managing the expectations of stakeholders is crucial for the success of the business. Regularly involving stakeholders not only demonstrates our commitment to inclusivity but also fosters stronger bonds and relationships with them. As these relationships deepen, stakeholders are more likely to embrace and support our initiatives, fostering a collective buy-in. This shared commitment, in turn, becomes a catalyst for the sustained success and enduring viability of our business in the long run.

The following matrix highlights the diverse stakeholder importance within the Group and table highlights the diverse stakeholder engagement practices that the

Stakeholder	Areas of Interest	Mode of Engagement ¹
Shareholders & Investors	<ul style="list-style-type: none"> Financial Performance Corporate governance Leadership matters Shareholders returns Business viability and sustainability 	<p>C Transparent disclosure of necessary information and active communication in updating performance.</p> <p>A Issuance of media releases and Bursa announcements to keep all our shareholders and investors informed of the Group's financial performance and corporate developments.</p> <p>R All Bursa announcements and media releases are uploaded to the Group's website.</p> <p>Q Quarterly result briefings and AGM presentations by MD</p> <p>A Emails to notify shareholders to download Annual Report to the Group's website.</p>
Financial Institutions i.e. bankers	<ul style="list-style-type: none"> Financial performance and cash flows Property launches Property sales Orderbook performance 	<p>Q The quarterly release of financial results</p> <p>A Yearly audited accounts in the annual report</p> <p>Q Periodic meetings and discussions with bankers to update the status of projects and Group performance</p> <p>R Compliance to financial institutions request on ESG status</p>

Frequency of engagements:

A: Annual | Q: Quarterly | M: Monthly | W: Weekly | R: As and when required/Regularly | C: Continuous

Note

¹: Senior Management count excludes Chairman, and Managing Director. Non-executive includes technical staff and general workers/foreign workers

SUSTAINABILITY STATEMENT (CONTINUED)

4. STAKEHOLDER ENGAGEMENT (CONTINUED)

Stakeholder	Areas of Interest	Mode of Engagement ¹
Customers	<ul style="list-style-type: none"> Complaint management and resolution Positive customer experience Safety and security Personal Data Protection Act compliance Product and service quality 	<ul style="list-style-type: none"> R Property management meetings with tenants and owners R Customer satisfaction surveys for every function and engagement R Community and networking events with customers C Effective communication via corporate social medias, communication platform, and website C NaCOS - Initiative that is tailored to focus on customer-centric service attributes. c NAIM Connect - stemmed from recognising the importance of engaging with our customers, communities, and corporate partners for business growth and brand perceived value. C Customer relations 101 training for sales and support service staff
Employees	<ul style="list-style-type: none"> High performance culture Business viability and sustainability Leadership and succession matters Recognition and competitive remuneration and benefits Employee Journey from onboarding to retention Learning and development Ethics and integrity Health and safety, wellness and workplace environment Diversity, equity and inclusivity 	<ul style="list-style-type: none"> C Wellness@NAIM for Employee Engagement and wellbeing C Culture+ Changes - A management unit to corporate values booster further diversity, inclusive & Equity agenda C Project AEGIS - To enhance and optimise approach to daily tasks via digitisation and digitalisation (D&D). C Project Renaissance – To empower local leadership, enhance speed and quality of decision c NaCOS - Tailored to focus on customer-centric service attributes. M Teh Talk - An employee engagement initiative for building knowledge, skills, or a renewed sense of commitment to the Group. Q The Flow - A bimonthly internal Group newsletter on the latest industry news, initiatives, and organisational direction Q Group-wide and Departmental Town Halls

Frequency of engagements:

A: Annual | Q: Quarterly | M: Monthly | W: Weekly | R: As and when required/Regularly | C: Continuous

4. STAKEHOLDER ENGAGEMENT (CONTINUED)

Stakeholder	Areas of Interest	Mode of Engagement ¹
Employees	<ul style="list-style-type: none"> • High performance culture • Business viability and sustainability • Leadership and succession matters • Recognition and competitive remuneration and benefits • Employee Journey from onboarding to retention • Learning and development • Ethics and integrity • Health and safety, wellness and workplace environment • Diversity, equity and inclusivity 	<p>Q Employee Satisfaction Surveys</p> <p>A Corporate Retreats for Senior Management and Management</p> <p>A Total Rewards Strategy (including Employee recognition initiatives)</p> <p>Q OKR and Quarterly Performance conversation and review</p> <p>C Structured and holistic NAIM L&D curriculum and calendar.</p>
Suppliers, Vendors, Contractors, and Service Providers	<ul style="list-style-type: none"> • Procurement practices that comply with authorities' requirement • Competency and performance • Payment schedules • Pricing of services • Quality of product or services • Project completion and timely delivery • Health, Safety and Environment ("HSE") compliance 	<p>c Streamline and centralise procurement processes, and reportings to improve efficiency and cost effectiveness.</p> <p>R Ensure the selection of suppliers, vendors, contractors, and service providers are based on corporate reputation and quality as well as promoting sustainability.</p> <p>R Regular meetings between the management team and Suppliers, Vendors, Contractors, and Service Providers</p> <p>R Procurements are conducted in compliance with Group Authority Limits</p> <p>R All Suppliers, Vendors, Contractors, and Service Providers are required to declare and comply with the Group's Anti-Bribery & Corruption Policy</p> <p>A Annual internal and external audits on business practices and risks</p>

Frequency of engagements:

A: Annual | Q: Quarterly | M: Monthly | W: Weekly | R: As and when required/Regularly | C: Continuous

SUSTAINABILITY STATEMENT (CONTINUED)

4. STAKEHOLDER ENGAGEMENT (CONTINUED)

Stakeholder	Areas of Interest	Mode of Engagement ¹
Suppliers, Vendors, Contractors, and Service Providers	<ul style="list-style-type: none"> • Procurement practices that comply with authorities' requirement • Competency and performance • Payment schedules • Pricing of services • Quality of product or services • Project completion and timely delivery • Health, Safety and Environment ("HSE") compliance 	<p>R Tender, biddings, quotations and contract negotiations</p> <p>R Dialogue with Suppliers, Vendors, Contractors, and Service Providers</p>
Authorities i.e. Government and Regulators	<ul style="list-style-type: none"> • Regulatory and law compliance • Environmental management and compliance • Ethical business practices • Occupational Health and Safety 	<p>R Regular inspection of NAIM's completed properties by local authorities to ensure compliance with local regulatory requirements.</p> <p>C Accredited NAIM construction processes ISO 90001:2015, ISO 140001:2015 and ISO 450001:2018.</p> <p>R Participation in governmental programmes.</p> <p>R Licence applications and renewal.</p>
Communities	<ul style="list-style-type: none"> • Business governance and integrity • Community well-being and surrounding environment preservation 	<p>R Communities residing around Permyjaya benefit from our facilities such as clubhouse, schools, shopping mall and places of worship such as mosque and churches.</p> <p>C Bintulu Paragon - Located at one of the most prime areas and the largest integrated development that serves the diverse community in Bintulu.</p> <p>Q Partnerships in CSR activities</p> <p>Q Explore youth entrepreneurship by providing opportunities for employment like internships and attachments.</p> <p>R Continuous donations to schools and religious bodies.</p> <p>M Monthly customers, communities, and corporate partners engagement via NAIM Connect.</p> <p>A Annual Customer Engagement Initiative Digital Survey to understand their wants and needs.</p>

Frequency of engagements:

A: Annual | Q: Quarterly | M: Monthly | W: Weekly | R: As and when required/Regularly | C: Continuous

4. STAKEHOLDER ENGAGEMENT (CONTINUED)

Stakeholder	Areas of Interest	Mode of Engagement ¹
Media	<ul style="list-style-type: none"> Business governance and integrity Media support Timely sharing of business-related 	<p>R Media meet-and-greet and networking</p> <p>R Press releases.</p>

Frequency of engagements:

A: Annual | Q: Quarterly | M: Monthly | W: Weekly | R: As and when required/Regularly | C: Continuous

5. NAIM KEY SUSTAINABILITY THEMES FOR YEAR 2023

NAIM has identified and executed the following key sustainability themes for the year 2023:

- Digitisation and Digitalisation in the workplace.
- Integrated lean and sustainability principles into management processes.
- Continuously crafting homes for generations.
- Upgrade our service with a Personable, Practical, Professional approach.

6. ETHICS AND INTEGRITY

The Group has embraced a Code of Conduct and Business Ethics as a benchmark for acceptable conduct towards all stakeholders. Additionally, a Whistleblowing Policy has been established in 2022 and practised ever since to provide employees and the public with a means to report any inappropriate behaviour.

Aligned with Section 17A of the Malaysian Anti-Bribery & Corruption Commission Amendment Act 2018, the Group has implemented its Anti-Bribery & Corruption Policy ("ABC Policy"). To oversee this, an Anti-Bribery & Corruption Compliance Committee has been established, responsible for monitoring and reporting to the Board.

Furthermore, all staff members have participated in briefings on the ABC Policy and the Code, facilitated by the Group Legal Department.

7. KEY SUSTAINABILITY MATTERS

The following sustainability considerations will continue to be the Group's sustainability commitment for the future:

Green Objectives	Green Strategies/features	Green Impact	Value Generated
Sustainable site development	<ul style="list-style-type: none"> Minimise construction-related site disturbance and soil erosion Implement natural drainage systems to enhance water management Preserve and restore natural site features to maintain ecological balance 	<ul style="list-style-type: none"> Minimised impact on the environment and/or ecosystem. Enhanced site aesthetics Increased public support for development 	<ul style="list-style-type: none"> Enhanced marketability and decreased maintenance costs. Improved branding and aesthetics leading to higher sales, rents, absorption, and re-tenanting benefits Preservation of biodiversity and safeguarding ecosystem

SUSTAINABILITY STATEMENT (CONTINUED)

**7.
KEY
SUSTAINABILITY
MATTERS
(CONTINUED)**

Green Objectives	Green Strategies/ features	Green Impact	Value Generated
Energy-efficiency	<ul style="list-style-type: none"> • Implement passive solar heating and cooling, along with natural ventilation strategies • Maximise daylight penetration into interior spaces to minimise reliance on artificial lighting • Employ energy management systems, monitoring, and controls for ongoing calibration, adjustment, and maintenance of energy-related systems • Implement and encourage virtual meetings through tele- and video conferencing 	<ul style="list-style-type: none"> • Increase benefit to occupant i.e cost optimisation and healthier life from the increased energy efficiency • Operational savings that can offset higher initial capital costs 	<ul style="list-style-type: none"> • Decreased capital and operating costs, resulting in a longer life cycle • Lower operating costs leading to a higher return on leases • Minimization of carbon footprint • Reduction in carbon emissions associated with transportation.
Reduced consumption of building materials	<ul style="list-style-type: none"> • Minimise unnecessary finishes and additional products. • Design for functionality and adaptability. 	<ul style="list-style-type: none"> • Lower maintenance costs 	<ul style="list-style-type: none"> • Reduced maintenance costs
Efficient use of natural resources	<ul style="list-style-type: none"> • Rainwater harvesting by utilising captured rainwater for daily use • Reusing and/ or recycling of construction leftovers 	<ul style="list-style-type: none"> • Lower water consumption costs • Lower material costs 	<ul style="list-style-type: none"> • Lower construction costs and minimise wastage

7.
KEY
SUSTAINABILITY
MATTERS
(CONTINUED)

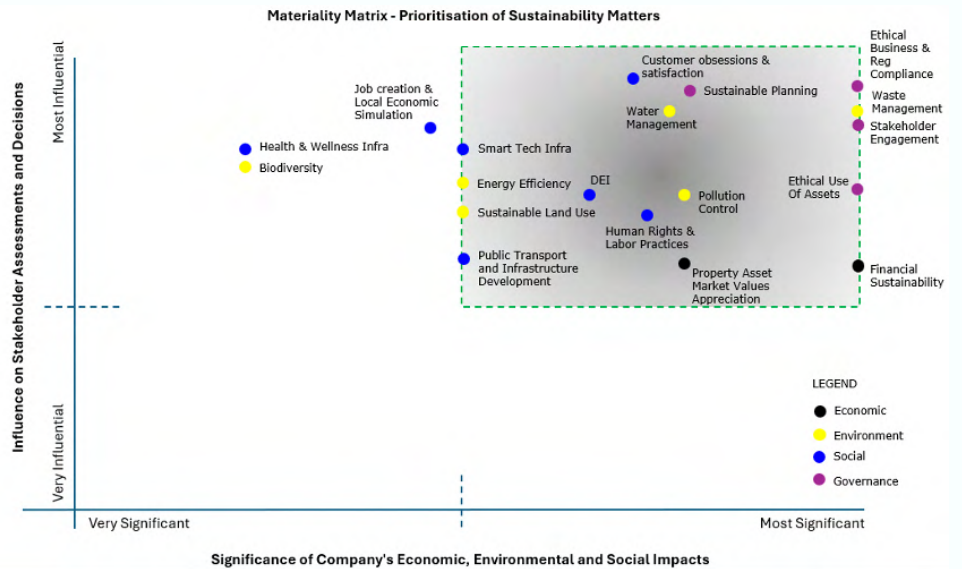
Green Objectives	Green Strategies/ features	Green Impact	Value Generated
Digitisation and digitalisation of work processes	<ul style="list-style-type: none"> Digital reporting methods through online submission of reports Transforming how we work through Project AEGIS for a more efficient and innovative future. <p>A - Assist E - Evolve G- Guide I - Innovating S - Supporting</p>	<ul style="list-style-type: none"> Reduction of paper use in the office Efficient work processes and procedures 	<ul style="list-style-type: none"> Preserve and protect trees Minimise carbon footprint Improve overall operational efficiency by digitising and streamlining key processes, reducing manual intervention, and minimising redundant tasks Identify opportunities for process optimization through the implementation of digital solutions, automation, and improved resource utilization Enhance customer experience through digital solutions that improve communication, responsiveness, and service delivery Boost employee productivity via user-friendly digital tools and training programs that align with their roles and responsibilities
Social improvement	<ul style="list-style-type: none"> Construct affordable homes catering to the needs of the low-income group. 	<ul style="list-style-type: none"> Improve the standard of living for the low-income group. Generate employment opportunities for residents within the township community. 	<ul style="list-style-type: none"> Enhance social conditions and potentially increase the income of community members, contributing to the establishment of sustainable communities.

SUSTAINABILITY STATEMENT (CONTINUED)

	Green Objectives	Green Strategies/ features	Green impact	Value
<p>7. KEY SUSTAINABILITY MATTERS (CONTINUED)</p>	<p>Social improvement (continued)</p>	<ul style="list-style-type: none"> • Develop townships that seamlessly integrate residential areas with commercial, public, and social facilities, educational institutions, public transport hubs, and hospitals. • Construct integrated work accommodation for foreign labours. 	<ul style="list-style-type: none"> • Decent, integrated and safe work accommodation for foreign labours. 	
<p>8. KEY SUSTAINABILITY HIGHLIGHTS</p>	<p>Supply Chain</p>	<ul style="list-style-type: none"> • 80% of our suppliers are Malaysian-based entities while 92% are local Sarawakian 	<ul style="list-style-type: none"> • Reduction in transportation expenses and a diminished environmental impact. • Foster innovation with local partners 	<ul style="list-style-type: none"> • Generate employment opportunities for the local community • Contribute to and bolster the local economy
<p>9. ENVIRONMENT-RELATED CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES</p>	<ul style="list-style-type: none"> • Granted RM90,550 from Tabung Amanah NAIM and NFAEA for FY2023 • Maintain a minimum wage of RM1,500 as per the salary requirements set by the Malaysian Government • Women in the workforce: 40.19% (Overall) • ESG KPI is now part of all employees' performance appraisal which includes senior management. <p>For over two decades, our commitment to community well-being and environmental stewardship is exemplified through the establishment and sustained efforts of our volunteer fire-fighting team in Kuala Baram, Miri, Sarawak.</p> <p>Situated in a bushfire-prone region, our proactive volunteers are BOMBA-certified Emergency Response Team (ERT) and plays a crucial role in supporting local authorities combat recurrent bushfires and help patrol NAIM's land parcels and surrounding areas to detect bushfires.</p> <p>This enduring initiative stands as a beacon of community engagement, embodying the core values of NAIM and exemplifying the power of corporate social responsibility in fostering a sustainable and secure future.</p>			
<p>10. MATERIALITY</p>	<p>The determination of sustainability topics vital to NAIM stems from their direct or indirect influence on our capacity to establish, safeguard, or potentially undermine Economic, Environmental, Social, and Governance (E.E.S.G.) values for the Group, our stakeholders, and the environment.</p> <p>A diverse range of methods, including surveys, interviews, and dialogues with internal and external stakeholders were used to identify the sustainability topics. This allows us to collect valuable feedback on the sustainability priorities of various stakeholder groups. Subsequently, the strategic mapping of our materiality matters onto a matrix serves as a powerful tool to discern and prioritise elements that exert the most significant impact on the overall value of our business.</p>			

10. MATERIALITY (CONTINUED)

This systematic approach ensures that our efforts are aligned with the core concerns of our stakeholders and the broader environmental context in which we operate.



Axes

- Influence on Stakeholder Assessments and Decisions is defined as the importance of sustainability matter to stakeholders.
- Significance of Company's Economic, Environmental and Social Impacts is defined as the importances of sustainability matter to NAIM.

As per the matrix, some of the top material matters identified for 2023 were:

- Financial Performance
- Market Value Appreciation
- Sustainable Planning
- Corporate Governance
- Business Ethics & Compliance
- Diversity & Equal Opportunity
- Human Rights & Labor Practices
- Health & Safety
- Learning & Development
- Customer Obsession & Satisfaction
- Water & Waste Management
- Energy Efficiency

11. KEY SUSTAINABILITY ACHIEVEMENTS

Committed to integrating sustainability comprehensively across our operations, ranging from the design of our homes to our interactions with the community, Naim Holdings garnered several awards and recognitions in FY2023. These accolades underscore our strong sustainability performance and contribute to enhancing our brand image among stakeholders.

- **SHEDA Award 2023**
Top 30 Prominent Developers in Sarawak
- **The EDGE 2023**
Top 30 Property Developers in Malaysia
- **23rd Malaysia International HR Award 2023**
Diversity & Inclusivity Award (Diversity in Employment)
- **Quality Assessment System in Construction**
QLASSIC Award

SUSTAINABILITY STATEMENT (CONTINUED)

12. SUPPORTING THE COMMUNITIES

During FY 2023, as part of the Corporate, Social & Responsibilities (CSR) initiatives, we contributed a total of RM 382,986.00 to various local communities through the Tabung Amanah NAIM and other subsidiaries within our Group.

COMMUNITY AND SOCIETY

a. Tabung Amanah NAIM (NAIM Foundation)

Established in 2004, NAIM Foundation is focused towards providing assistance in areas of education, relief of distress, promotion of unity through sports, arts and culture, religious worship or advancement of religion and other patriotic, charitable and purposes. The Foundation is expanded on an annual basis through donations from the Group and its subsidiaries. Currently, a total of 19 secondary schools in Sarawak are part of the programme.

Naim Foundation Academic Excellence Award (NFAEA)

Launched in 2016, the Awards seek to drive the culture of academic excellence and reward well-rounded learners in schools.

Tabung Amanah NAIM and NFAEA invested RM90,550 for FY2023

NAIM excellence awards for 17 top STPM students

Seventeen students from SMK Batu Lintang received the prestigious Naim Foundation Academic Excellence Awards for their outstanding performance in STPM. Two of these students ranked within the State's top 10 performers.

Two outstanding students, Reshyini Nisha Kanan and Jacqueline Joanne John, from SMK St Teresa were awarded the Naim Foundation Academic Excellence Award for achieving straight A's in SPM. Both students were previously recognized as 'Tokoh Naim' by the school. The event, at SMK St Teresa, was officiated by the Deputy Director of the learning sector at the Sarawak Education Department. SMK St Teresa principal, Disin Nyaom views the award as a motivation for students to excel academically and appreciates the support from the Foundation among 36 other schools.



NAIM Foundation Academic Excellence Award (NFAEA) Award Ceremonies In 2023

12. SUPPORTING THE COMMUNITIES (CONTINUED)

Other than supporting the community through initiatives aimed towards academia, NAIM have also organised numerous community engagement and charitable initiatives, both internally and externally, with the goal of investing in the betterment of the community. The following are the events organized in 2023:

a. Donation to Surau and Mosques across three regions (Kuching, Miri, Bintulu)



Presentation of donations for mosque and surau at Wisma Naim



NAIM donates at a mosque in Bintulu

NAIM donated to six mosques and surau across its three development regions. In total, RM6,000.00 was donated to the following Masjid Darul Ulum (Taman Desa Ilmu), Masjid Darul Falah (Kampung Binyu), Surau Darul Furqan (Kampung Binyuk Baru), Masjid Ar'Rayyan (Bandar Baru Permyjaya), Surau Sinar Islam (Kampung Pulau Melayu) and Masjid At-Taqwa (RPR SEBIEW).

b. Donation to improvement works at Lutong police station

NAIM is committed to investing in the betterment of the locals within their development areas. Apart from direct initiatives such as donating to places of worship, etc., NAIM have also contributed to local authorities.

In 2023, NAIM contributed RM2,780.00 for the leveling of stones at Lutong Police Station, Miri.

SUSTAINABILITY STATEMENT (CONTINUED)

12. SUPPORTING THE COMMUNITIES (CONTINUED)

c. Recovery Support

Kumbau anak Damai, a seasoned NAIM staff experienced a personal disaster when her home caught fire in July 2023. The disaster, which fortunately did not lead to any loss of life, damaged Kumbau's home which is occupied by her family members with much of their personal belongings lost.

NAIM staff in Miri Region, and several from Kuching Headquarters, rallied together to assist with cleaning up and fixing the structure to enable Kumbau and her family to resume living at their home.



NAIM Miri staff (including members of volunteer firefighters) after volunteering at Kumbau's home

d. Emergency Assistance

Mokhtar, an employee of Indonesian nationality, unfortunately suffered a stroke late last year. Fulfilling obligations as a responsible employer and taking Mokhtar's interest a priority, he was afforded the best treatment at Timberland Medical Centre, Kuching.

As his prognosis proved clinically pessimistic, NAIM made arrangements, with the blessing of Mokhtar's next of kin, to transport him back to his hometown in Medan, Indonesia.



Mokhtar, escorted by NAIM Staff, at a medical facility in Medan, Indonesia

13. DATA PRIVACY, SECURITY, AND ANTI-CORRUPTION

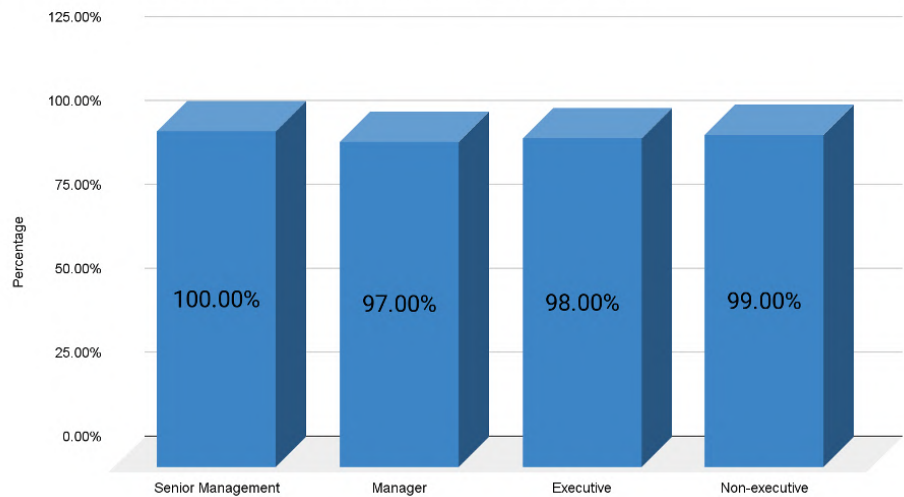
There were no substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2023.

ANTI-CORRUPTION

The Business Ethics Code of Conduct, which covers general administration policies and procedures, group human resources policy and procedures, Anti-bribery and Corruption Policy and Whistleblowing Procedures, has been established for the purpose of guiding and supporting NAIM Group’s business practice and governance.

As outlined in the Anti-bribery and Corruption ABC policy, we have zero tolerance for all forms of corruption. Our senior management and staff are informed of the ABC policy by means of various platforms, training sessions, induction programs and our corporate website.

Percentage of employee who have received on anti-corruption training



- Percentage of operations assessed for corruption-related risks in FY2023 is not applicable
- There were no confirmed incidents and action taken involving corruption in FY2023.

14. INCULCATION OF QHSE MINDSET AMONG APPOINTED CONTRACTORS AND JV PARTNERS

We engaged our appointed contractors and JV partners regularly to inculcate the QHSE mindset among them and their workers. Various best practices in relation to QHSE were also set out as requirements in our contracts with these contractors.



Staff and visitors in full personal protective equipment during safety briefing at project site.

SUSTAINABILITY STATEMENT (CONTINUED)

15. HEALTH AND SAFETY

Number of work-related fatalities - 1

Number of employees trained on health and safety standards - 380

2014 - 2022	2023	Total	Loss Time Incident Rate (LTIR)
73,530,604	2,021,001	75,551,605	0.10

Number of employees trained on health and safety standards

Throughout this year, we maintained our commitment to offering specialised training and safety discussions to our employees, prioritising their health and well-being on the job. Prior to commencing work on any project, all new staff members underwent mandatory safety training. Some of the programs conducted this year include:

Training/Competency

No.	HSE Performance & Statistics	2023
1.	HSE - Coordinator	5
2.	Waste Management procedure	All region
3.	First Aid Training	18
4.	BOMBA	24
5.	HSE Induction	For new staff or worker
6.	Green Card CIDB Training	For new staff or worker
7.	Scaffolding Basic Competency Level 1	3
8.	Mental Health	Kuching region
9.	Drone	3
10.	ESG Awareness by UNICEF	21



NAIM during BOMBA training

16. COMMITMENT TO QUALITY

As part of our commitment to the Quality, Health, Safety and Environment (“QHSE”) Policy, NAIM introduced several steps towards organizational and quality improvement such as establishment of Standard Operation Procedures (SOP) and enlisting Consultant to ensure the quality of our products and services.

Our QHSE Management is a coherent system of ISO 9001:2015 Quality Management System, ISO 45001: 2018 Occupational Health & Safety Management System and 14001:2015 Environmental Management System and is certified by Intertek International (previously known as Moody International).

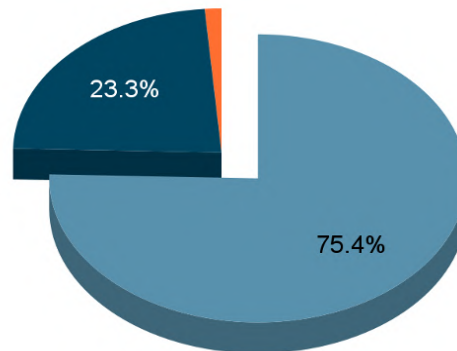
To ensure quality, we have frequently conduct the following:

- Surprise checks on site
- Schedule site assessments
- Regular engagement sessions with site teams
- Enforcement of actions for non-compliance



17. SUPPLY CHAIN MANAGEMENT

We are progressively working towards supporting local suppliers and contractors for our projects, advocating for Malaysian businesses. In the long run, this strategy will not only bolster the local economy but also reduce our carbon footprint by minimising therequirement for transporting materials over long distances.The proportion of our spending with local suppliers are as follows:



● Local (Sarawakian) ● Non-local (Other Malaysians) ● Foreign (Non Malaysian)

Total number of suppliers:

- Local (Sarawakian) 427 companies
- Non-local (Other Malaysians) 28 companies
- Foreign (Non-Malaysian) 52 companies

Moving forward to 2024, the Company implements e-procurement systems such as the Vendor Registration System (VRS), where our procurement procedures prioritise fairness and objectivity, with contracts awarded to the most competitive bidders. As a component of the selection process, prospective suppliers must furnish the Group with their policies, company code of conduct, and, where relevant, sustainability certificates.

SUSTAINABILITY STATEMENT (CONTINUED)

18. ENVIRONMENT - WATER AND ENERGY CONSUMPTION

Reducing energy consumption stands as a paramount initiative in decarbonizing our portfolios. We endeavour to promote efficient energy consumption and management across all our operations within our business segments to diminish our carbon footprint.

In the year under review, our total energy consumption for the year 2023 is 4.66 MW

Total Energy Consumption (Megawatt = MW) By Region In 2023

Region	Energy Consumption (MW)
Kuching	2.68
Miri	1.11
Bintulu	0.85
Kuala Lumpur	0.02

In addition to the above, Bintulu has generated 0.03 MW of renewable energy from solar panels installed at the Bintulu Worker's Village

Note1: We consider on average, there are 260 five-day workdays a year in Malaysia.

Note2: The energy consumption table above factors in these locations only:

- Kuching: Naim HQ, show units, shoplots, sales gallery, and site office.
- Miri: Site office, show units, Permy Mall, Naim Clubhouse South Lake, and rented house.
- Bintulu: Site office, Naim Bintulu Street Mall, and Bintulu Worker's Village.
- Kuala Lumpur: Company car (fuel) for Bangsar Office.

Water Management

Acknowledging the crucial role of water in our operations, we have implemented stringent measures and guidelines to guarantee water security. These measures encompass a water management policy, standard operating procedures related to water for all business divisions, initiatives to conserve water, and the exploration of alternative water resources.

Total Water Consumption (Megalitres = MI) By Region In 2023

Region	Water Consumption (MI)
Kuching	1,343.92
Miri	78.59
Bintulu	117.54
Total	1,540.05

Note: The water consumption table above factors in these locations only:

- Kuching: NAIM HQ, shoplots, sales gallery, show units, and site office.
- Miri: Permy Mall, NAIM Clubhouse South Lake, sand operation site office, and unsold units.
- Bintulu: NAIM Bintulu Street Mall, and Bintulu Worker's Village.
- Kuala Lumpur: Bangsar Office is unmanned therefore water is unutilised

19. BUILDING A SUSTAINABLE WORKFORCE OF THE FUTURE

BUILDING VALUES SPIRITEDLY

Our Group's sustainability focus is aimed at creating an equitable and inclusive environment that drives performance, innovation and service excellence through the attraction, retention, and engagement of a talented and diverse workforce, in alignment with our H.I. - C.O.D.E.S. core values.

Learning & Development

At NAIM, we focus on upgrading and re-skilling our talent pool by fostering their continuing development of skills and competencies to achieve the organisation's immediate and long-term aspirations.

NAIM has launched NAIM Learning & Development curriculum which consists of four (4) competency pillars of focus of our continuous strategy in ensuring NAIM employees remain agile, resilient and thrive in a changing world.

The four (4) competency pillars are:

1. General Professional Development
2. Leadership Development
3. Technical Learning and Development (TLD)
4. Digital, Data and Technology Development

NAIM has achieved the following:

- 25,510 hours of training completed by employees.
- Average 48.31 hours per employee

In November 2023, the Company conducted Corporate Retreat at iCube Innovation, iCom Square at Kuching, Sarawak with the theme of 'Leadership For Change Transforming Business & Navigating The Social Entrepreneurial Frontier'. The participants discussed and brainstorm on the future and revamp strategies and realizing NAIM's mission to Build Value Spiritedly. The 2-day event was attended by over 60 participants ranging from middle to top level management as well as members of the Company's Board of Directors.



NAIM's "Leadership For Change" Corporate Retreat in 2023

SUSTAINABILITY STATEMENT (CONTINUED)

19. BUILDING A SUSTAINABLE WORKFORCE OF THE FUTURE (CONTINUED)

Talent Acquisition and Employer Branding

In 2023, the Company welcomed a total of 142 new hires, comprising 59 individuals at the executive level and above, and 83 individuals in non-executive positions.

NEW EMPLOYEE HIRES 2023

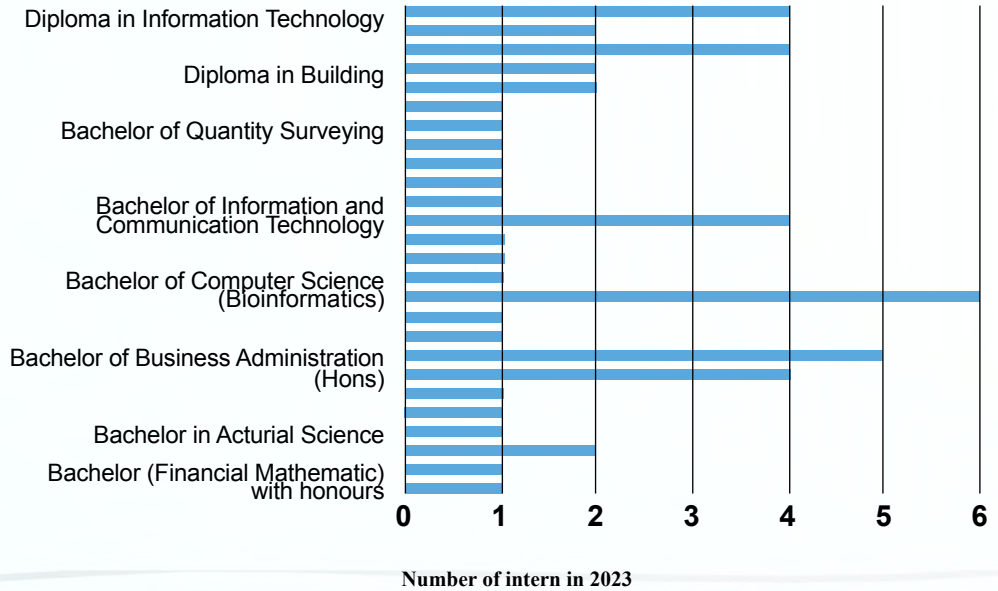
- In addition to acquiring the best new talents, we also believe in retaining our existing talent pool and developing and supporting them in their succession and career development by upgrading and upskilling their performance and potential via continuous training and development opportunities, as well as various internal opportunities and internal succession.

NAIM INTERNSHIPS PROGRAMME

At NAIM, we believe that our Internship Programme enhances employer branding by offering undergraduates the opportunity to gain practical work experience within the Company. This initiative is aimed at better preparing students for the real work environment upon their graduation.

We have offered internship opportunities to a total of 51 intern students from various fields of study and from different local higher education institutions. NAIM welcomes applications for internship opportunities throughout the year; undergraduates are encouraged to apply at any time.

Internship opportunities are available all year-round and undergraduates may write in and apply at any time.



EMPLOYEE ENGAGEMENT

- Employee engagement remains a priority to NAIM, as we continue to invest in various activities to improve and measure the level of our employee engagement.
- Conducted 'Stay Interview' to:
 - ◆ Get a better understanding of morale, satisfaction, and engagement at NAIM.
 - ◆ To find what will help retention and make our employees satisfied and motivated.
- Established Wellness @NAIM to advocate holistic wellbeing and engagement, end route to improved motivation, productivity and set performance.

19. BUILDING A SUSTAINABLE WORKFORCE OF THE FUTURE (CONTINUED)

DIVERSITY, EQUITY AND INCLUSION (DEI)

The Group benefits from workforce diversity as it expands our perspective and improves decision-making. We aim to create a well-balanced team by combining talents from various age groups and ethnic backgrounds, while also ensuring a gender balance.

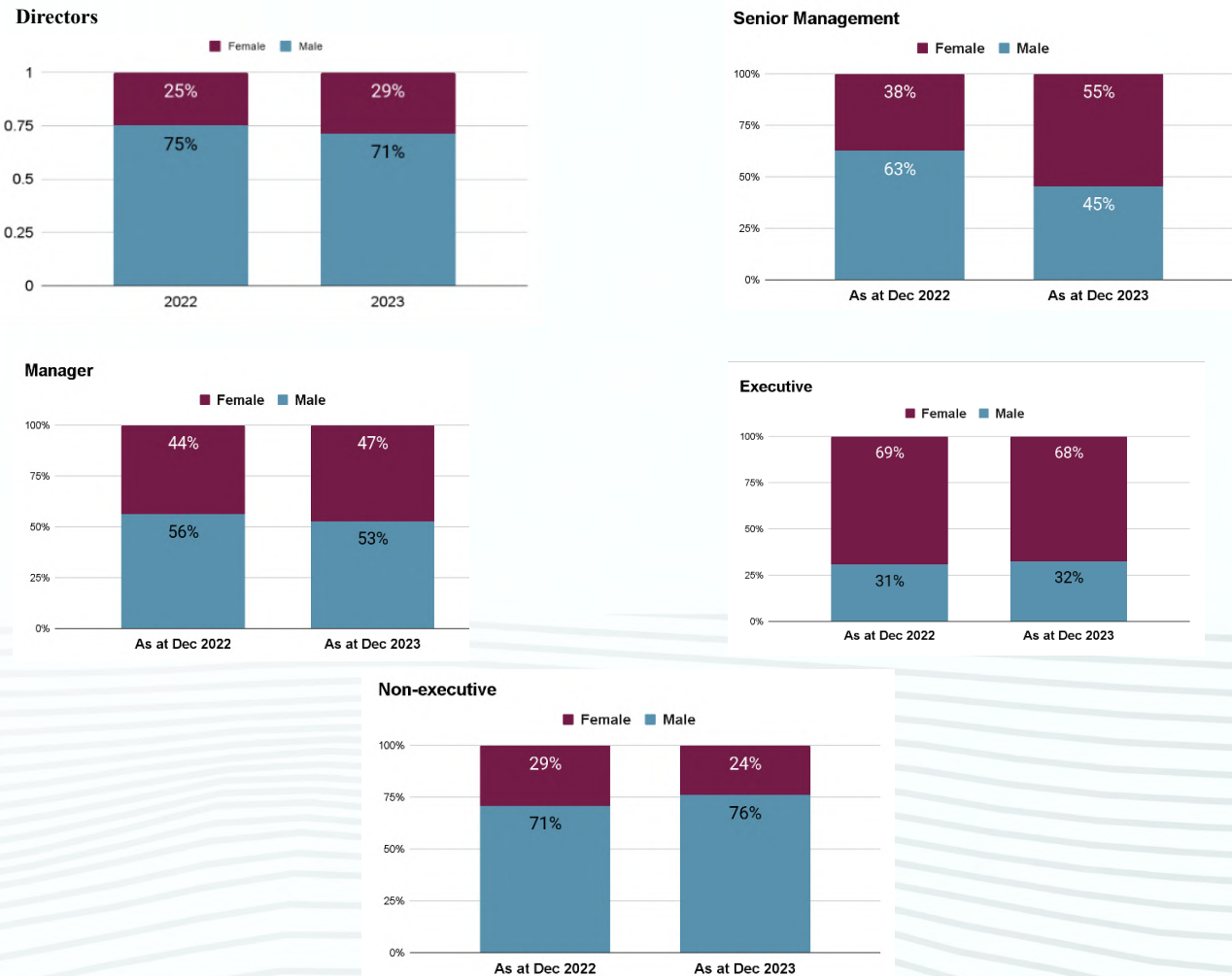
We uphold our commitment to diversity through our stance as an equal opportunity employer. Our recruitment is merit-based, focusing on individual qualifications rather than factors such as religion, race, gender, or background. Career advancement and promotions are contingent upon individual performance and the demonstrated leadership potential of employees.

In line with our commitment to inclusivity, we have established a grievance channel for reporting instances of bullying or harassment. Alternatively, employees facing harassment can approach their immediate supervisor or a member of the HR team. Our HR department handles all cases of harassment.

The following data is true as at 31 December 2023.

GENDER DISTRIBUTION

The Group wholeheartedly backs women in leadership and other executive roles.



Note!: Senior Management count excludes Chairman, and Managing Director. Non-executive includes technical staff and general workers/foreign workers.

SUSTAINABILITY STATEMENT (CONTINUED)

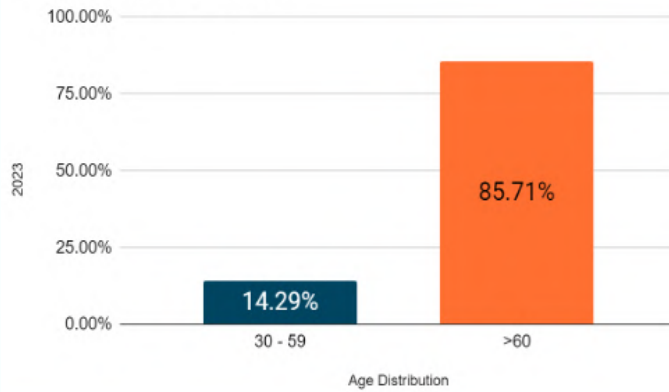
19. BUILDING A SUSTAINABLE WORKFORCE OF THE FUTURE (CONTINUED)

AGE GROUP DISTRIBUTION¹

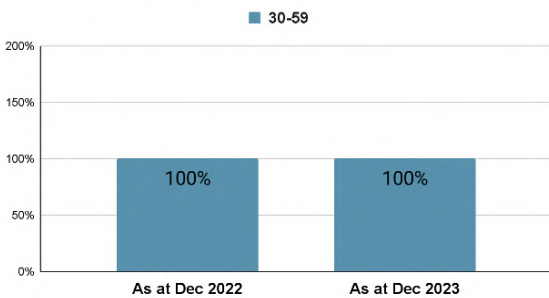
- Majority of our workforce consists of individuals within the age group of “30-59” followed by “below 30” and lastly “above 60”.

Directors

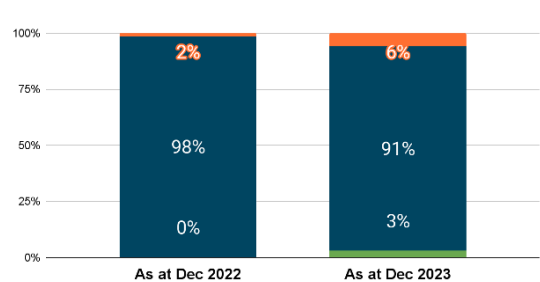
Directors Age Distribution



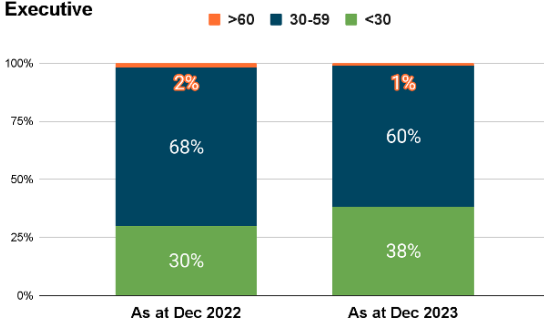
Senior Management



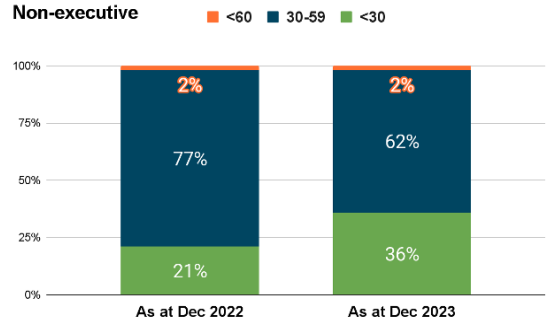
Manager



Executive



Non-executive



Note¹: Senior Management count excludes Chairman, and Managing Director. Non-executive includes technical staff and general workers/foreign workers.

20. ONWARDS AND UPWARDS: OUR SUSTAINABLE (ESG) JOURNEY

Our sustainability journey extends far beyond 2023. Looking ahead, the Group is committed to crafting a visionary roadmap, 'NAIM Sustainability 2050, aimed at spearheading ESG initiatives across all fronts.

The roadmap will outline a suggested timeframe in which the Group is to carry out strategic sustainability initiatives, as well as highlight the initiatives to enhance our sustainability agenda and reporting. It's crucial to acknowledge that the roadmap will be subject to fine-tuning per our baseline measurements, and annual review processes to ensure its continued relevancy.

While the roadmap is until 2050, our immediate focus lies on 2030, aligning with Sarawak's Sustainable Blueprint, a comprehensive roadmap guiding all sectors and communities towards the State's 2030 sustainability goals.

As we usher in the auspicious Year of the Dragon, the Group stands ready to fortify its commitment to embedding sustainability initiatives continuously. This concerted effort will reflect our unwavering dedication to transparency, accountability, and the enduring pursuit of sustainability excellence in response to material matters.

**FOR A SUMMARY OF THE DATA IN SUSTAINABILITY STATEMENT
KINDLY REFER TO THE APPENDIX "PERFORMANCE DATA TABLE"**

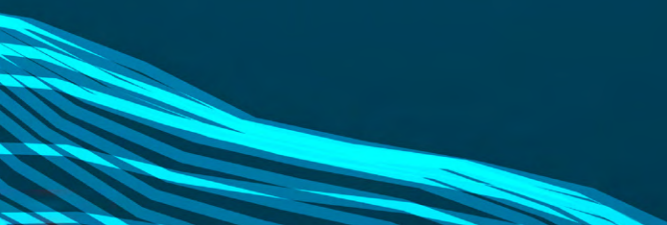


PART 4

Other Highlights

72 **CORPORATE EVENTS**

76 **NAIM IN THE NEWS**



CORPORATE EVENTS



NAIM Chinese New Year (CNY) Open House

NAIM open its doors via open house and engagement activities. Always a highlight among the community, 2023, as with past years, continue to attract hundreds of visitors including prospective NAIM home owners.



Aram Ngerami Gawai

The Harvest Festival or Gawai, is a celebration of bountiful nature and the spirit of community. Being community driven, NAIM organised a gathering in all regions to bring the local community in our development areas (Kuching Paragon, Bintulu Paragon and Bandar Baru Permyjaya) to strengthen the spirit of partnership and togetherness.



NAIM Ramadan Bubur Lambuk

Embracing the spirit of thankfulness, forgiveness and community. NAIM seized the opportunity to conduct numerous engaging events such as a Bubur Lambuk give away and several community engagement, both internally and externally.



Konvoi Kembara 60 Tahun Sarawak Merdeka

As Sarawak reached a milestone with 60 years of independence, NAIM is proud to be one of the selected venue (via Naim Street Mall at Bintulu Paragon) to host the lively celebrations, which saw Sarawak's Premier making a stop to appreciate local businesses, engage the community and experience the urbanization of Bintulu at its epicenter.



CORPORATE EVENTS (CONTINUED)



NAIM Occupational, Safety and Health Campaign

As one of the key pillar of its operations, NAIM is committed in inculcating excellent culture and practices, especially organizing awareness events and continuous skill building.



NaCOS Culture Launch

Driven towards delivering the best to our customer and retain the competitive edge against contemporaries, NAIM launched NaCOS, short for Nurturing a Culture of Obsessed Service. The initiative save numerous campaigns and engagement to inculcate a strong sense of customer-centricity among Team NAIM.





NAIM Recognized as Top 30 Developers in Sarawak

Testament to the longevity and trust in a storied 29 year history, NAIM was acknowledged as among Sarawak’s best with SHEDA’s Top 30 Sarawak Developers Award. The award, presented by Sarawak’s Premier is among the highlights of 2023.



SHEQ “QLASSIC” Award

Adding to an extensive list of successful partnership, NAIM-Hock Peng JV, was recognized for their exceptional work on the University College Technology Sarawak & Technology Park project, developed by Edusar Resources Sdn. Bhd. (Developers).

AIM IN THE NEWS

Fostering spirit of homeownership

We believed in creating value spiritedly, and our collaboration with Maybank exemplified our commitment to facilitating an accessible and seamless homeownership.

KUCHING: NAIM Holdings Berhad, a prominent real estate developer, has empowered homebuyers, especially first-time buyers, through a strategic initiative aimed at building value and fostering a spirit of homeownership.

As part of this commitment, NAIM organised an insightful talk featuring a distinguished property specialist Stephanie Lam.

The talk, which delved into the nuances of the home ownership journey, provided invaluable insights for first-time homebuyers and those navigating the real estate landscape.

Lam, renowned for her expertise in the property market, shared key considerations, tips, and advice to empower prospective homeowners to make informed decisions.

Meanwhile, in a groundbreaking move, NAIM Holdings Berhad recently announced a collaboration with Maybank, introducing a 120 per cent financing option through Maybank's MyDeco Financing programme.

This innovative financing solution aimed to provide a comprehensive home ownership experience, easing financial constraints and expanding opportunities for aspiring homeowners.

"We believed in creating value spiritedly, and our collaboration with Maybank exemplified our commitment to facilitating an accessible and seamless homeownership," said NAIM Holdings Berhad chief operating officer (COO) Shaharum Ramli.

Another highlight of the event is the presentation of prizes for NAIM's Customer Engagement Survey, which will conclude in January 2024.



Muhsin Syah (fourth right) presents the contribution to a representative of Masjid Darul Ulum during the handover ceremony at Kota Samarahan.

BY ALVIN TANG

KUCHING: Naim Holdings Bhd has chalked up stronger earnings, with group net profit surging to RM12.6 million in second quarter ended June 30, 2023 (Q2023) from RM6.8 million in 2022Q2 on expanded revenue.

Revenue grew to RM96.9 million from RM80.5 million during the period.

This drove earnings per share to 2.52 sen from 1.35 sen.

Compared to the immediate preceding quarter (1Q2023), Naim said group revenue had improved to RM86.9 million from RM68.5 million as a result of higher work progress achieved at site during the current quarter.

"At the same time, group performance had also substantially improved during the current quarter, mainly due to an improved share of profit from our associate Dayang Enterprise Holdings Bhd amounting to RM16 million against a share of loss of RM5.5 million recorded in the immediate preceding quarter," the company added in its financials.

During the January-June 2023 period (1H2023), Naim reported weaker group net profit of RM4.43 million (1H2022: RM13.7 million) in line with declining group revenue of RM155.4 million (RM179.7 million) (1H2022: RM52.9 million) to group revenue, construction segment generated RM106.4 million in revenue (RM118.3 million) and the others segment (trading of building and construction materials, provision of sand extraction and land filling services, property investment and management, hotel operation as well as quarry operation) improved its revenue to RM9.8 million (RM8.5 million).

Naim's Q2 net profit surges to RM12.6 million

pre-tax profit of RM7.5 million (1H2022: RM17.6 million) due to a segment loss of RM2.9 million recorded by the core businesses (RM1.4 million) and lower profit contribution from Dayang and its subsidiary Perdana Petroleum Bhd to RM10.5 million (RM13.2 million).

Naim attributed the decline in revenue of the property development to RM39.2 million in 1H2023 from RM52.9 million in 1H2022 to slower prop and the incurrence of so overheads and interest.

The new property sale was down to RM35.8 million (RM38.2 million) in 1H2022. For the construction recorded lower revenue (RM118.3 million) lower work progress and on-going construction p.

This affected earnings segment profit declined to RM2.1 million (RM1.65 million) on the continued p

However, in the year and depending on the Naim expects property activities to improve gr

"As part of our media plans to sustain the per of this segment, we are looking into various pos business opportunities, new land in strategic lo within Sarawak and/or

particularly for mass af

bayuan and Surau Sinar Islam in Miri and Masjid Al-Ta'wa (RFB Selayu) in Bintulu. The contributions aimed at easing the burden of the local communities during Ramadan while ensuring that the underprivileged are well supported. "We are proud to continue this tradition of giving during the holy month of Ramadan, and we hope that our contribution will make a difference in the lives of those who need it most," said Naim acting head of Business Development Muhsin Syah Iskandar.

"Naim is committed to giving back to the community, and this aligns with our mission in building good values," he added.

THE BORNEO POST

Naim Group hosts inaugural 'Aram Ngerami Gawai'

KUCHING: Naim Group of Companies organised 'Aram Ngerami Gawai' community engagement event at its Kuching Parasport project construction site at Jalan Batu Lintang here yesterday.

Naim Group's first event of its kind, had some 200 staff, family members and several stakeholders taking part in the preparation and cooking of 'Masok Pansuh', a best known traditional Iban chicken dish cooked in bamboo over open fire.

Among the invited agencies were Fire and Rescue Department (Rambas), National Institute of Occupational Safety and Health (NiOSH), Department of Occupational Safety and Health (DOSH), Social Security Organisation (SOCSO) and Interdepartmental Taskforce (ITF).



Naim teams up with NREB, DoE to raise environmental awareness

KUCHING: Naim Group of Companies (Naim), Natural Resources and Environment Board (NREB) Sarawak and Department of Environment (DoE) collaborated to organise an environmental awareness programme on Tuesday at Naim's Clubhouse@Southlake Permyjayan Hill.

The objectives of the programme were to raise awareness of the various environmental policies issues and encourage collaboration between the government and private sector.

Highlights of the event included talks on issues such as Fire Fire Prevention and Suppression, Waste, EIA Approval, Conditions on Ready Projects, and briefing on the Premier of Sarawak Environmental Award.

"Caring for our environment makes sense as it aligns with our

representatives of Naim, NREB Miri and DoE in a group photo during the environmental awareness programme.

goals for safety and sustainability for our community," said Naim deputy regional general manager, Haliza Sagar.

Meanwhile, NREB Miri head of Regional Office Joseph Tyo highlighted the importance of collaboration between the government and private sector in enhancing the quality of the environment, especially during the dry period, and urged all parties to be vigilant of pest fire.

Naim is committed to a sustainable future, having previously received the Premier of Sarawak Environmental Award (formally known as Sarawak Chief Minister's Environmental Award) in 2010, 2018 and 2019. (Large Enterprise category) for its outstanding effort in conserving the environment.

納英表揚卓越生 2聖特麗莎學生得獎

(本報吉隆坡訊) 納英基金會學術卓越獎頒獎典禮日前在吉隆坡舉行。獲獎者之一，聖特麗莎學校的陳若彤，獲頒「學術卓越獎」。

陳若彤表示，她感到非常榮幸，能獲得這項殊榮。她感謝父母的支持和學校的栽培，並表示將繼續努力，為國爭光。

另一個得獎者是聖安娜學校的黃若彤。黃若彤表示，她感到非常榮幸，能獲得這項殊榮。她感謝父母的支持和學校的栽培，並表示將繼續努力，為國爭光。

獲獎者之一，聖特麗莎學校的陳若彤，獲頒「學術卓越獎」。陳若彤表示，她感到非常榮幸，能獲得這項殊榮。她感謝父母的支持和學校的栽培，並表示將繼續努力，為國爭光。

另一個得獎者是聖安娜學校的黃若彤。黃若彤表示，她感到非常榮幸，能獲得這項殊榮。她感謝父母的支持和學校的栽培，並表示將繼續努力，為國爭光。

New SARAWAK TRIBUNE

AIM bags several national human resource awards

<https://www.youtube.com/@newsarawaktribune654>



AIM has secured several national human resource awards, including the Best Employer Award.

MAJLIS KECEMERLANGAN TERESIAN



納英控股有限公司代表獲頒英金會學術卓越獎給吉晉聖特麗莎國中之一名，得獎者陳若彤。

SARAWAK TRIBUNE BUSINESS SECURITY

IRI: Naim Holdings Berhad, a Malaysian property developer, has received approval from the Royal Malaysian Police (PDRM) to establish an auxiliary police squad within the company.

This move is aimed at enhancing the security and safety of Naim's premises, providing employment opportunities, and offering training to the squad members.

The certificate presentation ceremony, which marks the official approval of the auxiliary police squad, was held at Naim Clubhouse @ South Lake Permyjayan Hill last week.

Bukit Aman Crime Prevention and Community Safety Department director Datuk Aidz Ismail, presented the certificate to Naim representatives.

The ceremony was attended by senior police officers, including Sarawak Crime Prevention and Community Safety Department (JPAK) chief SAC Lukas Akat and Miri OCPO ACP Alexson Nagu Chabu, as well as staff from Naim's Miri regional office.

Naim permitted to have auxiliary police squad

Naim's Chief People Officer Elise Loh, expressed her gratitude for the PDRM's endorsement and support in establishing the auxiliary police squad.

She stated that this milestone achievement will not only enhance the safety of Naim's premises but also create employment opportunities and provide training to the squad members.

The auxiliary police squad will collaborate with local law enforcement to ensure a safer and more secure environment for Naim employees, customers, and the surrounding communities.

South Lake Permyjayan Naim's largest precinct-based development, encompasses 450



AIDI (left) presents the approval certificate to Loh.

South Lake Permyjayan, Naim's largest precinct-based development, encompasses 450 acres and offers a unique blend of modern landed residences, commercial shop offices, KPJ hospital, and a future educational institution.

By collaborating with local law enforcement, the squad will help to maintain law and order, prevent crime, and provide a safer environment for Naim employees, customers, and residents.

This move will also create employment opportunities and provide training to the squad members, helping to boost the local economy.





David Ngai Kaak Iho (third left) receives the Naim Foundation of Academic Excellence Award from Loh (third right).

STPM high-achievers get Naim Foundation excellence award

KUCHING: Seventeen students from SMK Batu Lintang here were recently awarded with the Naim Foundation of Academic Excellence Award for their outstanding achievement in the STPM (Tinggi Persekolahan Malaysia) (STPM) 2023 examinations.

Naim Holdings Berhad in a statement said two of these recipients were among the Top 10 high-scores in Sarawak.

Naim chief people officer Euseb Loh said it was with immense honour and pride that Naim got to present the Foundation of

their outstanding performance serves as a testament to their unwavering commitment to academic excellence, and we are delighted to recognise their remarkable achievements," she said at the presentation ceremony.

SMK Batu Lintang principal Hadiah Amir praised the maturity and sense of responsibility exhibited by the students who were not only grateful for the recognition, but also expressed their aspirations with great enthusiasm.

become valuable contributors to the talent pool in Sarawak," she said.

As one of the leading names in property development, Naim not only focuses on education and various charitable causes, but also remains integral to its mission of making positive and lasting impacts in society.

The Naim Foundation Academic Excellence Award is one of the key initiatives by Naim, which support causes like education, relief of distress, promotion of unity through

Utusan Sarawak

Sumber Maklumat Era Baharu

SARAWAK RM 1.00 KHAMIS • 30 NOVEMBER 2023 • 16 JAMADILAWAL 1445H www.utusansarawak.com.my PPK 1504/2013 (032300)

GLOBAL MUSLIM LEADER OF THE YEAR AWARD



Datuk Amar Abdul Hamed Bin Haji Sepawi
Executive Chairman
Naim Holdings Berhad

Thursday, September 21, 2023

THE BORNEO POST

Naim Engineering awarded CIDB's QCLASSIC 2023 Award

Matthew Umpang

KUALA LUMPUR: Naim Engineering Sdn Bhd (Naim) were the proud recipients of the Construction Industry Development Board's (CIDB) prestigious Quality Assessment System in Construction (QCLASSIC) 2023 Award during the SHEQ Day held in WTC Kuala Lumpur recently.

The award is for Naim's excellent performance in the design, construction and commissioning of the convocation cum multipurpose hall, foundation study and built environment block, sports hall, and covered walkway at the University of Technology Sarawak (UTS) and Technology Park in Sungai Merah Town District.

Naim chairman Datuk Amar Abdul Hamed Sepawi commented that the UTS and Technology Park project showcases Naim's expertise in creating state-of-the-art facilities that foster academic excellence, research,



Abdul Hamed (third right) receives the QCLASSIC 2023 Award on behalf of Naim, Hock Peng and Eduasar.

which meets the diverse needs of students, faculty and the local community.

"We are truly honoured to receive this award for our work with Hock Peng on the University of Technology Sarawak and Technology Park project under Eduasar," he said in a press statement issued by Naim.

Abdul Hamed also said the

unwavering commitment to delivering projects that not only meet the highest standards of quality, but also contribute positively to the communities Naim serve.

The QCLASSIC 2023 Award is recognition of Naim's ability to deliver complex and innovative projects while adhering to the highest construction standards.

"It underscores Naim's position as a leader in the property development industry and as a key contributor to Sarawak's infrastructure and growth.

"As a company deeply rooted in its commitment to excellence, Naim will continue to raise the bar in property development through its dedication to quality, innovation, and community



THE full rehearsal at Naim Street Mall, Bintulu Paragon.

Bintulu awaits arrival of Sarawak Merdeka Ride Convoy

BINTULU: The Bintulu Division eagerly awaits the arrival of the Sarawak Merdeka Ride Convoy, scheduled to reach the city from Miri today.

A full rehearsal of the arrival ceremony and the launch of the Digital Exhibition in commemoration of the 60th Anniversary of Sarawak Independence took place on

Friday (June 9) at Naim Street Mall, Bintulu Paragon.

Bintulu Deputy Resident, Abang Zainuddin Abang Turkey attended the rehearsal from 2.40pm to 3.45pm.

The convoy, led by Premier Datuk Patinggi Tan Sri Abang Johari Tun Openg, will cover a distance of 168.3km from Miri to Bintulu.

Naim-Maybank alliance first in state property sector

KUCHING: NAIM Holdings Berhad has announced a strategic alliance with Malaysia's premier financial institution, Maybank, the first-of-its-kind in Sarawak's property development sector.

In a statement yesterday, NAIM stated that the partnership is aimed at enhancing the overall experience of NAIM property owners through the innovative MyDeco Financing programme by Maybank.

The programme is designed to provide flexible and comprehensive financing solutions for NAIM property buyers.

Notably, it introduces a unique feature allowing homeowners to secure total financing of up to 120 per cent of the property price, which covers both the property and interior decoration expenses.

This will enable homeowners to have access to additional financing of up to another 30 per cent of

the property price or RM250,000, whichever is lower, allowing NAIM property buyers adequate financial resources to customise their properties to their taste.

The MyDeco financing programme is extended to all NAIM developments in Kuching Paragon, Bintulu Paragon and Permyjaya.

Maybank Sarawak's regional director Abang Jamili Abang Julai reiterated their commitment to supporting industry growth and facilitating homeownership.

"As part of Maybank's core M2S+ strategic thrusts, we continue to relentlessly innovate and improve product offerings to meet evolving financial needs of customers.

"Two such innovative products are our MyDeco Financing and Home-Reno Financing, which were designed to support customers' home improvement needs. To date, the bank has



ABANG Jamili (fourth from left) exchanges souvenir with Hilmi (fifth from right) while others look on.

approved close to RM100 million of these home improvement facilities, thus paving the way for customers to turn their properties into their dream homes.

"This strategic partnership with NAIM, being one of the major players in the Sarawak property market, provides a formidable offer to potential home owners.

"The partnership gives comprehensive and holistic home

ownership solution in providing quality and attractive homes from an award-winning developer with the financing solutions for both the property and the interior décor, all under one roof," he said.

Meanwhile, NAIM chief financial officer Emily Hill highlighted the programme's future, stating that homeownership extends beyond just a property purchase as it includes creating a home that

mirrors one's taste and lifestyle.

"This initiative aligns with our customer-focused principles and commitment to adapt to our customers' evolving needs. Our partnership with Maybank, a trusted financial institution, enables us to offer a holistic solution for owning a dream home, demonstrating our dedication to superior customer service," she said.



PART 5

Corporate Governance

- 80 **CORPORATE GOVERNANCE
OVERVIEW STATEMENT**
- 93 **AUDIT COMMITTEE REPORT**
- 96 **STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A Note on Terminology: Naim Holdings Berhad is the ultimate holding company for Naim Land Sdn Bhd, Naim Engineering Sdn. Bhd. and other subsidiary companies, both direct and indirect. As the principles and practices of good corporate governance apply not only to the ultimate holding company but also to all of its subsidiaries, we have chosen to forgo the use of the term “Company” in this statement unless the context requires, and instead emphasise the use of the term “Group”, which encompasses all companies operating under the control of Naim Holdings Berhad.

The Board is pleased to present this Corporate Governance (“CG”) Overview Statement (“Statement”) to the shareholders and investors with an overview on the application of CG practices of the Group during the financial year 2023. The Corporate Governance Overview Statement sets out the principal features of the Group corporate governance.

This statement is prepared in accordance with Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Main Market Listing Requirements (“MMLR”) and it shall be read together with the Corporate Governance Report (“CG Report”) of the Company for the financial year ended 31 December 2023. The CG Report provides the details on how the Company has applied each of the practices as set out in the Malaysian Code of Corporate Governance 2021 (“MCCG”). The CG Report is available on the Company’s website: <http://www.naim.com.my> as well as via an announcement on the website of Bursa Malaysia.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board's Roles and Responsibilities

The Board of Directors is committed in ensuring the highest standards of corporate governance are practiced throughout the Group as a fundamental part in discharging its responsibilities to protect and enhance shareholders' value and the performance of the Group. The Board believes that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.

The Board, being responsible for the corporate governance practices of the Group, has established a governance framework where specific powers of the Board are delegated to the Board Committees and the Management.

The Board, together with the Management, is committed to promoting good governance culture within the Group which reinforces ethical, prudent and professional behavior.

There is a clear division of roles and responsibilities of the Board and Management. The Board is responsible for the strategic objectives and policies of the Group in addition to the oversight and overall management of the Company.

The roles of the Chairman and the Managing Director are held by different individuals with clear and distinct roles. The division of duties and responsibilities ensures an appropriate balance of roles and responsibilities at the Board level. The Chairman conducts meetings of the Board and shareholders and ensures they are properly briefed at the respective meetings.

The Managing Director, supported by a team of management staff, are responsible for the day-to-day running of the business operations of the Group. Management performance is monitored on a quarterly basis by the Board. The Board conducts quarterly reviews of the performance targets set by the Board against the actual performance achieved to-date and at the same time receives and deliberates on the appropriate action plans to manage the performance of the Group.

The following are the main roles and responsibilities of the Board towards meeting the objectives of the Group:

- Reviews, adopts and monitors the implementation of the Group's strategic plans.
- Reviews and deliberates on the Management's proposals, as well as challenges the Management's views.
- Provides guidance and comment on the market, business and operational initiatives.
- Ensures that the necessary resources are available to achieve the strategic aims and objectives of the Group.
- Together with the Senior Management, promotes good corporate governance culture within the Group reinforcing ethical, prudent and professional behaviour.
- Reviews the principal risks and ensures the implementation of appropriate internal control measures to achieve an appropriate balance between risks incurred and returns to stakeholders.

All the Directors act with reasonable care, skill and diligence. They maintain a sound understanding of the business and keep abreast of relevant developments to ensure that they are able to discharge their duties and responsibilities effectively.

The Board Committees are established to assist the Board in executing its duties, allow detailed consideration of complex issues, and ensure diversity of opinions, suggestions and recommendations. Each Board Committee comprises members of the Board of Directors, and is mandated to carry out specified functions, programmes or projects assigned by the Board. Each Committee is given a written charter with specific roles and responsibilities, composition, structure, membership requirements, and the manner in which the Committee is to operate.

The Committees are to ensure effective Board processes, structures and roles. Annual assessments of the performance of the Board, Board Committee and Board of Directors are carried out by the Nominating Committee. All matters determined by the Committees are promptly reported to the Board through their respective Chairpersons as opinions and/or recommendations for the Board's endorsement and/or decision.

Membership of each Committee shall be determined by the Board, acting on the recommendation of the Nominating Committee. It is the view of the Board that the size of each Committee and the blend of skills and experience of its members are sufficient to enable the Committee to discharge its responsibilities in accordance with the charter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Members of each Committee are drawn from the Board, based on their respective skills, responsibilities and areas of expertise.

The Nominating Committee conducts a yearly review of the Board Committees. The Chairman of each Committee develops the agenda for each meeting and determines its frequency. The summary of committee membership is as follows:

Name of Director	Audit Committee	Nominating Committee	Remuneration Committee	Risk Management Committee	Anti-Bribery & Corruption Compliance Committee	Sustainability Committee
Datuk Amar Abdul Hamed Bin Haji Sepawi		√ (Chairman)		√		
Datuk Hasmi Bin Hasnan			√			
Datuk Ahmad Bin Abu Bakar	√		√ (Chairman)		√ (Chairman)	
Datin Mary Sa'diah Binti Zainuddin		√	√	√ (Chairman)		√
Chin Chee Kong	√					√ (Chairman)
Tan Chuan Dyi	√ (Chairman)				√	
Sulaihah Binti Maimunni		√		√	√	√
Total No. of members	3	3	3	3	3	3

The Board Charter of the Company documents the governance and structure of the Board, authority, major responsibilities and Terms of References for the Board and Board Committees. The Board Charter can be viewed at the Company's website www.naim.com.my. The website is updated periodically to ensure that it reflects the Group's current corporate governance information.

Board Meetings

The Board meets at least five (5) times annually, with additional meetings being convened as and when necessary.

During the financial year 2023, the Board met five (5) times. All Directors have complied with the minimum fifty per centum (50%) attendance as required under Paragraph 15.05 (3)(c) of the MMLR as follows:

Current Directors	Scheduled meetings	
	Attendance	%
Datuk Amar Abdul Hamed Bin Haji Sepawi Non-executive Chairman	5/5	100
Datuk Hasmi Bin Hasnan Managing Director	5/5	100
Datin Mary Sa'diah Binti Zainuddin Independent Non-Executive Director	5/5	100
Mr. Chin Chee Kong Non-Independent Non-Executive Director	5/5	100

Current Directors	Scheduled meetings	
	Attendance	%
Mr. Tan Chuan Dyi Independent Non-Executive Director	5/5	100
Cik Sulaihah Binti Maimunni Independent Non-Executive Director	5/5	100
Datuk Ahmad Bin Abu Bakar Independent Non-Executive Director	5/5	100
Mr. Beh Boon Ewe (resigned on 3 June 2023) Executive Director	3/3	100

The Board meets at least once every quarter for the purpose of reviewing the Group's past quarterly financial performance against its annual operating plan, budget, future strategy and business plans. On top of the quarterly meetings, the Board holds an additional meeting to approve the annual audited financial statements. These statutory board meetings are scheduled before the end of the preceding financial year, to allow Directors to plan ahead and block meeting dates in advance in their calendar.

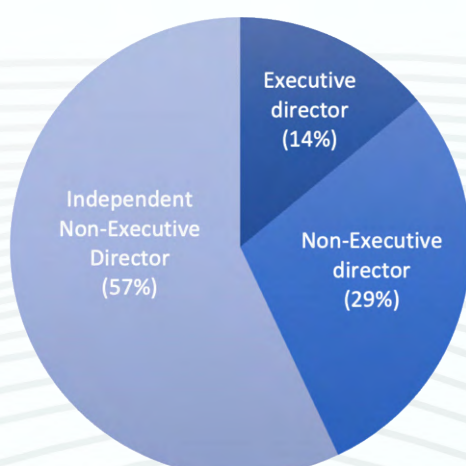
All Directors have full, free and unrestricted access to the Senior Management, Accountants, Internal and External Auditors and the Company Secretary.

Board Composition

The number of Directors shall be determined by the Board within the limits as prescribed in the Constitution of the Company of not more than fifteen (15), taking into consideration the size and breadth of the business and the need for Board diversity.

The current Board's composition is as follows:-

Category	As at 31 December 2023	
	No. of Directors	%
Executive Director	1	14
Non-Executive director	2	29
Independent Non-Executive Director	4	57
Total	7	100



Board composition based on category in 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

As at 31 December 2023, the Board had seven (7) Board Members of which 14% were Executive Directors, 29% Non-Executive Directors and the balance of 57% were Independent Non-Executive Directors.

During the financial year 2023, the Executive Director, Mr. Beh Boon Ewe resigned effective from 3 June 2023.

During the year under review, the composition of the Board complied with the requirements of Practice 5.2 of the MCGG whereby at least half of the Board comprises Independent Directors. In addition thereto, the Company also complied with Paragraph 15.02 which requires at least two (2) directors or 1/3 of the Board to be Independent Directors and one (1) woman director.

The members of the Board comprise persons of integrity and calibre from a diverse group of individuals with broad experiences and accomplishments in audit, banking, finance, property, construction, project management, engineering, oil and gas, timber, plantation and energy. The Directors' profiles are set out on pages 20 to 27 of the Annual Report 2023.

All members of the Board have demonstrated their ability to exercise sound business judgment. The Non-Executive Directors do not participate in the routine operations and they bring unbiased guidance to the Group. They constructively challenge and at the same time, contribute to the development of strategies. Being independent of management and free of any business or other relationship, they are therefore able to promote arm's length oversight and at the same time, bring independent thinking, views and judgments to bear on decision-making. The Board monitors the independence of each Director on a half-yearly basis, in respect of their interests disclosed by them. The segregation of duties between Executive and Non-Executive Directors is to ensure an appropriate balance of role and accountability at the Board level.

Tenure of Independent Director

The Board may seek shareholders' approval for retaining a director who has served in the capacity for more than nine (9) years as an Independent Non-Executive Director. The Nominating Committee/Board must conduct a rigorous review to determine whether the Director's independence has been impaired, taking into account the need for progressive refreshing of the Board.

Datin Mary Sa'diah binti Zainuddin was appointed as Independent Non-Executive Director on 27 February 2013. The Nominating Committee has assessed the independence of Datin Mary Sa'diah and she has met the criteria as an Independent Director pursuant to MMLR. Although having served for a cumulative term of more than nine (9) years, she remained professionally independent and actively participated in deliberation and exercised independent judgement at Board and Board Committee Meetings without being affected by influences that compromised her objectivity. She also provides valuable advice on oil and gas industry matters, and her wide knowledge will continue to add credence to the Company and will not have any adverse effect on her independence as an Independent Non-Executive Director.

Further, her genuine commitment to serving in the best interest of the Company, coupled with her high intellect and integrity, puts her in the right position as an Independent Non-Executive Director. She has no conflict of interest or undue influence from interested parties. Datin Mary Sa'diah is able to challenge ideas and can provide strong independent leadership to the Company. She attended all scheduled Board meetings, Nominating Committee meetings, Risk Management Committee meetings and Annual General Meeting without fail during the year under review.

Board Diversity

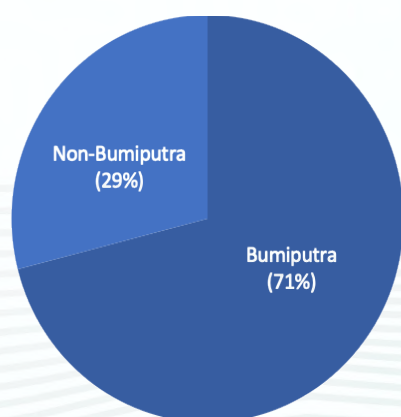
The Board acknowledges the importance of diversity in the Board, including gender, age, ethnicity, experience and skills. Diversity in the Board composition facilitates optimal decision-making by harnessing different insights and perspectives. The current board composition in terms of experience, skills, ethnic, gender and age is as follows:-

	Experience and Skills											Ethnic		Gender		Age		
	Property	Construction	Timber	Plantation	Energy / Oil & Gas	Audit/Accounting/Finance	Telecommunication	Civil Engineering	Banking / Finance	Land & building Survey	Manufacturing	Education	Bumiputra	Non-Bumiputra	Male	Female	Below 60	Above 60
Datuk Amar Abdul Hamed Bin Haji Sepawi	√	√	√	√	√		√				√	√		√				√
Datuk Hasmi Bin Hasnan	√	√	√						√			√			√			√
Datin Mary Sa'diah Binti Zainuddin					√							√			√			√
Chin Chee Kong						√		√					√	√				√
Tan Chuan Dyi								√		√			√	√		√		
Cik Sulaihah Binti Maimunni		√						√				√			√			√
Datuk Ahmad Bin Abu Bakar	√		√	√	√	√						√		√				√

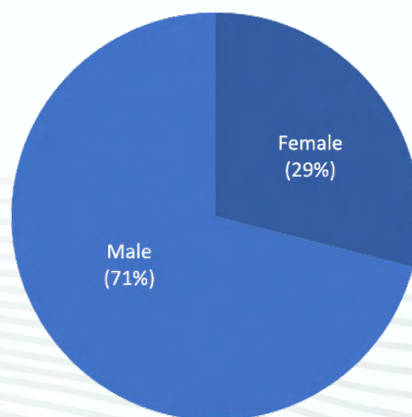
During the year under review, the Board comprised 71% Bumiputra and 29% Non-Bumiputra. The Board believes that diversity leads to the consideration of all facets of an issue and consequently, better decisions and performance.

At the end of the year, the Board comprised five (5) male directors, representing 71% of the Board, and two (2) female directors, representing 29% of the Board.

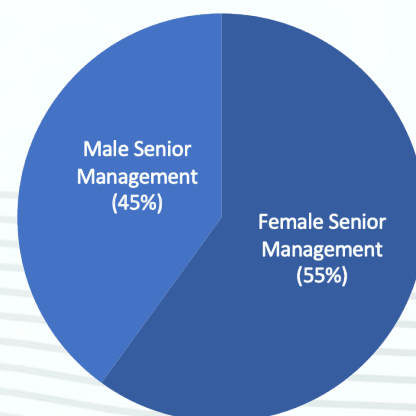
At the end of the year, the Senior Management team comprised five (5) male senior management staff, representing 45% and six (6) female senior management staff, representing 55% of the team.



Board composition based on ethnicity in 2023



Board composition based on gender in 2023



Senior Management composition based on gender in 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Retirement of Directors

All Directors, including the Managing Director, shall retire by rotation once every three years in accordance with Article 85 of the Constitution of the Company. The Directors to retire shall be those longest in service since their last appointment. Retiring Directors may offer themselves for re-election to the Board at the Annual General Meeting.

In addition, any newly appointed Director will submit himself/herself for retirement and re election at the Annual General Meeting immediately following his/her appointment pursuant to Article 92 of the Constitution of the Company. Thereafter he/she shall be subject to the one-third rotation retirement rule.

The Nominating Committee is entrusted to review the retirement of Directors.

Directors' Training

During the year under review, Board members have attended various training programmes conferences, forums and workshops on issues relevant to the Group. The training programmes, conferences and forums attended by the Directors for the financial year ended 31 December 2023 were as follows:-

- Assessment of the Board, Board Committees and Individual Directors
- Audit Committee Conference 2023
- Conflict of Interest ("COI") Obligations of Directors, Key Officers, Nominating & Audit Committees
- ICDM Board NRC Dialogue & Networking: How Much Do Board Members Get Paid? Key Insights to the Malaysian Board & Senior Management Remuneration Practices
- Mandatory Accreditation Programme Part II LEADING FOR IMPACT ("LIP") Building high-impact boards for sustainable growth
- MIA Webinar Series: The ESG Agenda - An option or a must-have for Boards of listed issuers?
- Anti-Money Laundering/Counter Financing of Terrorism ("AML/CFT")
- Climate Risk Management and Scenario Analysis Training
- Cybersecurity Briefing
- KPMG Tax And Business Summit
- KPMG 2023 Board and Audit Committee Priorities
- Driving Sustainable Success: Sustainability for Senior Executives - A Board-of-Directors Engagement Session
- ESG, Climate and Trust: The Board's Role
- A Net Zero Remit for Finance Functions
- MFRS Update 2023
- KPMG Annual Budget Webinar
- Integration of Corporate Social Due Diligence Directive

The Directors will continue to attend relevant seminars and trainings from time to time as they consider necessary to equip themselves so that they are able to discharge their duties effectively.

Nominating Committee

The Nominating Committee comprises exclusively Non-Executive Directors, of whom a majority is independent. The Nominating Committee is chaired by a Non-Independent and Non-Executive Director.

The Nominating Committee met twice during the financial year under review.

The activities undertaken by the Nominating Committee for the financial year ended 31 December 2023 were as follows:

- a. Assessed and evaluated the performance and effectiveness of the Board, Board Committees, self and peer assessment.
- b. Assessed the effectiveness of the Board and Board Committees as a whole, on areas such as Board composition, structure, the required mix of skills, experience and other qualities
- c. Reviewed the Directors retiring by rotation pursuant to the Fit and Proper Policy adopted by the Company to be put forward for re-election at the Company's Annual General Meeting.
- d. Reviewed the performance and effectiveness of the Audit Committee and its members. The Nominating Committee was of the opinion that the Audit Committee and its members have carried out their duties in accordance with their Terms of Reference.
- e. Reviewed the succession planning of the key positions in the Company.

Succession Planning

Succession planning is a process of identifying and developing individuals with the potential to fill up the key business leadership positions in the Group. Business continuity relies on succession planning.

The succession for various key positions has been planned and lined up in the Group to ensure that suitably qualified talents are groomed so that they are able to assume the roles when the current generation of key staff retire or resign. The Group has put in place a structured succession planning process for key senior management positions.

In the event that there is no suitable candidate with the "right fit" available from the existing pool, an executive search may be launched to identify an appropriate candidate from an external source.

Board Effectiveness

The Board effectiveness evaluation questionnaires comprised the Board, Board Committee, Self and Peer Assessment were issued to Board/Committee members in February 2023. The results indicated that the performance of the Board, the Board Committee and individual Directors during the assessment period was satisfactory and they had been effective in the overall discharge of their functions and responsibilities.

Commitment to Integrity Code of Conduct and Business Ethics

In order to promote and maintain a high ethical standard, the Board has adopted a Code of Conduct and Business Ethics, a standard for acceptable behaviour to all stakeholders in the Group. The Code of Conduct and Ethics covers, amongst others, areas of integrity, core value and culture, accountability, conflicts of interest, confidentiality, anti-corruption and bribery, and insider trading.

Whistleblowing Policy

The Group has also established its Whistleblowing Policy with the objective of providing a mechanism for employees and members of the public to report any improper conduct such as suspected wrongdoing, misconduct relating to fraud, corrupt practices and abuse of power for management action. Investigation into whistleblowing cases will be conducted by the Head of Internal Audit and/or the Compliance Officer and the outcome of the investigation is reported to the Audit Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Anti-Bribery and Corruption Policy

In compliance with Section 17A of the Malaysian Anti-Corruption Commission Act (Amendment) 2018 enforced on 1 June 2020, and Paragraph 15.29 of the Bursa Securities MMLR, the Board has adopted an Anti-Bribery & Corruption Policy (“ABC Policy”) on 31 May 2020 and an Anti-Bribery and Corruption Compliance Committee (“ABC Compliance Committee”) was established on 25 June 2020. The ABC Policy provides guidance to all employees and associates of Naim Group relating to acts of bribery and corruption.

The Code of Conduct and Business Ethics, Whistleblowing Policy and Anti-Bribery and Corruption Policy are available at the Company’s website at www.naim.com.my.

Disclosure of Interests in Contracts/Conflict of Interest

Section 221 of the Companies Act 2016 requires every Director of the Company, who is in any way, whether directly or indirectly, interested in a contract or proposed contract with any entity of the Group, shall, as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest at a meeting of the Directors of the Company.

The Directors update the list of companies in which they have interests on a half-yearly basis, and accordingly, the list of their respective interests is tabled to the Board for notation. In the same document, the Directors also confirm the number of directorships he/she holds in listed entities. None of the Directors holds more than five (5) directorships in listed entities.

In addition to the half-yearly confirmation/disclosure, members of the Board are also required to declare or disclose their interest in any transaction involving the Naim Group as and when a potential conflict of interest arises. Where the Directors are deemed as interested and/or having a conflict of interest in a transaction, they would excuse themselves from the discussion and decision and leave the meeting room.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Board is responsible for the Group’s internal control, the overall purpose of which is to protect shareholders’ investments and the Group’s assets. The Board is assisted by the Audit Committee in monitoring the Group’s internal control system, internal audit process, related party transactions, conflict of interest situations, accounting policies, financial reporting, and overseeing the performance, independence and objectivity of the external auditors and the quality of the audit. The Chairman of the Audit Committee is to inform the Directors during Board meetings of any salient matter reviewed by the Audit Committee arising from audit findings that may require the Board’s attention or decision.

The Audit Committee had on 19 April 2024, assessed the suitability, objectivity, independence and re-appointment of the external auditor, Messrs KPMG. In November 2023, Messrs KPMG had submitted its Transparency Report for the year ended 31 December 2022 to members of the Audit Committee. The Transparency Report contained comprehensive information on KPMG’s Audit Quality Framework, legal, governance and leadership structure, culture, values, and digital technology.

The Audit Committee also reviewed the adequacy of their experience and resources, their audit engagements and also the provision of non-audit services to the Group. The Audit Committee was satisfied that Messrs KPMG had met the relevant criteria prescribed under Paragraph 15.21 MMLR and it had recommended the re-appointment of Messrs KPMG for the ensuing financial year.

Having considered the outcome of the assessment of the external auditors by the Audit Committee, the Board approved the recommendation for shareholders’ approval to be sought at the forthcoming Annual General Meeting on the re-appointment of Messrs KPMG.

The Audit Committee also reviewed the related party transactions to ensure that the transactions were fair, reasonable, not detrimental to the minority shareholders and were in the best interests of the Group.

The performance of the Audit Committee and each of its members were reviewed annually by the Nominating Committee pursuant to Paragraph 15.20 MMLR and recommendations were submitted to the Board for its endorsement.

The Chairman of the Audit Committee is Mr. Tan Chuan Dyi, an Independent Non-Executive Director and he is not the Chairman of the Board. All members of the Audit Committee are financially literate.

The roles of the Audit Committee are explained in pages 93 to 95 of this Annual Report.

Risk Management and Internal Control Framework

The Board is responsible for the Group's system of risk management and internal control. The Group has a system of risk management and internal control to identify the risks the Group faces in its businesses and put controls in place to mitigate the risks. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute assurance against the occurrence of any material misstatement or loss.

The Group has established policies and framework for the oversight and management of material business risks. The Group Risk Management Department consolidates the Corporate Risk Profile from the respective business units/divisions/ departments risk registers outlining the risks, controls and risk mitigation plans that the Management has taken in mitigating the risks for submission to the Risk Management Committee on a quarterly basis. The identified high-risk areas, including risk mitigation plans, are reported and deliberated at Board Meetings.

Further information on the Group's risk management and internal framework is made available on the Statement of Risk Management and Internal Control on pages 96 to 97 of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The dissemination of timely and accurate information is important for shareholders and investors to enable them to make informed investment decisions. The Company ensures that its communication with shareholders and other stakeholders is timely and transparent. The Company aims to engage with shareholders transparently and regularly in order to build a mutual understanding of respective objectives. The other communication modes include Annual Reports, General Meetings, Circulars, quarterly results announcements, and corporate disclosures via Bursa LINK, press releases, information on the Company's website, and other investor relation activities.

The Company also maintains a website at www.naim.com.my that allows shareholders and investors to gain access to information about the Group as well as to direct their queries and feedback to the Board of Directors/or Management through the email, investorrelations@naim.com.my posted at the aforesaid website.

The Group abides by the following main principles in its investor relations:-

- Thoughtful analysis of our market value relative to estimates of our intrinsic value, that is, the present value of our Group based on a series of future expected net cash flows.
- Ensuring that all information disclosed to our investors is consistent with our strategies, plans and actual performance.
- Providing transparency on our operations and performance.
- Understanding our investor base and their requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Conduct of General Meetings

The Annual/Extraordinary General Meetings have been the main forum for dialogue with shareholders. Ample opportunities are given to shareholders to raise questions and/or seek clarification on the Group's business and performance.

The Company's 21st Annual General Meeting ("AGM") was held at Sapphire On The Park, Function Hall, 3rd Floor, Jalan Lintang Selatan, Batu Lintang, 93200 Kuching, Sarawak on 25 May 2023.

All the resolutions put forward at the AGM were voted by poll in accordance with paragraph 8.29A of the MMLR.

Tricor Investor & Issuing House Services Sdn. Bhd. was appointed as the Poll Administrator and Scrutineer Solutions Sdn. Bhd. as Independent Scrutineer to oversee the polling processes at the AGM. All ordinary resolutions were passed by a majority of votes by members present either in person or by proxy.

The external auditors, Messrs KPMG PLT were invited to attend the AGM pursuant to Section 285 of the Companies Act 2016, to respond to any question which might be raised in respect of the audit of the financial statements.

If there are any questions raised by shareholders prior to the AGM, the Company shall provide the responses and share with shareholders during the meeting and at the same time, the Managing Director shall address any live questions posed by shareholders.

Compliance Statement

The Board has deliberated, reviewed and approved this Statement and is satisfied that the Company has substantially complied and applied the 3 key principles of the MCCG for the financial year ended 31 December 2023.

Details of how the Company has applied the MCCG Principles and complied with the Practices are set out in the Corporate Governance Report 2021 ("CG Report").

Statement of Directors' Responsibility in preparing the Financial Statements

The Directors of the Company are required by the Companies Act 2016 and the MMLR of Bursa Malaysia Securities Berhad to prepare financial statements in accordance with approved accounting standards so as to give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year, and of the results and cash flow of the Company and the Group for the financial year.

The Directors are responsible for ensuring that the Company and its subsidiaries maintain proper accounting records that disclose with reasonable accuracy the financial positions of the Company and of the Group in compliance with the provisions of the Companies Act 2016 and approved accounting standards in Malaysia. In preparing the financial statements for the financial year ended 31 December 2023, the Directors have applied appropriate and relevant accounting policies consistently and in accordance with applicable accounting standards and made judgements and estimates that are reasonable and fair.

The financial statements are prepared on a going-concern basis and the Directors have ensured that proper accounting records are kept, which enable the preparation of the financial statements with reasonable accuracy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The Management Discussion and Analysis of the Group's business operations and performance

The Management Discussion and Analysis of the Group's business operations and performance are disclosed from pages 42 to 46.

Additional Compliance Information

1. Utilisation of Proceeds from the Disposal of Land

The Company announced to Bursa Malaysia Securities Berhad on 25 August 2022 that the Board decided to extend the timeframe for utilising the remaining unutilised proceeds from the disposal of land by the Company's wholly-owned subsidiary, Petrochemical Hub Sdn. Bhd. ("Disposal") allocated for capital investment for an additional 24 months (i.e., up to 20 October 2024).

The additional timeframe of 24 months for utilising the proceeds for the capital investment of RM 15 million enables the Company to carry out detailed technical and economic feasibility studies on the proposed new capital investment.

As at 31 March 2024, the status of the utilisation of proceeds raised from the Disposal of RM 340 million was as follows:-

Details of utilisation	Approved Utilisation (RM million)	Actual Utilisation (RM million)	Remaining unutilised (RM million)	Approved timeframe for utilisation	Extended timeframe for utilisation
Capital investment	15	-	15	Within 24 months from completion	Within 48 months from completion
Repayment of bank borrowings	117	117	-	Within 12 months from completion	-
Dividends to shareholders	90	90	-	Within 12 months from completion	-
Working capital for property development activities	75	75	-	Within 18 months from completion	-
Estimated expenses in relation to the Disposal	43	43	-	Within 9 months from completion	-
Total	340	325	15		

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

2. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group in the financial year ended 31 December 2023 were as follows:

Item	Nature of services rendered	Company RM'000	Group RM'000
A.	Audit Fees	82	397
B.	Non-Audit Fees	37	246
	Total	119	643

The non-audit fees comprised the following:

Item	Nature of services rendered	RM'000
a.	Tax fee	220
b.	Other advisory fees	26
	Total	246

3. Material Contracts involving interests of Directors/Chief Executive/Major Shareholders

There were no material contracts entered into by the Company or its subsidiaries involving Directors and Chief Executive who is not a Director or Major Shareholders still subsisting at the end of the financial year ended 31 December 2023.

4. Employee Share Scheme - Long Term Incentive Plan ("LTIP")

During the financial year ended 31 December 2023, no grants were issued.

No grants were issued since the LTIP was approved for implementation in May 2015.

AUDIT COMMITTEE REPORT

Members

The Audit Committee comprises the following:-

Mr. Tan Chuan Dyi – Chairman
Independent Non-Executive Director

Datuk Ahmad Bin Abu Bakar – Member
Independent Non-Executive Director

Mr. Chin Chee Kong – Member
Non-Independent Non-Executive Director

The Audit Committee is the Board's primary tool for exercising guardianship of shareholder value and imposing the highest standards of ethical behaviour. It is responsible for assessing risks, overseeing financial reporting, evaluating internal and external audit processes and reviewing conflict of interest situations and related party transactions.

The composition of the Audit Committee is as follows:-

Category	No. of Directors	Percentage
Independent Non-Executive Director	2	66.67%
Non-Independent Non-Executive Director	1	33.33
Total	3	100%

Two (2) of its members, Mr. Chin Chee Kong and Datuk Ahmad Bin Abu Bakar are members of the Malaysian Institute of Accountants.

The Chairman of the Audit Committee is not the Chairman of the Board.

ATTENDANCE OF MEETINGS

The Audit Committee met five (5) times during the year 2023 and the details of attendance are as follows:-

Audit Committee Members	No. of Meetings Attended	Attendance (%)
Mr. Tan Chuan Dyi	5/5	100
Datuk Ahmad Bin Abu Bakar	5/5	100
Mr. Chin Chee Kong	5/5	100

Note: The Audit Committee held independent sessions with the external auditors during two (2) of the five (5) meetings.

External auditors, internal auditors and relevant management staff were invited, when necessary to attend the Audit Committee meetings to, *inter alia*, discuss the results of the Group, the internal and external audit findings and financial reporting issues.

The members of the Audit Committee also met twice during the year in independent sessions with the external auditors without the presence of management.

The Terms of Reference of the Audit Committee can also be found on the corporate website at www.naim.com.my.

1. SUMMARY OF ACTIVITIES

During the year, the Audit Committee carried out the following activities in the discharge of its functions and duties:-

1.1 Financial Reporting

- Reviewed quarterly interim reports and unaudited year end financial statements before recommending the same for approval by the Board of Directors, focusing on:-
 - changes in or implementation of new or revised major accounting standards,
 - significant matters including financial reporting issues and how they were addressed,
 - compliance with accounting standards and other legal requirements.
- Reviewed and recommended for Board's approval the annual audited financial statements.
- Reviewed the internal control aspects of the Statement on Risk Management and Internal Control and made recommendations thereon to the Risk Management Committee for its consideration.

AUDIT COMMITTEE REPORT (CONTINUED)

1.2 Related Party Transactions

- Reviewed the related party transactions that arose within the Group, on a quarterly basis, to ensure that the transactions were fair and reasonable, not detrimental to the minority shareholders and were in the best interest of the Group.

1.3 Internal Audit

- Reviewed and approved the annual audit plan proposed by the Internal Audit Department ("IAD") to ensure the adequacy of scope and coverage over the activities of the Group.
- Reviewed the internal audit reports issued by the IAD on the effectiveness and adequacy of governance, risk management, operational and compliance processes.
- Reviewed the adequacy and effectiveness of agreed corrective actions taken by the Management on audit issues raised.
- Reviewed the effectiveness and adequacy of audit process, resource requirements and assessed the performance of the internal audit team.
- Reviewed and endorsed the changes to the Internal Audit Policies.

1.4 External Audit

- Reviewed and deliberated on the external auditors' presentation of their terms, areas of responsibilities, audit plan and approach, areas of audit emphasis, financial reporting changes and requirements, proposed fee, key accounting and audit judgements and unadjusted differences identified during the audit.
- Reviewed and deliberated on the External auditors' reports in relation to the statutory audit, major audit findings and the Management's responses arising from the audit.
- Reviewed and assessed the independence and suitability of external auditor pursuant to Paragraph 15.21 Bursa Listing Requirements in the following areas:-
 - Quality of services provided;
 - Sufficiency of resources;
 - Communication and interaction; and
 - Independence, objectivity and scepticism.
- Ensured that the audit engagement and concurring review partners are rotated in accordance with the Malaysia Institute of Accountant's By-Laws.
- Considered and recommended to the Board for approval, the re-appointment of External Auditors, as well as their remuneration.
- Met with external auditors twice, in the absence of management.

- Discussed and considered the significant accounting adjustments and auditing issues arising from the interim audit as well as the final audit with the External Auditors.

2. INTERNAL AUDIT FUNCTION

The Group is served by an in-house IAD, whose primary function is to assist the Audit Committee in discharging its duties and responsibilities. The IAD reports directly to the Audit Committee on its activities based on the approved annual Internal Audit Plan. The approved plan is designed to cover high risks areas and entities across all levels of operations within the Group, other than associates and joint ventures. The Internal Audit role and responsibilities are defined in the Internal Audit Charter with the mission to provide independent, objective assurance and consulting services to add value and improve the organisation's operations.

Their role is to provide the Audit Committee with independent and objective reports on the adequacy and effectiveness of the system of internal controls and procedures in the operating units within the Group and the extent of compliance with the Group's established policies, procedures and guidelines, and also compliance with applicable laws, regulations, directives and other enforced compliance requirements.

The position of Head of Internal Audit is currently vacant and the Group is actively looking for a replacement. During the course of the year, the IAD has an average staff force of three (3). The internal audit staff comprise those who possess tertiary qualifications in the field of Accounting, Construction Management, Finance and Business Administration.

2.1 Authority

To accomplish its primary objectives in examining and evaluating whether the Group's governance, risk and internal control processes are adequate and functioning properly, the internal auditors are authorised to have full, free and unrestricted access to Group's operations, activities, information, functions, records, properties and personnel relevant to the performance of internal audit at any time.

2.2 Independence

The IAD is independent of the activities audited and performs with impartiality and due professional care. The IAD reports directly to the Audit Committee. In addition, the Audit Committee assesses the performance of the Head of Internal Audit.

2.3 Duties and Responsibilities (continued)

Each year the IAD develops an audit plan detailing engagements to be conducted during the year and submits the same to the Audit Committee for approval before carrying out the planned assignments. Reports on the internal audit activities are submitted to the Audit Committee every quarter.

Reports submitted include the status and results of the annual audit plan on the activities being reviewed.

Cases of fraud which demand urgent attention, shall be reported to the Audit Committee and the Managing Director immediately upon discovery by the audit staff.

2.4 Internal Audit Functions and Activities

The IAD has carried out its activities based on planned audits and special reviews during the year. During the financial year ended 31 December 2023, the internal audit activities carried out included, *inter alia*, the following:

- a. Evaluated the system of internal controls and key operating processes based on the approved annual plan.
- b. Evaluated the efficiency of processes, functions and current practices and provided suitable recommendations to relevant risk/ process owners.
- c. Provided assurance on compliance with statutory requirements, laws, Group policies and guidelines.
- d. Recommended appropriate controls to overcome deficiencies and enhance operations.
- e. Carried out investigations and special reviews at the request of the Audit Committee, the Board of Directors and management.

Follow-up audits were also conducted and the status of implementation on the agreed corrective actions were highlighted to the Audit Committee. Such regular monitoring is essential to ensure the integrity and effectiveness of the Group's system of internal control.

A total cost of RM 398,966.57 was incurred by the IAD in respect of the financial year under review.

3. TRAINING

The internal auditors attended the following external and internally facilitated sessions as follows:-

Date	Description of Training
7 February 2023	Cashflow & Financial Modelling Workshop
27 February 2023	NLP Techniques for Effective Communication & Inter-Personal Excellence
4 September 2023	East Malaysia Conference 2023 Theme: Unlocking Success: Empowering Internal Auditors for Tomorrow's Challenges

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

This Statement on Risk Management and Internal Control by the Board of Directors is made pursuant to Bursa Malaysia Listing Requirements with regard to the Group's compliance with the principles and best practices for internal control as provided in the Malaysian Code of Corporate Governance (MCCG 2021).

The Board of NAIM believes in good corporate governance and managing the affairs of the Group in accordance with the MCCG 2021. In addition, the Board believes that it is very much the voluntary good behaviour and credibility of the Board which will create a good governance culture for the entire organisation and its business partners.

Responsibility

The Board acknowledges its responsibilities for maintaining a sound system of risk management and internal control to safeguard shareholders' investment and the Group's assets as well as reviewing the adequacy and integrity of the system. In the discharge of these responsibilities, the Board has put in place a process at all levels of the organisation to provide reasonable assurance that the Group's business objectives will be achieved. The system covers *inter alia* financial, operational and compliance system controls, as well as risk management. Due to the limitations that are inherent in any system of risk management and internal control, it is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

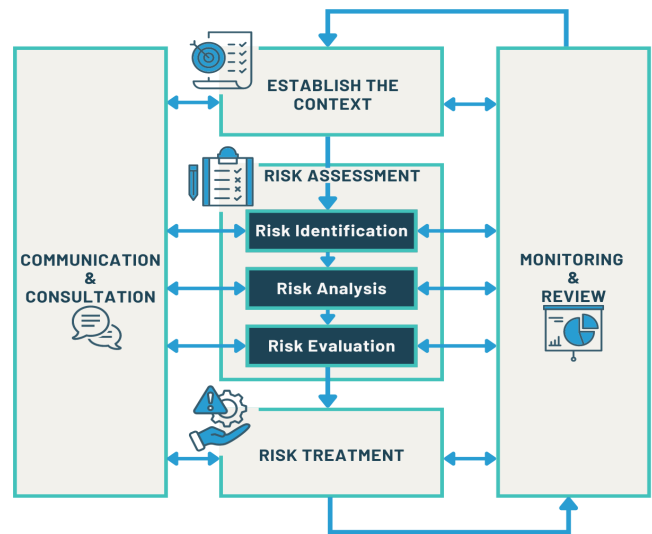
Risk Management Framework

The Board acknowledges that the Group's activities involve a certain degree of risks and is committed to ensuring that it has an effective risk management framework that allows the Group to identify, evaluate and manage risks that affect the achievement of the Group's business objectives.

The Risk Management Committee is chaired by an Independent Non-Executive Director and comprises mostly Independent Non-Executive Directors. The Committee is supported by a Risk Management Unit (RMU) to assist in the coordination of the Group's risk management activities as well as the establishment and communication of the framework, policies, processes and reporting requirements to the business units; and to coordinate Group-wide review of risks and risk profiles and to promote risk awareness within the Group.

The Group's approach to risk management is continuously refined to ensure its relevance and adaptability to the current environment and business operations. The Group has adopted the risk management framework that is aligned with the principles and guidelines of ISO 31000.

Risk Management Process



Risk Management Process

The management of each business unit in the Group is responsible for the implementation of the approved framework to manage all the possible risks that can affect the achievement of the Group's objectives by ensuring that effective controls are in place and appropriate risk mitigation plans are carried out. The RMU facilitates the risk assessment process through dialogues with the key managers from business units, operations and support services units. The result from the risk assessment is reported and deliberated during the Risk Management Committee meeting held on a quarterly basis. The Risk Management Committee, after reviewing the same, escalates them to the Board.

Key Processes of Internal Control

The key processes of Internal Control include the following and will be revised regularly and updated when necessary:-

- An organisational structure that lays down clear lines of responsibility and reporting.
- Clear documented and formalised standard operating policies and procedures to ensure compliance with internal controls, relevant laws and regulations, which are subject to regular reviews and improvements, have been communicated to all levels and are easily accessible on the Company's intranet platform. In particular, the NAIM Group Procedures (NGP) and NAIM Group Authority Limit (NGAL) set out the operating control procedures pertaining to finance, accounting, credit control, human resources, procurements and inventory. The control procedures, *inter alia*, include setting limits for approving expenditure and procurements. These procedures and NGAL are updated when necessary.
- Real-time budgetary control, where actual performance is regularly monitored against budgets.
- The Group uses various line-of-business systems and applications to improve operational efficiency and transparency.

- The NAIM Employee Handbook, which sets out general employment terms and the NAIM Group's corporate code of ethics.
- A management system comprises Quality, Environmental and Occupational, Health & Safety Management System requiring the management and staff of NAIM Group to adhere to a set of well-established standard operating procedures covering all major critical processes to enable the optimal achievement of their business objectives. Surveillance audits are conducted yearly to ensure compliance with the system.
- Establishment of Standard Operating Procedures, guidelines and other health-related management and provision of PPEs to combat contagious diseases such as COVID-19. This is to ensure Business Continuity, meeting the needs of ISO45001 requirements relating to employee health protection and those of local, statutory and legal requirements like Sarawak Disaster Management Committee (SMDC) and Department of Occupational Safety & Health (DOSH).
- A Whistleblowing Policy provides a mechanism for all levels of employees and stakeholders of the Group, acting in good faith, to disclose any misconduct and to provide protection for employees and members of the public who report such allegations. Such misconducts include but are not limited to fraud, conflict of interest, abuse of power, etc.
- In conjunction with the introduction of corporate liability provision under Section 17A of the MACC Act 2009, the Group has in place an Anti-Bribery & Corruption Policy and has adopted a zero-tolerance policy against all forms of bribery and corruption. The policy serves as formal guidance and reference to those working for and/or associated with the Group to deal with, manage and handle any bribery and corrupt gratification issues.
- Additionally, the NAIM Group's Code of Conduct and Business Ethics sets the standard for how we work together with customers, suppliers, contractors and others in the development and delivery of products and services and how we protect the value of the Group.
- Employees performances are monitored and appraised and employees are rewarded according to the achievement of targets set.
- Learning and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance, job expectation, generate new ideas and acquire the latest updates on regulatory requirements.

The process of risk management and internal control of the Group covers the holding company and its subsidiaries only and does not extend to associates and joint ventures.

Internal Audit

The Group has established a formal structure for its internal audit function that clearly defines the roles and responsibilities of the persons involved in the internal audit. As an integral part of the audit process, key areas of importance pertaining to internal control, risk assessment, risk mitigation and proper governance processes are identified. Focusing its review and audit on

these key areas, the internal audit provides independent assurance on the efficiency and effectiveness of the internal control system implemented by management. The internal audit reports to the Audit Committee on at least a quarterly basis, and more frequently where appropriate. The Chairman of the Audit Committee in turn presents summaries of the internal audit reports (including management's responses to audit findings and recommendations) at Board meetings.

Assurance to the Board

The Board has received assurance from the Group Managing Director and Group Chief Financial Officer that the Group's risk management and internal controls are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

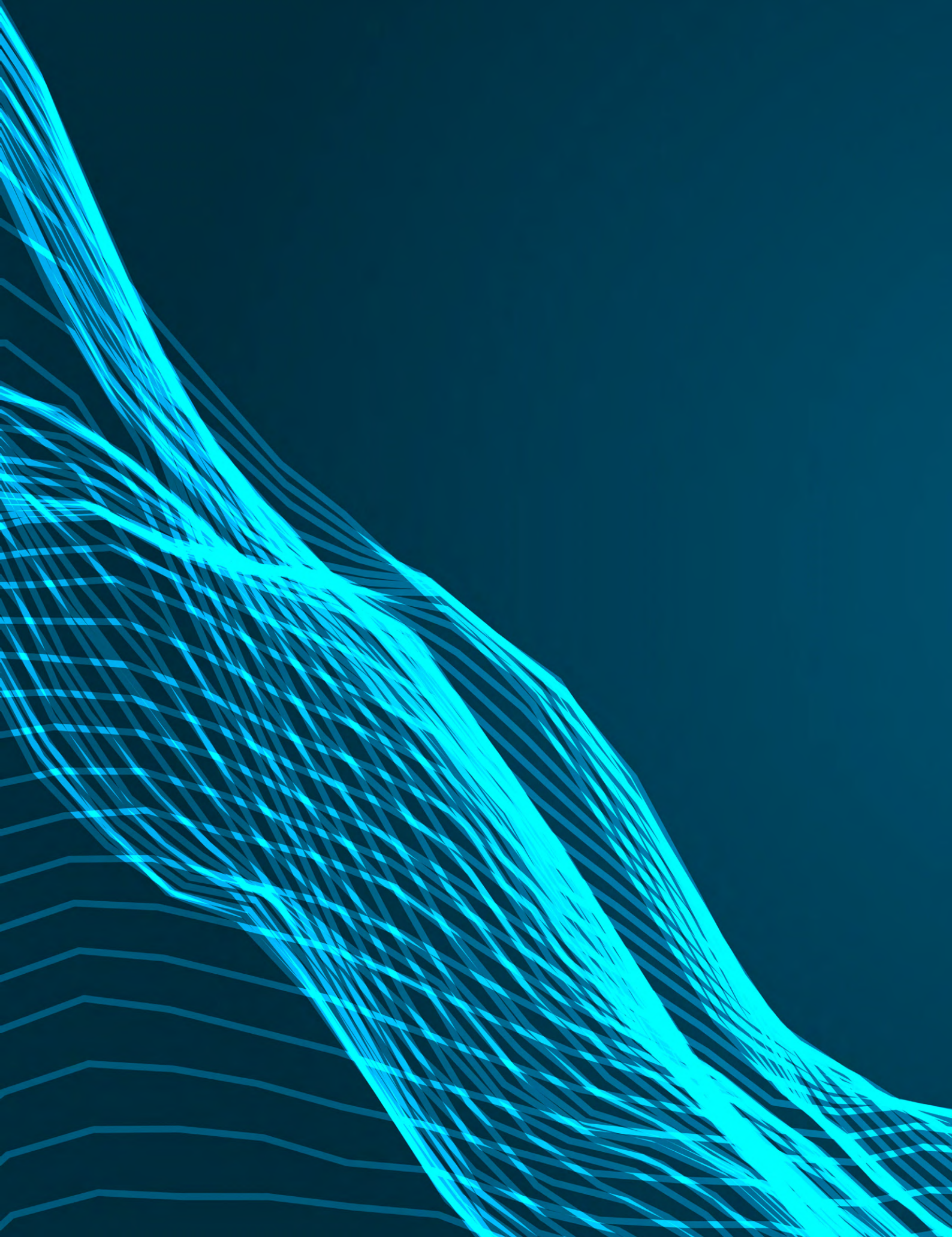
Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guides ("AAPG") 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2023, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Group, in all material respects:-

- a. Has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- b. Is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This statement is made in accordance with a resolution of the Board of Directors dated 27 February 2024.



PART 6

Financial Statements

100	DIRECTORS' REPORT
106	STATEMENTS OF FINANCIAL POSITION
108	STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
110	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
112	STATEMENT OF CHANGES IN EQUITY
113	STATEMENTS OF CASH FLOWS
116	NOTES TO THE FINANCIAL STATEMENTS
181	STATEMENT BY DIRECTORS
182	STATUTORY DECLARATION
183	INDEPENDENT AUDITORS' REPORT

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

Principal activities

The Company is principally engaged in investment holding and the provision of management services to its subsidiaries. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

The principal activities and other details of the subsidiaries are disclosed in Note 4 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	35,034	5,096
Non-controlling interests	279	-
	35,313	5,096
	35,313	5,096

Dividend

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the year under review.

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Directors of the Company

Directors who served during the year and up to the date of this report are:

Datuk Amar Abdul Hamed Bin Haji Sepawi*
 Datuk Hasmi Bin Hasnan*
 Datin Mary Sa'diah Binti Zainuddin
 Datuk Ahmad Bin Abu Bakar
 Chin Chee Kong
 Tan Chuan Dyi
 Sulaihah Binti Maimunni
 Beh Boon Ewe (resigned on 03.06.2023)*

* These Directors are also directors of certain subsidiaries of the Company during the year.

Directors of the subsidiaries

The following is the list of directors of the subsidiaries (excluding those who are also directors of the Company as mentioned in the preceding page) in office during the year and up to the date of this report:

Datu Haji Halmi Bin Ikhwan
Dato' Ir. Ha Tiing Tai
Dato' Ubull A/L Din Om
Datu Abang Mohamad Shibli Bin Abg Mohamad Nailie
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai
Tuan Haji Abang Mat Ali Bin Abang Masagus
Lingoh Anak Gara
Nona Zaharia Binti Fadzil
Allan Anak Micheal Rimong
Alexander Manyin
Lau Kiu Huat (alternate to Datu Haji Halmi Bin Ikhwan)
Yap Hon Kong
Kuintan Binti Sepawi
Zainol Rashid Bin Mustafa
Tan Yaw Thong
Emily Hii San San
Lim Khong Guan
Kon Ted Jee
Abdul Halim Bin Abd Jalal
Alexander Lim Kuok Hui
Shaharum Bin Ramli (appointed on 03.06.2023)
Muhd Syahiskandar Bin Sahmat (resigned on 25.10.2023)
Ho Chun Yi (resigned on 23.11.2023)
Datu Monaliza Binti Zaidel (resigned on 13.03.2024)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Directors' interests in shares

The interests and deemed interests of the Directors (including where applicable, the interests of their spouses or children who themselves are not directors of the Company), in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) during and at the end of the financial year as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 31.12.2023
	At 1.1.2023/ date of acquisition	Bought	Sold	
Direct interests				
Datuk Amar Abdul Hamed Bin Haji Sepawi				
- The Company	32,553,427	-	-	32,553,427
- Mawar Education Centre Sdn. Bhd.*	699,999	-	-	699,999
Datuk Hasmi Bin Hasnan				
- The Company	55,730,768	-	-	55,730,768

Shareholdings in which

Datuk Amar Abdul Hamed Bin Haji Sepawi has deemed interests

The Company	73,507,433	-	-	73,507,433
Desa Ilmu Sdn. Bhd.	8,000,000	-	-	8,000,000
NAIM GAMUDA (NAGA) JV SDN. BHD.	7,000,000	-	-	7,000,000
Peranan Makmur Sdn. Bhd.	7,000,000	-	-	7,000,000
Simbol Warisan Sdn. Bhd.	7,500	-	-	7,500
BDA Naim Sdn. Bhd.	400,000	-	-	400,000
Mawar Education Centre Sdn. Bhd.*	800,000	-	-	800,000
Naim Engineering Construction (Fiji) Limited	999,999	-	-	999,999
Naim Quarry (Fiji) Limited	999,999	-	-	999,999
Naim Premix (Fiji) Limited	999,999	-	-	999,999
Lotus Paradigm Sdn. Bhd.	70	-	-	70

Shareholdings in which

Datuk Hasmi Bin Hasnan has deemed interests

The Company	135,259,244	-	-	135,259,244
Desa Ilmu Sdn. Bhd.	8,000,000	-	-	8,000,000
NAIM GAMUDA (NAGA) JV SDN. BHD.	7,000,000	-	-	7,000,000
Peranan Makmur Sdn. Bhd.	7,000,000	-	-	7,000,000
Simbol Warisan Sdn. Bhd.	7,500	-	-	7,500
BDA Naim Sdn. Bhd.	400,000	-	-	400,000
Mawar Education Centre Sdn. Bhd.*	800,000	-	-	800,000
Naim Engineering Construction (Fiji) Limited	999,999	-	-	999,999
Naim Quarry (Fiji) Limited	999,999	-	-	999,999
Naim Premix (Fiji) Limited	999,999	-	-	999,999
Lotus Paradigm Sdn. Bhd.	70	-	-	70

* Being newly acquired subsidiary of the Group [see Note 36(i)].

Datuk Amar Abdul Hamed Bin Haji Sepawi and Datuk Hasmi Bin Hasnan, by virtue of their interests in the ordinary shares of the Company, are deemed interested in the shares of the subsidiaries to the extent the Company has an interest.

The other Directors holding office at 31 December 2023 did not have any interest in the shares of the Company and of its related corporations during and at the end of the financial year.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Directors' interests in shares

The interests and deemed interests of the Directors (including where applicable, the interests of their spouses or children who themselves are not directors of the Company), in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) during and at the end of the financial year as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2023/ date of acquisition	Bought	Sold	At 31.12.2023
Direct interests				
Datuk Amar Abdul Hamed Bin Haji Sepawi				
- The Company	32,553,427	-	-	32,553,427
- Mawar Education Centre Sdn. Bhd.*	699,999	-	-	699,999
Datuk Hasmi Bin Hasnan				
- The Company	55,730,768	-	-	55,730,768

Shareholdings in which

Datuk Amar Abdul Hamed Bin Haji Sepawi has deemed interests

The Company	73,507,433	-	-	73,507,433
Desa Ilmu Sdn. Bhd.	8,000,000	-	-	8,000,000
NAIM GAMUDA (NAGA) JV SDN. BHD.	7,000,000	-	-	7,000,000
Peranan Makmur Sdn. Bhd.	7,000,000	-	-	7,000,000
Simbol Warisan Sdn. Bhd.	7,500	-	-	7,500
BDA Naim Sdn. Bhd.	400,000	-	-	400,000
Mawar Education Centre Sdn. Bhd.*	800,000	-	-	800,000
Naim Engineering Construction (Fiji) Limited	999,999	-	-	999,999
Naim Quarry (Fiji) Limited	999,999	-	-	999,999
Naim Premix (Fiji) Limited	999,999	-	-	999,999
Lotus Paradigm Sdn. Bhd.	70	-	-	70

Shareholdings in which

Datuk Hasmi Bin Hasnan has deemed interests

The Company	135,259,244	-	-	135,259,244
Desa Ilmu Sdn. Bhd.	8,000,000	-	-	8,000,000
NAIM GAMUDA (NAGA) JV SDN. BHD.	7,000,000	-	-	7,000,000
Peranan Makmur Sdn. Bhd.	7,000,000	-	-	7,000,000
Simbol Warisan Sdn. Bhd.	7,500	-	-	7,500
BDA Naim Sdn. Bhd.	400,000	-	-	400,000
Mawar Education Centre Sdn. Bhd.*	800,000	-	-	800,000
Naim Engineering Construction (Fiji) Limited	999,999	-	-	999,999
Naim Quarry (Fiji) Limited	999,999	-	-	999,999
Naim Premix (Fiji) Limited	999,999	-	-	999,999
Lotus Paradigm Sdn. Bhd.	70	-	-	70

* Being newly acquired subsidiary of the Group [see Note 36(i)].

Datuk Amar Abdul Hamed Bin Haji Sepawi and Datuk Hasmi Bin Hasnan, by virtue of their interests in the ordinary shares of the Company, are deemed interested in the shares of the subsidiaries to the extent the Company has an interest.

The other Directors holding office at 31 December 2023 did not have any interest in the shares of the Company and of its related corporations during and at the end of the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those disclosed below and Note 27 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits payable to or receivable by Directors of the Company and its subsidiaries in respect of the financial year ended 31 December 2023 are as follows:

	Company RM'000	Group RM'000
Directors of the Company:		
Fees	450	450
Short term employee benefits	3,291	3,493
Estimated monetary value of benefit-in-kind	56	59
Total Directors' remuneration	3,797	4,002

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were neither changes in the issued and paid-up capital of the Company, nor issuances of debentures by the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

No shares have been granted during the current year pursuant to the Long Term Incentive Plan, a share scheme which was approved by the shareholders of the Company in May 2015 for a period of 10 years but has not been implemented and rolled out since then.

Indemnity and insurance costs for Officers and Auditors

a. Directors and officers

The Directors and officers of the Group and of the Company are covered by Directors' and Officers' Liability Insurance ("DOL Insurance") for the purpose of Section 289 of the Companies Act 2016. The total insured limit for the DOL Insurance effected for the Directors and officers of the Group was RM50 million in aggregate.

The insurance premium for the DOL Insurance paid during the financial year amounted to RM57,000.

b. Auditors

Any indemnity given to or insurance effected for the auditors of the Company is to be made to the extent as permitted under Section 289 of the Companies Act 2016. There is no amount of such indemnity given or insurance effected for its auditors during the year.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i. all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii. any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i. that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii. that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii. which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv. not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i. any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii. any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature, nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and the Company during the year in respect of audit services rendered are RM380,000 and RM82,000 respectively (also see Note 24 to the financial statements).

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Datuk Amar Abdul Hamed Bin Haji Sepawi

.....
Datuk Hasmi Bin Hasnan

Kuching,

Date: 19 April 2024

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assets					
Property, plant and equipment	3	128,263	117,721	4,875	5,100
Investment in subsidiaries	4	-	-	338,223	337,423
Investment in associates	5	487,334	440,582	177,119	172,358
Investment in joint ventures	6	2,107	2,027	-	-
Inventories	7	165,448	172,242	-	-
Investment properties	8	68,760	80,503	-	-
Intangible asset	9	60	113	-	-
Deferred tax assets	10	1,436	2,229	-	-
Other investments	11	3,018	3,017	-	-
Trade and other receivables	12	13,021	30,700	-	-
Total non-current assets		869,447	849,134	520,217	514,881
Inventories	7	549,231	558,215	-	-
Contract costs	13	5,972	4,730	-	-
Contract assets	13	81,689	39,316	-	-
Trade and other receivables	12	62,952	77,365	85,222	76,736
Deposits and prepayments	14	8,066	10,449	20	20
Current tax recoverable		996	1,334	47	71
Other financial assets	15	6,994	15,416	-	2,824
Cash and cash equivalents	16	220,868	247,758	22,581	29,797
		936,768	954,583	107,870	109,448
Assets classified as held for sale	17	88	83	-	-
Total current assets		936,856	954,666	107,870	109,448
Total assets		1,806,303	1,803,800	628,087	624,329
Equity					
Share capital	18	454,802	454,802	454,802	454,802
Reserves	19	852,736	809,879	20,962	15,866
Total equity attributable to owners of the Company		1,307,538	1,264,681	475,764	470,668
Non-controlling interests	4	16,877	21,950	-	-
Total equity		1,324,415	1,286,631	475,764	470,668

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Liabilities					
Loans and borrowings	20	66,682	87,620	32,702	38,797
Deferred tax liabilities	10	20,482	21,167	-	-
Total non-current liabilities		<u>87,164</u>	<u>108,787</u>	<u>32,702</u>	<u>38,797</u>
Loans and borrowings	20	130,282	145,330	46,095	41,091
Trade and other payables	21	258,785	256,017	73,526	73,773
Contract liabilities	13	3,096	1,871	-	-
Provisions	22	-	3,472	-	-
Current tax payable		2,561	1,692	-	-
Total current liabilities		<u>394,724</u>	<u>408,382</u>	<u>119,621</u>	<u>114,864</u>
Total liabilities		<u>481,888</u>	<u>517,169</u>	<u>152,323</u>	<u>153,661</u>
Total equity and liabilities		<u>1,806,303</u>	<u>1,803,800</u>	<u>628,087</u>	<u>624,329</u>

The notes on pages 116 to 180 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	23	316,952	368,566	10,962	6,634
Cost of sales		(281,328)	(339,862)	-	-
Gross profit		35,624	28,704	10,962	6,634
Other operating income		6,112	2,911	5,019	268
Selling and promotional expenses		(3,932)	(3,946)	-	-
Administrative expenses		(22,424)	(23,687)	(7,849)	(7,395)
Other expenses		(14,807)	(12,199)	-	(18,000)
Net changes in impairment loss on financial assets and contract assets		(2,483)	2,319	-	-
Results from operating activities	24	(1,910)	(5,898)	8,132	(18,493)
Other non-operating expense	25	(205)	(55)	-	-
Finance income	26	8,510	8,419	4,370	3,576
Finance costs	26	(11,113)	(11,969)	(7,406)	(5,679)
Net finance costs		(2,603)	(3,550)	(3,036)	(2,103)
Share of results (net of tax) of equity-accounted:					
- associates	5	47,843	39,765	-	-
- joint ventures	6	61	1,256	-	-
Profit/(Loss) before tax		43,186	31,518	5,096	(20,596)
Tax expense	28	(7,873)	(6,446)	-	-
Profit/(Loss) for the year		35,313	25,072	5,096	(20,596)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other comprehensive income/(expenses), net of tax					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Change in fair value of equity investments designated at fair value through other comprehensive income ("FVOCI")		1	(11)	-	-
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operations		296	42	-	-
Share of other comprehensive income of equity-accounted associates		7,526	9,016	-	-
Total other comprehensive income for the year		<u>7,823</u>	<u>9,047</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(expenses) for the year		<u>43,136</u>	<u>34,119</u>	<u>5,096</u>	<u>(20,596)</u>
Profit/(Loss) attributable to:					
Owners of the Company		35,034	24,809	5,096	(20,596)
Non-controlling interests	4	279	263	-	-
Profit/(Loss) for the year		<u>35,313</u>	<u>25,072</u>	<u>5,096</u>	<u>(20,596)</u>
Total comprehensive income/(expenses) attributable to:					
Owners of the Company		42,857	33,856	5,096	(20,596)
Non-controlling interests	4	279	263	-	-
Total comprehensive income/(expenses) for the year		<u>43,136</u>	<u>34,119</u>	<u>5,096</u>	<u>(20,596)</u>
Basic and diluted earnings per ordinary share (sen)	29	<u>7.00</u>	<u>4.95</u>		

The notes on pages 116 to 180 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

<u>Group</u>	Share capital RM'000	Foreign currency translation reserve RM'000
At 1 January 2022	454,802	12,662
<i>Foreign currency translation differences for foreign operations</i>	-	42
<i>Change in fair value of equity investments designated at FVOCI</i>	-	-
<i>Share of other comprehensive income of associates (Note 5)</i>	-	9,016
Total other comprehensive income/(expenses) for the year	-	9,058
Profit for the year	-	-
Total comprehensive income/(expenses) for the year	-	9,058
Redemption and cancellation of preference shares previously issued by a subsidiary to minority shareholder [Note 36 (ii)]	-	-
At 31 December 2022/1 January 2023	454,802	21,720
<i>Foreign currency translation differences for foreign operations</i>	-	296
<i>Change in fair value of equity investments designated at FVOCI</i>	-	-
<i>Share of other comprehensive income of associates (Note 5)</i>	-	7,526
Total other comprehensive income for the year	-	7,822
Profit for the year	-	-
Total comprehensive income for the year	-	7,822
Acquisition of a subsidiary [Note 36 (i)]	-	-
Distribution to the non-controlling interest:		
- Dividend paid	-	-
At 31 December 2023	454,802	29,542
	(Note 18)	(Note 19)

The notes on pages 116 to 180 are an integral part of these financial statements.

Attributable to owners of the Company /
Non-distributable / Distributable

Treasury shares RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
(34,748)	123	797,986	1,230,825	21,737	1,252,562
-	-	-	42	-	42
-	(11)	-	(11)	-	(11)
-	-	-	9,016	-	9,016
-	(11)	-	9,047	-	9,047
-	-	24,809	24,809	263	25,072
-	(11)	24,809	33,856	263	34,119
-	-	-	-	(50)	(50)
(34,748)	112	822,795	1,264,681	21,950	1,286,631
-	-	-	296	-	296
-	1	-	1	-	1
-	-	-	7,526	-	7,526
-	1	-	7,823	-	7,823
-	-	35,034	35,034	279	35,313
-	1	35,034	42,857	279	43,136
-	-	-	-	648	648
-	-	-	-	(6,000)	(6,000)
(34,748)	113	857,829	1,307,538	16,877	1,324,415
(Note 19)	(Note 19)	(Note 19)		(Note 4)	

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

<u>Company</u>	/ <u>Attributable to owners of the Company</u> /			
	<u>Share capital</u> RM'000	<u>Treasury shares</u> RM'000	<u>Retained earnings</u> RM'000	<u>Total equity</u> RM'000
At 1 January 2022	454,802	(34,748)	71,210	491,264
Loss and total comprehensive expenses for the year	-	-	(20,596)	(20,596)
At 31 December 2022/1 January 2023	454,802	(34,748)	50,614	470,668
Profit and total comprehensive income for the year	-	-	5,096	5,096
At 31 December 2023	<u>454,802</u>	<u>(34,748)</u>	<u>55,710</u>	<u>475,764</u>
	(Note 18)	(Note 19)	(Note 19)	

The notes on pages 116 to 180 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit/(Loss) before tax	43,186	31,518	5,096	(20,596)
<i>Adjustments for:</i>				
Amortisation of:				
- intangible assets (Note 9)	113	681	-	-
- investment properties (Note 8)	3,492	2,111	-	-
Change in fair value of equity investments designated at FVOCI	(1)	11	-	-
Depreciation of property, plant and equipment (Note 3.3)	9,768	9,899	251	244
Dividend income from:				
- an associate	-	-	(8,412)	(4,206)
- other investments	(2)	(125)	-	-
(Gain)/Loss on disposal of:				
- property, plant and equipment (Note 24)	(176)	(39)	-	-
- investment properties (Note 24)	(1,396)	-	-	-
- deemed disposal of associates (Notes 25 and 37)	205	55	-	-
Finance costs (Note 26)	11,113	11,969	7,406	5,679
Finance income (Note 26)	(8,510)	(8,419)	(4,370)	(3,576)
Net changes in impairment loss on financial assets and contract assets	2,483	(2,319)	-	-
Impairment loss on investment in a subsidiary (Note 24)	-	-	-	18,000
Reversal on impairment loss on investment in an associate (Note 24)	-	-	(4,761)	-
Share of results of equity-accounted associates and joint ventures	(47,904)	(41,021)	-	-
Unrealised foreign exchange gain	(248)	(247)	(221)	(238)
Operating profit/(loss) before changes in working capital	<u>12,123</u>	<u>4,074</u>	<u>(5,011)</u>	<u>(4,693)</u>
Inventories	15,904	(9,041)	-	-
Contract costs	(1,241)	153	-	-
Contract assets/liabilities	(41,148)	2,661	-	-
Trade and other receivables, deposits and prepayments	32,296	51,226	(4,744)	(4,059)
Trade and other payables	2,322	(24,348)	(4,157)	14,678
Provisions	(3,472)	-	-	-
Cash generated from/(used in) operations	<u>16,784</u>	<u>24,725</u>	<u>(13,912)</u>	<u>5,926</u>
Tax (paid)/refunded	(6,531)	(8,821)	24	32
Net cash from/(used in) operating activities	<u>10,253</u>	<u>15,904</u>	<u>(13,888)</u>	<u>5,958</u>

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Acquisition of:				
- property, plant and equipment (Note 3)	(2,555)	(1,748)	(26)	(44)
- investment properties (Note 8)	(9,585)	(7,757)	-	-
- a subsidiary, net of cash and cash equivalents acquired [Note 36(i)]	744	-	-	-
Proceeds from disposal of:				
- property, plant and equipment	176	39	-	-
- investment properties	1,630	-	-	-
Increase in investment of a subsidiaries [Note 36(ii)]	-	-	(800)	(3,650)
Redemption and cancellation of preference shares by a subsidiary previously issued to a minority shareholder [Note 36(ii)]	-	(50)	-	-
Change in pledged deposits	8,422	5	2,824	(36)
Dividends received	8,414	4,331	8,412	4,206
Distribution of profits from a joint venture (Note 6)	-	1,530	-	-
Interest received	8,495	8,389	628	387
Net cash from investing activities	<u>15,741</u>	<u>4,739</u>	<u>11,038</u>	<u>863</u>
Cash flows from financing activities				
Dividend paid to non-controlling interests	(6,000)	-	-	-
Proceeds from loans and borrowings	45,000	84,500	45,000	40,000
Repayment of loans and borrowings	(80,828)	(120,216)	(46,000)	(46,878)
Repayment of hire purchases	(158)	(151)	(91)	(88)
Interest paid	(11,146)	(12,016)	(3,496)	(3,025)
Net cash used in financing activities	<u>(53,132)</u>	<u>(47,883)</u>	<u>(4,587)</u>	<u>(9,991)</u>
Net decrease in cash and cash equivalents	(27,138)	(27,240)	(7,437)	(3,170)
Effect of exchange rate fluctuations on cash held	248	247	221	238
Cash and cash equivalents at beginning of year	247,758	274,751	29,797	32,729
Cash and cash equivalents at end of year [Note (i)]	<u><u>220,868</u></u>	<u><u>247,758</u></u>	<u><u>22,581</u></u>	<u><u>29,797</u></u>

Notes

i. Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Deposits placed with licensed banks with maturities less than three months	167,072	203,852	18,901	24,940
Cash in hand and at banks	48,475	39,769	3,680	4,857
Housing Development Accounts	5,321	4,137	-	-
Total cash and cash equivalents as shown in the statements of cash flows (also see Note 16)	<u>220,868</u>	<u>247,758</u>	<u>22,581</u>	<u>29,797</u>

ii. Cash outflows for leases as a lessee

Included in the net cash from operating activities comprise the following payments made for leases as a lessee:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Payments relating to:				
- short-term leases	14	21	234	234
- leases of low-value assets	454	357	1	3
Total cash outflows for leases	<u>468</u>	<u>378</u>	<u>235</u>	<u>237</u>

iii. Reconciliation of movement of liabilities to cash flows arising from financing activities (see Note 20)

	Term loans	Revolving credits	Hire purchases	Total
	RM'000	RM'000	RM'000	RM'000
Group				
At 1 January 2022	96,019	172,000	798	268,817
Changes in financing cash flows	16,284	(52,000)	(151)	(35,867)
At 31 December 2022/1 January 2023	112,303	120,000	647	232,950
Changes in financing cash flows	(25,828)	(10,000)	(158)	(35,986)
At 31 December 2023	<u>86,475</u>	<u>110,000</u>	<u>489</u>	<u>196,964</u>
Company				
At 1 January 2022	1,378	85,000	476	86,854
Changes in financing cash flows	43,122	(50,000)	(88)	(6,966)
At 31 December 2022/1 January 2023	44,500	35,000	388	79,888
Changes in financing cash flows	(6,000)	5,000	(91)	(1,091)
At 31 December 2023	<u>38,500</u>	<u>40,000</u>	<u>297</u>	<u>78,797</u>

The notes on pages 116 to 180 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Naim Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of its principal place of business and registered office is 9th Floor, Wisma Naim, 2 ½ Mile, Rock Road, 93200 Kuching, Sarawak, Malaysia.

The consolidated financial statements of the Company as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in associates and joint ventures.

The Company is principally engaged in investment holding and the provision of management services to its subsidiaries while the other Group entities’ principal activities are as stated in Note 4 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 19 April 2024.

1. Basis of preparation

a. Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standard (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

The following are amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and by the Company:

MFRSs / Amendments	Effective date
Amendment to MFRS 16, <i>Leases - Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101, <i>Presentation of Financial Statements</i> - <i>Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 107, <i>Statement of Cash Flows</i> and MFRS 7, <i>Financial Instruments: Disclosures – Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121, <i>The Effects of Changes in Foreign Exchange Rates</i> - <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10, <i>Consolidated Financial Statement</i> and MFRS 128, <i>Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Yet to be confirmed

The Group and the Company plan to apply the abovementioned amendments:

- from the annual period beginning on 1 January 2024 for those amendments that are effective for annual periods beginning on 1 January 2024; and
- from the annual period beginning on 1 January 2025 for those amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial applications of the abovementioned amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

b. Basis of measurement

The financial statements have been prepared on the historical cost basis, other than equity securities measured at fair value through other comprehensive income (“FVOCI”) which are measured based on fair value basis (see Note 11).

c. Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

1. Basis of preparation (continued)

d. Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements are disclosed in Note 2 and as follows:

- **Revenue recognition from contracts with customers** [also see Note 2(n)(i) and Note 23]

Revenue is recognised as and when the control of the assets is transferred to the customers and it is probable that the Group will be entitled to recover the consideration in exchange for transferring the promised assets to the customers. If the amount of consideration varies due to discounts, rebates, penalties, incentives and other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value of the most likely outcome. If the contract with customers contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling price of the assets.

Timing of control of the assets transferred to customers may be over time or at a point in time, depending on the terms of contract.

The Group recognises revenue from contracts over time if it creates an asset with no alternative use to the Group and the Group has enforceable right to payment for the performance completed to-date. Revenue is recognised over the period of contract by reference to the progress towards complete satisfaction of performance obligation, which is measured based on the proportion that costs incurred to-date as a percentage of the estimated total costs of contract.

For the portion of performance obligations that is not satisfied over time, the revenue is recognised at a point in time at which the customer obtains controls of the promised assets.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligations, identification of performance obligations to be fulfilled under contract and estimated total costs to complete as well as the recoverability of the contracts. In making such estimations and judgements, the Group relies on, *inter alia*, past experiences and the assessment of its experienced team and experts.

- **Impairment assessment of trade receivables and contract assets** [see Notes 13.2(c) and 32.3(a)]

The Group has measured impairment losses of its trade receivables and contract assets based on the risk of loss of each customer individually based on their financial information, historical payment trends and other external available information. This evaluation is however inherently judgemental and requires material estimates, including the amounts and timing of future cash flows expected to be received, which may be susceptible to changes.

- **Impairment assessment of property, plant and equipment** (see Notes 3.6)

The Group assesses whether there is any indication that its property, plant and equipment used in the hotel operation may be impaired. The recoverable amount of the property, plant and equipment is determined using discounted cash flow projections. Nevertheless, the estimation is judgemental in determining appropriate key assumptions that may affect the value of estimated recoverable amount, which include the level of occupancy rates and room rates to be achieved over a period of time as well as the rate of profit returns.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Basis of preparation (continued)

d. Use of estimates and judgements (continued)

- **Impairment assessment of investment in subsidiaries and associates** (see Notes 4 and 5)

At each reporting date, the Company performs assessment whether there is any indication that investment in a subsidiary and/or an associate may be impaired. In determining the estimated recoverable amount of the investments, the Company evaluates the anticipated future performance of the said investee companies and considers other external and internal sources of information that may affect the value of estimated recoverable amount such as anticipated sales and appropriate profit margin which requires a substantial level of estimation and judgements.

- **Impairment assessment of completed developed properties held for sale** (see Note 7)

Completed developed properties are stated at the lower of cost and net realisable value. In determining the estimated net realisable value of these inventories, the Group analyses and assesses on a regular basis the historical trends of product sales performance and pricing, expected future market demand of the product as well as the estimated sales costs that may be incurred in securing the sales. The estimation is highly judgemental as product demand and pricing levels could change from time to time following the changes in customers' preferences, product affordability and property market demand and supply conditions.

2. Material accounting policies information

During the year, the Group has adopted the amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosure of Accounting Policies*. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments aim to provide some guidance to entities in providing necessary useful and entity specific accounting policy information that could assist users to understand other information disclosed in the financial statements. Although the amendments do not result in any changes to the Group's accounting policies which have been applied consistently by the Group entities to the periods presented in these financial statements, it has impacted the accounting policy information disclosure in the financial statements.

The material accounting policies information is disclosed as below and shall be read in conjunction with the relevant notes to the financial statements:

a. Property, plant and equipment (see Note 3)

Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Assets under construction are not depreciated until the assets are ready for their intended use.

2. Material accounting policies information (continued)

a. Property, plant and equipment (see Note 3) (continued)

Depreciation (continued)

The estimated useful lives of assets for the current and comparative periods are as follows:

Leasehold land (right-of-use asset)	over remaining lease terms of 49 years to 99 years
Buildings	5, 10 and 50 years
Hotel property	50 years
Furniture and fittings	6 to 10 years
Motor vehicles	5 years
Office equipment	2 to 10 years
Plant and machinery	5 years and over quarry licence period
Jetty and wharf	over quarry licence period

b. Leases

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and instead accounts for the lease and non-lease components as a single lease component.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is measured at cost less accumulated depreciation. It is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the respective Group entities' incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest method.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leasehold land, being a right-of-use asset held under a lease contract, is classified under different category of assets namely property, plant and equipment, investment property or as inventories depending on its nature of use.

As a lessor

When the Group accounts for a lease as finance lease when the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. Otherwise, the lease is regarded as an operating lease and lease payments received is recognised as income in profit or loss on a straight-line basis over the lease term in profit or loss.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies information (continued)

c. Investment in subsidiaries (see Note 4)

Investment in subsidiaries is measured in the Company's statement of financial position at cost less impairment losses.

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the acquirees' financial statements without restatement. Any resulting gain/loss is recognised directly in equity.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

d. Investment in associates (see Note 5)

Investment in associates is measured in the Company's statement of financial position at cost less impairment losses.

In the consolidated financial statements, the Group accounts for its investments in associates using the equity method.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation, or has made, payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured.

e. Investment in joint ventures (see Note 6)

The Group regards a joint arrangement as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

Investment in joint venture is measured in the Company's statement of financial position at cost less any impairment losses.

2. Material accounting policies information (continued)

f. Inventories (see Note 7)

Inventories are measured at the lower of cost and net realisable value. Inventories of the Group comprise the following:

i. Land held for property development

This comprise land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle of 2 to 3 years. Such land is classified as non-current portion of inventory.

When development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle, such land is reclassified and included as part of property development costs (i.e. current portion of inventory).

ii. Property development costs

Property development costs are initially measured at cost and subsequently recognised as an expense to profit or loss when the controls of the inventory are transferred to the customer, either over time or at a point in time.

When the development activities are completed, the associated property development costs for the unsold property are reclassified as completed developed properties held for sale.

iii. Other inventories

Raw materials, consumables and manufactured/trading inventories (comprising building and construction materials) are measured based on the weighted average cost method.

g. Investment properties (see Note 8)

Investment properties are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

When an item of property, plant and equipment or inventories is transferred to investment property or vice versa following a change in its use, the transfer do not change the carrying amount of the property transferred. No remeasurement of cost of property is required, as permitted under paragraph 59 of MFRS 140, *Investment Property*.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of depreciable investment property. Buildings under construction are not amortised until the assets are ready for their intended use. The estimated useful lives for the current and comparative periods are as follows:

Leasehold land (right-of-use asset)	over remaining lease terms of 60, 85 and 98 years
Buildings	10 and 50 years

h. Intangible assets (see Note 9)

Goodwill with an indefinite useful life arising from business combinations is measured at cost less any accumulated impairment losses. It is not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. These intangible assets are amortised on a straight-line basis over the useful life period from the date that they are available for use.

Stone quarry licence is amortised over the licence period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Material accounting policies information (continued)

i. Deferred tax (see Note 10)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the end of the reporting period. Deferred tax is not recognised for the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

j. Financial instruments (applicable for Note 11, 12, 15, 16, 20 and 21)

Financial assets

Financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows are measured at amortised cost using the effective interest method, less any impairment losses.

Debt investment that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment are measured at fair value through other comprehensive income.

For any equity investment that is not held for trading purpose, at its initial recognition, the Group irrevocably elects to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value.

Financial liabilities

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value. Other financial liabilities not categorised as fair value through profit or loss are measured at amortised cost using the effective interest method.

k. Contract costs (see Note 13)

Cost to fulfil a contract comprises cost that relate directly to a contract or to an anticipated contract and it is expected to be recovered. The contract costs are initially measured at cost less any impairment loss. The cost is amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

l. Non-current assets held for sale (see Note 17)

Non-current assets held for sales are measured at the lower of their carrying amount and fair value less costs of disposal.

Intangible assets, property, plant and equipment or investment properties once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint ventures ceases once classified as held for sale.

m. Share capital (see Note 18)

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently. Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

2. Material accounting policies information (continued)

n. Revenue (see Note 23)

i. Revenue from contracts with customers

Sales of land and properties

Revenue from sales of land and properties (comprising landed properties, condominiums and apartments as well as vacant land lots) is recognised as and when the controls of the properties are transferred to customer, either over time or at a point in time.

Revenue is recognised over the contract period based on the progress towards completion of that performance obligation by using cost incurred method. Otherwise, the revenue is recognised at a point in time when the customer obtains controls of the properties.

Revenue from sales of land and properties is measured at the fixed transaction prices under sale contract. The contracts may sometime include multiple promises to customers and therefore accounted for as separate performance obligations. The total consideration in a sale contract is allocated to all identified distinct performance obligations based on their relative stand-alone selling prices. When there is not directly observable price, the Group applies expected cost plus margin to derive stand-alone selling price.

Construction contracts

Construction revenue is recognised over time when a contract customer controls all of the works in progress as construction works take place. When the different elements of the construction contracts are not highly inter-related with, or dependent on, other contracting activities, the Group segregates each performance obligation for individual contract revenue recognition.

Sales of goods

Revenue is recognised at a point in time when the goods are delivered and accepted by customers.

Rental and other related revenue from accommodation operation

Revenue is recognised in profit or loss over time during the period of stay by hotel guests and tenants. Revenue from food and beverage and other ancillary services is recognised at a point in time at which customers receive and consume the goods and services.

Services rendered

Revenue (comprising management fee income and property maintenance services) is recognised at a point in time when the services are rendered, at a rate as agreed with customer.

ii. Other revenue

i. Dividend income

Dividend income is recognised on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

ii. Rental income

Rental income from investment property is recognised a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Property, plant and equipment

<u>Group</u>	(Right-of-use assets)		Buildings RM'000
	Freehold land RM'000	Leasehold land RM'000	
Cost			
At 1 January 2022	747	6,939	54,100
Additions	-	-	201
Transfer from investment properties (Note 8.2)	-	-	1,589
Disposals/Write-offs	-	-	-
Adjustment*	-	-	-
Reclassifications	-	-	-
At 31 December 2022/1 January 2023	747	6,939	55,890
Additions	-	-	27
Transfer from investment properties (Note 8.2)	-	-	16,919
Disposals/Write-offs	-	-	-
Acquisition through business combination	-	-	-
Reclassifications	-	-	-
At 31 December 2023	747	6,939	72,836
Depreciation and impairment loss			
At 1 January 2022			
- Accumulated depreciation	-	1,430	14,572
- Accumulated impairment loss	-	-	-
Depreciation for the year (Note 3.3)	-	1,430	14,572
Transfer from investment properties (Note 8.2)	-	77	1,387
Disposals/Write-offs	-	-	360
At 31 December 2022/1 January 2023	-	-	-
- Accumulated depreciation	-	1,507	16,319
- Accumulated impairment loss	-	-	-
Depreciation for the year (Note 3.3)	-	1,507	16,319
Transfer from investment properties (Note 8.2)	-	77	1,350
Disposals/Write-offs	-	-	1,444
At 31 December 2023	-	-	-
- Accumulated depreciation	-	1,584	19,113
- Accumulated impairment loss	-	-	-
	-	1,584	19,113
Carrying amounts			
At 1 January 2022	747	5,509	39,528
At 31 December 2022 and 1 January 2023	747	5,432	39,571
At 31 December 2023	747	5,355	53,723

(Note 3.4)

* Representing adjustments related to over-accruals of some estimated costs to completion for certain hotel assets previously provided for following the finalisation of accounts with contractors/suppliers in the previous financial year.

Hotel property RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Plant and machinery RM'000	Jetty and wharf RM'000	Assets under construction RM'000	Total RM'000
45,007	43,644	11,168	27,216	37,951	1,952	190	228,914
123	551	48	301	87	-	437	1,748
-	-	-	-	-	-	-	1,589
-	(70)	(616)	(144)	(11)	-	-	(841)
-	(115)	-	-	-	-	-	(115)
(84)	-	-	-	84	-	-	-
45,046	44,010	10,600	27,373	38,111	1,952	627	231,295
6	48	-	231	14	-	2,229	2,555
-	2,069	-	299	-	-	-	19,287
-	(70)	(784)	(364)	(1)	-	-	(1,219)
-	172	-	18	-	-	-	190
-	-	-	-	2,320	-	(2,320)	-
45,052	46,229	9,816	27,557	40,444	1,952	536	252,108
1,819	21,255	10,242	22,864	26,578	1,952	-	100,712
3,323	-	-	-	-	-	-	3,323
5,142	21,255	10,242	22,864	26,578	1,952	-	104,035
898	3,968	201	1,932	1,557	-	-	10,020
-	-	-	-	-	-	-	360
-	(70)	(616)	(144)	(11)	-	-	(841)
2,717	25,153	9,827	24,652	28,124	1,952	-	110,251
3,323	-	-	-	-	-	-	3,323
6,040	25,153	9,827	24,652	28,124	1,952	-	113,574
901	3,836	205	1,788	1,648	-	-	9,805
-	208	-	33	-	-	-	1,685
-	(70)	(784)	(364)	(1)	-	-	(1,219)
3,618	29,127	9,248	26,109	29,771	1,952	-	120,522
3,323	-	-	-	-	-	-	3,323
6,941	29,127	9,248	26,109	29,771	1,952	-	123,845
39,865	22,389	926	4,352	11,373	-	190	124,879
39,006	18,857	773	2,721	9,987	-	627	117,721
38,111	17,102	568	1,448	10,673	-	536	128,263

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Property, plant and equipment (continued)

<u>Company</u>	Buildings RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 January 2022	5,952	1,123	322	560	7,957
Additions	-	-	44	-	44
At 31 December 2022/1 January 2023	5,952	1,123	366	560	8,001
Additions	-	-	26	-	26
At 31 December 2023	5,952	1,123	392	560	8,027
Depreciation					
At 1 January 2022	1,210	1,122	316	9	2,657
Depreciation for the year (Note 3.3)	119	-	13	112	244
At 31 December 2022/1 January 2023	1,329	1,122	329	121	2,901
Depreciation for the year (Note 3.3)	119	-	20	112	251
At 31 December 2023	1,448	1,122	349	233	3,152
Carrying amounts					
At 1 January 2022	4,742	1	6	551	5,300
At 31 December 2022/1 January 2023	4,623	1	37	439	5,100
At 31 December 2023	4,504	1	43	327	4,875

3. Property, plant and equipment (continued)

3.1 Titles to properties

Strata titles of certain building has yet to be issued by the relevant authority, analysed as follows:

	<u>Group</u>	
	<u>2023</u>	<u>2022</u>
	RM'000	RM'000
<u>Carrying amount</u>		
Hotel property	38,111	39,006
	<u> </u>	<u> </u>

3.2 Motor vehicles under hire purchases

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
Carrying amount of leased assets	530	724	327	439
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3.3 Allocation of depreciation

Depreciation for the year is allocated as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	RM'000	RM'000	RM'000	RM'000
Recognised in profit or loss (Note 24)	9,768	9,899	251	244
Capitalised in:				
- contract costs	1	-	-	-
- inventory (under property development costs)	36	121	-	-
	<u>9,805</u>	<u>10,020</u>	<u>251</u>	<u>244</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Property, plant and equipment (continued)

3.4 Leasehold land (Right-of-use assets)

	(Right-of-use assets) Leasehold land		
	(unexpired lease term more than 50 years) RM'000	(unexpired lease term less than 50 years) RM'000	Total RM'000
Cost			
At 1 January 2022, 31 December 2022/1 January 2023 and 31 December 2023	5,991	948	6,939
Depreciation			
At 1 January 2022	1,045	385	1,430
Depreciation for the year	59	18	77
At 31 December 2022/1 January 2023	1,104	403	1,507
Depreciation for the year	59	18	77
At 31 December 2023	1,163	421	1,584
Carrying amounts			
At 1 January 2022	4,946	563	5,509
At 31 December 2022/1 January 2023	4,887	545	5,432
At 31 December 2023	4,828	527	5,355

3.5 Assets charged to banks as security for borrowings (see also Note 20.2)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Right-of-use assets – Leasehold land	724	732	-	-
Hotel property	38,111	39,006	-	-
Motor vehicles	530	724	327	439
	<u>39,365</u>	<u>40,462</u>	<u>327</u>	<u>439</u>

3. Property, plant and equipment (continued)

3.6 Impairment loss

At each financial year, the Group performs assessment to determine whether there is any indication that the hotel property may be impaired.

The recoverable amount of the hotel property was estimated based on its value in use by reference to the discounted cash flow projections over the remaining useful life of the said asset. The estimation of value in use was determined using a pre-tax discount rate of 8%. Other key assumptions used in the estimation include average room rate, occupancy rate, food and beverages revenue and appropriate rate of profit return.

A total impairment loss of RM3,323,000 was made against the carrying amount of the hotel property in prior years. During the current year under review, the Group re-evaluated the recoverable amount of the hotel property based on the same basis applied thereto and concluded that neither further impairment loss is necessary nor any reversal of impairment loss previously made is required.

4. Investment in subsidiaries

	<u>Company</u>	
	<u>2023</u>	<u>2022</u>
	RM'000	RM'000
Cost of investment		
Unquoted shares, at cost	438,012	437,212
Less: Impairment loss	(99,789)	(99,789)
	<u>338,223</u>	<u>337,423</u>

Additional investment in a subsidiary

On 17 November 2023, the Company subscribed for additional 800,000 new ordinary shares issued by its wholly owned subsidiary, Naim Academy Sdn. Bhd. for a cash consideration of RM800,000 [also see Note 36(ii)].

Impairment loss

At each financial year, the Company conducts an impairment evaluation to ascertain whether there is any indication that the investment in any of its subsidiaries may be impaired.

The recoverable amount is based on the estimated equity value in use of the said subsidiary. The equity value was derived from the value in use with reference to the anticipated future performance of the subsidiary. Key assumptions used in the estimation include projected revenue from secured projects and expected projects, other income and administrative expenses adjusted for some appropriate annual rate of increment over the projection periods of 5 years and a pre-tax discount rate of 6%. Total impairment loss of RM99,789,000 was made against the carrying amount of the investment in a subsidiary in prior years.

As at 31 December 2023, the carrying amount of the investment in the said subsidiary approximates its estimated recoverable amount; hence neither further impairment loss is necessary nor any reversal of impairment loss previously made is required.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Investment in subsidiaries (continued)

Information of subsidiaries

Details of the subsidiaries, all of which the principal place of business and country of incorporation is in Malaysia except for Naim Engineering Construction (Fiji) Limited, Naim Quarry (Fiji) Limited and Naim Premix (Fiji) Limited, which the principal place of business and country of incorporation is in Fiji and the Company's interests therein are shown as follows:

Name of subsidiary	Principal activities	Effective ownership interest and voting interest (%)	
		2023	2022
<u>Direct subsidiaries</u>			
Naim Land Sdn. Bhd. ("NLSB")	Property developer and civil and building contractor	100.0	100.0
Naim Engineering Sdn. Bhd. ("NESB")	Civil, building and earthwork contractor	100.0	100.0
Naim Assets Sdn. Bhd. ("NASB")	Investment holding	100.0	100.0
Naim Academy Sdn. Bhd. ("NACSB")	Investment holding	100.0	100.0
<u>Subsidiaries of NLSB</u>			
Desa Ilmu Sdn. Bhd.	Property developer	60.0	60.0
Peranan Makmur Sdn. Bhd. ("PMSB")	Property developer	70.0	70.0
Khidmat Mantap Sdn. Bhd.	Property developer	100.0	100.0
Naim Realty Sdn. Bhd.	Property investment	100.0	100.0
Naim Supply & Logistic Sdn. Bhd.	Trading of construction materials	100.0	100.0
Naim Commercial Sdn. Bhd.	Property developer	100.0	100.0
Naim Human Capital Sdn. Bhd.	Provision of management services	100.0	100.0
Naim Cendera Lapan Sdn. Bhd.	Quarry licensee and operator	100.0	100.0
Jelas Kemuncak Resources Sdn. Bhd.	Quarry operator	100.0	100.0
Simbol Warisan Sdn. Bhd.	Quarry licensee	75.0	75.0
Yakin Pelita Sdn. Bhd.	Property investment	100.0	100.0
Petrochemical Hub Sdn. Bhd.	Property investment and provision of workers' accommodation business	100.0	100.0
Dataran Wangsa Sdn. Bhd.	Property developer	100.0	100.0
Yakin Jelas Sdn. Bhd.	Property investment	100.0	100.0
Pavilion Quest Sdn. Bhd.**	Property investment	100.0	100.0
Solid Greenland Sdn. Bhd.**	Property investment	100.0	100.0
Naim Ready Mix Sdn. Bhd.	Inactive	100.0	100.0
TR Green Sdn. Bhd.	Inactive	100.0	100.0
Naim (MM2H) Sdn. Bhd.	Inactive	100.0	100.0
Naim Incorporated Berhad	Inactive	100.0	100.0
Naim Oil & Gas Sdn. Bhd.	Inactive	100.0	100.0
Kuching Paragon Sdn. Bhd.	Inactive	100.0	100.0

4. Investment in subsidiaries (continued)

Name of subsidiary	Principal activities	Effective ownership interest and voting interest (%)	
		2023	2022
<u>Subsidiaries of NLSB (continued)</u>			
Miri Paragon Sdn. Bhd.	Inactive	100.0	100.0
Naim Data Sdn. Bhd.**	Inactive	100.0	100.0
Naim Mortgage Sdn. Bhd.	Inactive	100.0	100.0
Lotus Paradigm Sdn. Bhd.	Inactive	70.0	70.0
<u>Subsidiaries of NESB</u>			
Naim Capital Sdn. Bhd. (“NCSB”)	Investment holding	100.0	100.0
Naim Overseas Sdn. Bhd. (“NOSB”)	Investment holding	100.0	100.0
NAIM GAMUDA (NAGA) JV SDN. BHD.	Civil contractor	70.0	70.0
Naim Binaan Sdn. Bhd.	Inactive	100.0	100.0
Naim Premix Sdn. Bhd.	Inactive	100.0	100.0
Naim Equipment Sdn. Bhd.	Inactive	100.0	100.0
Naim Recruitment & Agency Sdn. Bhd. **	Inactive	100.0	100.0
BDA Naim Sdn. Bhd.	Inactive	80.0	80.0
<u>Subsidiaries of NASB</u>			
Naim Hotel Sdn. Bhd.	Hotel operation	100.0	100.0
Naim Property Services Sdn. Bhd. **	Provision of property management services	100.0	100.0
Bintulu Paragon Sdn. Bhd.	Property and investment holding	100.0	100.0
<u>Subsidiary of NACSB</u>			
Naim Skills Academy Sdn Bhd (formerly known as Permyjaya Sino Education Sdn. Bhd.)	Inactive	100.0	100.0
Mawar Education Centre Sdn. Bhd.**	Provision of educational business	53.3	-
<u>Subsidiaries of NCSB</u>			
Naim Capital Port Sdn. Bhd.	Civil contractor	100.0	100.0
Naim Capital Housing Sdn. Bhd.	Civil contractor	100.0	100.0
<u>Subsidiary of PMSB</u>			
Harmony Faber Sdn. Bhd.	Property investment	70.0	70.0
<u>Subsidiaries of NOSB</u>			
Naim Engineering Construction (Fiji) Limited #	Inactive	99.9	99.9
Naim Quarry (Fiji) Limited #	Inactive	99.9	99.9
Naim Premix (Fiji) Limited #	Inactive	99.9	99.9

** Not audited by KPMG PLT.

The Group uses unaudited management accounts of these dormant foreign subsidiaries for the consolidation purpose for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Investment in subsidiaries (continued)

Non-controlling interests (“NCI”) in subsidiaries

The Group’s subsidiaries that have material NCI are as follows:

31.12.2023	Desa Ilmu Sdn. Bhd. (“DISB”) RM’000	NAIM GAMUDA (NAGA) JV SDN. BHD. (“NAGA”) RM’000	Other subsidiaries with immaterial NCI RM’000	Total RM’000
NCI percentage of ownership/voting interest	40%	30%		
Carrying amount of NCI	14,595	5,943	(3,661)	16,877
Profit/(Loss) allocated to NCI	204	2,087	(2,012)	279

The following table summarises the financial information of the Group’s material NCI in DISB and NAGA:

	DISB RM’000	NAGA RM’000
Summarised financial information before intra-group elimination		
As at 31 December 2023		
Non-current assets	550	-
Current assets	40,297	105,103
Current liabilities	(4,361)	(85,292)
Net assets	<u>36,486</u>	<u>19,811</u>
Year ended 31 December 2023		
Revenue	1,347	198,788
Profit and total comprehensive income for the year	<u>590</u>	<u>6,956</u>
Cash flows from/(used in):		
- operating activities	1,028	6,411
- investing activities	1,104	1,120
- financing activities	-	(20,000)
Net increase/(decrease) in cash and cash equivalents	<u>2,132</u>	<u>(12,469)</u>
Dividend paid to NCI	-	<u>(6,000)</u>

4. Investment in subsidiaries (continued)

Non-controlling interests (“NCI”) in subsidiaries (continued)

The Group’s subsidiaries that have material NCI are as follows:

31.12.2022	Desa Ilmu Sdn. Bhd. (“DISB”) RM’000	NAIM GAMUDA (NAGA) JV SDN. BHD. (“NAGA”) RM’000	Other subsidiaries with immaterial NCI RM’000	Total RM’000
NCI percentage of ownership/voting interest	40%	30%		
Carrying amount of NCI	14,391	9,856	(2,297)	21,950
Profit/(Loss) allocated to NCI	190	1,043	(970)	263

The following table summarises the financial information of the Group’s material NCI in DISB and NAGA:

	DISB RM’000	NAGA RM’000
Summarised financial information before intra-group elimination		
As at 31 December 2022		
Non-current assets	565	-
Current assets	39,860	96,244
Current liabilities	(4,529)	(63,390)
Net assets	<u>35,896</u>	<u>32,854</u>
Year ended 31 December 2022		
Revenue	800	263,430
Profit and total comprehensive income for the year	<u>394</u>	<u>3,477</u>
Cash flows from:		
- operating activities	7,832	5,921
- investing activities	645	677
Net increase in cash and cash equivalents	<u>8,477</u>	<u>6,598</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Investment in associates

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At cost				
Shares in Malaysia				
- unquoted	32,416	32,416	-	-
- quoted	181,976	181,976	181,976	181,976
Share of post-acquisition reserves	272,942	226,190	-	-
	<u>487,334</u>	<u>440,582</u>	<u>181,976</u>	<u>181,976</u>
Less: Impairment loss	-	-	(4,857)	(9,618)
	<u>487,334</u>	<u>440,582</u>	<u>177,119</u>	<u>172,358</u>
Market value				
Quoted shares in Malaysia	<u>464,040</u>	<u>377,334</u>	<u>464,040</u>	<u>377,334</u>

Impairment loss

At each financial year, the Company performs assessment to determine whether there is any indication that the carrying amount of investment in any of its associates may be impaired.

The estimated recoverable amount is determined with reference to the underlying assets and liabilities of the associates as well as the anticipated future performance of the associates. The estimated recoverable amount is adjusted from the higher of the estimated value in use or the estimated fair value less costs of disposal used in the impairment assessment in the associates. During the year, the Company reassessed the recoverable amount of an associate on the same basis and concluded a reversal of a previously provided impairment loss amounting to RM4,761,000, in view of the improved results achieved by the said associate (see Note 24).

5. Investment in associates (continued)

Details of the material associates, all of which the principal place of business and country of incorporation is in Malaysia, are as follows:

Name of entity	Nature of relationship	Effective ownership interest and voting interest (%)	
		2023	2022
Dayang Enterprise Holdings Bhd. ("DEHB")	Provision of offshore topside maintenance services, minor fabrication works, offshore hook-up and commissioning works, chartering of marine vessels and equipment. This is one of the vehicles through which the Group has ventured into the oil and gas industry	24.22	24.22
Samalaju Properties Sdn. Bhd. ("SPSB") #	Property and township development, including providing temporary accommodation facilities, in line with Group's existing property development segment operation	39.00	39.00
GAMUDA NAIM ENGINEERING AND CONSTRUCTION (GNEC) SDN. BHD. ("GNEC") ** @	One of civil contractors to the Group	35.00	35.00
Perdana Petroleum Berhad ("PPB")	Provision of marine support services for the oil and gas industry, which is a subsidiary of DEHB	3.47 [^]	3.47 [^]
Kempas Sentosa Sdn. Bhd. **	One of civil contractors to the Group and hiring of plant and equipment to the Group	40.00	40.00
Miri Specialist Hospital Sdn. Bhd. ("MSHSB") #	Specialist hospital operator in one of the Group's existing township development	15.53 ^{^^}	15.53 ^{^^}

Held through NLSB

** Held through NESB

@ Financial year end of 31 July

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Investment in associates (continued)

[^] Although the Group's direct shareholdings is less than 20% in PPB, i.e. 3.47% as of 31 December 2023, the Directors have determined that the Group has significant influence, partly because it has two (2) board representatives in PPB. In addition, the Group's effective equity interest in PPB, if taking into account of the Group's share of the equity interest in PPB held through DEHB, is about 18.87% (2022: 18.90%) as at financial year end.

^{^^} While the Group's equity interest in MSHSB is less than 20%, the Group has determined that it still has significant influence in the investee company because of the two (2) representatives the Group currently has on the board of MSHSB.

All associates' financial year ends on 31 December, other than that marked with "@". For the purpose of applying the equity method for associates with a different financial year from the Group's, the last available audited financial statements and/or management accounts up to 31 December 2023 have been used.

The following table summarises the information of the Group's material associates, adjusted for any material differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

Summary of financial information

	Group			
<u>31.12.2023</u>	DEHB RM'000	SPSB RM'000	GNEC RM'000	PPB RM'000
As at 31 December				
Non-current assets	1,501,706	159,988	11,437	703,019
Current assets	1,017,915	67,083	239,083	204,851
Non-current liabilities	(196,817)	(842)	(4,186)	(117,605)
Current liabilities	(435,416)	(165,489)	(197,384)	(123,877)
Non-controlling interests	(234,742)	-	-	-
Net assets	<u>1,652,646</u>	<u>60,740</u>	<u>48,950</u>	<u>666,388</u>
Redeemable convertible preference shares ("RCPS")	-	(44,100)	-	(7,057)
	<u>1,652,646</u>	<u>16,640</u>	<u>48,950</u>	<u>659,331</u>
Year ended 31 December				
Profit/(Loss) for the year	218,920	(1,185)	(13,099)	44,415
Other comprehensive income	23,309	-	-	36,644
Total comprehensive income/(expenses) for the year	<u>242,229</u>	<u>(1,185)</u>	<u>(13,099)</u>	<u>81,059</u>
<i>Included in the total comprehensive income is:</i>				
Revenue	<u>1,112,987</u>	<u>46,742</u>	<u>184,432</u>	<u>313,913</u>

5. Investment in associates (continued)

Summary of financial information (continued)

	Group					Total RM'000
	DEHB RM'000	SPSB RM'000	GNEC RM'000	PPB RM'000	Other immaterial associates RM'000	
31.12.2023 (continued)						
Reconciliation of net assets to carrying amount as at 31 December						
Group's share of net assets	400,256	6,490	17,132	22,857	3,974	450,709
Group's share of RCPS	-	19,110	-	-	-	19,110
Goodwill	19,674	-	-	-	-	19,674
Elimination of unrealised profit	-	-	-	-	(2,159)	(2,159)
Carrying amount in the statement of financial position	<u>419,930</u>	<u>25,600</u>	<u>17,132</u>	<u>22,857</u>	<u>1,815</u>	<u>487,334</u>
Group's share of results for the year ended 31 December						
Group's share of:						
- profit/(loss), net of tax	51,759	(462)	(4,585)	1,464	(333)	47,843
- other comprehensive income	6,170	-	-	1,356	-	7,526
Group's share of total comprehensive income/(expenses)	<u>57,929</u>	<u>(462)</u>	<u>(4,585)</u>	<u>2,820</u>	<u>(333)</u>	<u>55,369</u>
Other information						
Dividends received	<u>8,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,412</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Investment in associates (continued)

Summary of financial information (continued)

	Group			
	DEHB RM'000	SPSB RM'000	GNEC RM'000	PPB RM'000
31.12.2022				
As at 31 December				
Non-current assets	1,504,627	156,799	15,925	713,767
Current assets	855,495	85,859	245,609	106,556
Non-current liabilities	(336,554)	(2,586)	(41)	(151,713)
Current liabilities	(370,132)	(178,147)	(199,444)	(83,281)
Non-controlling interests	(204,429)	-	-	-
Net assets	<u>1,449,007</u>	<u>61,925</u>	<u>62,049</u>	<u>585,329</u>
Redeemable convertible preference shares ("RCPS")	-	(44,100)	-	(7,993)
	<u>1,449,007</u>	<u>17,825</u>	<u>62,049</u>	<u>577,336</u>
Year ended 31 December				
Profit for the year	124,244	6,231	13,780	11,385
Other comprehensive income	30,386	-	-	47,711
Total comprehensive income for the year	<u>154,630</u>	<u>6,231</u>	<u>13,780</u>	<u>59,096</u>
<i>Included in the total comprehensive income is:</i>				
Revenue	<u>984,183</u>	<u>30,963</u>	<u>288,886</u>	<u>196,628</u>

5. Investment in associates (continued)

Summary of financial information (continued)

	Group					Total RM'000
	DEHB RM'000	SPSB RM'000	GNEC RM'000	PPB RM'000	Other immaterial associates RM'000	
31.12.2022 (continued)						
Reconciliation of net assets to carrying amount as at 31 December						
Group's share of net assets	350,936	6,952	21,717	20,045	4,500	404,150
Group's share of RCPS	-	19,110	-	-	-	19,110
Goodwill	19,674	-	-	-	-	19,674
Elimination of unrealised profit	-	-	-	-	(2,352)	(2,352)
Carrying amount in the statement of financial position	<u>370,610</u>	<u>26,062</u>	<u>21,717</u>	<u>20,045</u>	<u>2,148</u>	<u>440,582</u>
Group's share of results for the year ended 31 December						
Group's share of:						
- profit/(loss), net of tax	30,645	4,096	4,823	294	(93)	39,765
- other comprehensive income	7,359	-	-	1,657	-	9,016
Group's share of total comprehensive income/(expenses)	<u>38,004</u>	<u>4,096</u>	<u>4,823</u>	<u>1,951</u>	<u>(93)</u>	<u>48,781</u>
Other information						
Dividends received	<u>4,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,206</u>

6. Investment in joint ventures - Group

	2023 RM'000	2022 RM'000
At cost		
Capital contribution	4,500	4,500
Share of post-acquisition reserves	(2,393)	(2,473)
	<u>2,107</u>	<u>2,027</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Investment in joint ventures - Group (continued)

The joint arrangements in which the Group participates are all involved in civil and building construction works, including oil and gas related construction projects. As the Group is only entitled to the net assets of the joint arrangements, the Group has therefore classified its interest in the following entities as joint ventures. Details of the joint ventures, all of which are based in Malaysia, are as follows:

Name of entity	Effective voting interest (%)	
	2023	2022
NESB-Hock Peng JV	51.0	51.0
PPES Works-NLSB JV	45.0	45.0
Sinohydro-Naim JV *	50.0	50.0
Samsung-Naim JV *	10.0	10.0

* Inactive since the completion of the projects undertaken by joint ventures.

The following table summarises the information of the Group's material joint ventures, adjusted for any material differences in accounting policies (if any) and reconciles the information to the carrying amount of the Group's interest in the joint venture, which is accounted for using equity method.

Summary of financial information

	NESB-Hock Peng JV RM'000	PPES Works - NLSB JV RM'000	Other immaterial joint ventures RM'000	Total RM'000
31.12.2023				
As at 31 December				
Current assets	4,039	1,413		
Current liabilities	(1,252)	(39)		
Net assets	<u>2,787</u>	<u>1,374</u>		
Year ended 31 December				
Profit/(Loss) and total comprehensive income/(expenses) for the year (before tax)	<u>161</u>	<u>(4)</u>		
<i>Included in the total comprehensive income/(expenses)</i>				
Interest income	<u>27</u>	<u>-</u>		
Reconciliation of net assets to carrying amount as at 31 December				
Group's share of net assets and carrying amount in the statement of financial position	<u>1,421</u>	<u>618</u>	<u>68</u>	<u>2,107</u>
Group's share of results for the year ended 31 December				
Group's share of profit/(loss) and total comprehensive income/(expenses), net of tax	<u>63</u>	<u>(2)</u>	<u>-</u>	<u>61</u>

Other information

No distribution of profit received during the financial year.

6. Investment in joint ventures - Group (continued)

Summary of financial information (continued)

31.12.2022	NESB- Hock Peng JV RM'000	PPES Works - NLSB JV RM'000	Other immaterial joint ventures RM'000	Total RM'000
As at 31 December				
Current assets	23,427	1,413		
Current liabilities	(20,801)	(35)		
Net assets	<u>2,626</u>	<u>1,378</u>		
Year ended 31 December				
Profit/(Loss) and total comprehensive income/(expenses) for the year (before tax)	<u>3,246</u>	<u>(5)</u>		
<i>Included in the total comprehensive income/(expenses)</i>				
Revenue	71,755	-		
Interest income	<u>24</u>	<u>-</u>		
Reconciliation of net assets to carrying amount as at 31 December				
Group's share of net assets and carrying amount in the statement of financial position	<u>1,339</u>	<u>620</u>	<u>68</u>	<u>2,027</u>
Group's share of results for the year ended 31 December				
Group's share of profit/(loss) and total comprehensive income/(expenses), net of tax	<u>1,258</u>	<u>(2)</u>	<u>-</u>	<u>1,256</u>
Other information				
Distribution of profit received by the Group	<u>1,530</u>	<u>-</u>	<u>-</u>	<u>1,530</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

	Group	
	2023	2022
	RM'000	RM'000
Non-current		
<u>At cost</u>		
Land held for property development (right-of-use assets) (Note 7.1)	165,448	172,242
Current		
<u>At cost</u>		
Completed goods for sale		
- Developed properties (Note 7.2)	306,909	323,494
- Manufactured/Trading inventories (construction and building materials)	2,175	836
Raw materials and consumables	450	409
Properties under construction		
- Property development costs	238,775	231,348
	548,309	556,087
<u>At net realisable value</u>		
Completed goods for sale		
- Manufactured/Trading inventories	139	139
- Developed properties	783	1,989
	922	2,128
	549,231	558,215
Total inventories	714,679	730,457
Recognised in profit or loss:		
- inventories recognised as cost of sales	57,688	62,585

7.1 Land held for property development

Security

Certain parcels of leasehold land with carrying amounts of RM26,709,000 (2022: RM40,160,000) are charged to bank(s) as security for certain term loan facility(ies) (see Note 20.2).

7.2 Government grant for developed properties

A government grant amounting to RM27,872,000 was received in prior years to facilitate and reimburse certain development costs incurred for a mixed development project upon the fulfilment of conditions imposed.

The grant received was initially recognised as a reduction in cost of developed properties and will be systematically realised to profit or loss when the developed properties under the said project are sold. As at the year end, accumulated grant of RM12,903,000 (2022: RM12,646,000) has been realised to profit or loss as a reduction in cost of sale for the total developed properties sold.

8. Investment properties - Group

	(Right-of-use assets) Long-term leasehold land (unexpired lease term more than 50 years) RM'000	Buildings RM'000	Buildings under construction RM'000	Total RM'000
Cost				
At 1 January 2022	32,353	61,752	59	94,164
Additions	-	-	7,757	7,757
Transfer to property, plant and equipment (Notes 3 and 8.2)		(1,589)	-	(1,589)
At 31 December 2022/1 January 2023	<u>32,353</u>	<u>60,163</u>	<u>7,816</u>	<u>100,332</u>
Additions	-	-	9,585	9,585
Reclassifications	-	17,401	(17,401)	-
Transfer to property, plant and equipment (Notes 3 and 8.2)	-	(19,287)	-	(19,287)
Disposals	(263)	-	-	(263)
At 31 December 2023	<u><u>32,090</u></u>	<u><u>58,277</u></u>	<u><u>-</u></u>	<u><u>90,367</u></u>
Amortisation				
At 1 January 2022	3,806	14,272	-	18,078
Amortisation for the year (Note 24)	454	1,657	-	2,111
Transfer to property, plant and equipment (Notes 3 and 8.2)	-	(360)	-	(360)
At 31 December 2022/1 January 2023	<u>4,260</u>	<u>15,569</u>	<u>-</u>	<u>19,829</u>
Amortisation for the year (Note 24)	452	3,040	-	3,492
Transfer to property, plant and equipment (Notes 3 and 8.2)	-	(1,685)	-	(1,685)
Disposals	(29)	-	-	(29)
At 31 December 2023	<u><u>4,683</u></u>	<u><u>16,924</u></u>	<u><u>-</u></u>	<u><u>21,607</u></u>
Carrying amounts				
At 1 January 2022	<u>28,547</u>	<u>47,480</u>	<u>59</u>	<u>76,086</u>
At 31 December 2022/1 January 2023	<u>28,093</u>	<u>44,594</u>	<u>7,816</u>	<u>80,503</u>
At 31 December 2023	<u><u>27,407</u></u>	<u><u>41,353</u></u>	<u><u>-</u></u>	<u><u>68,760</u></u>
Fair value (see Note 8.5)				
At 31 December 2022	<u>88,834</u>	<u>53,279</u>	<u>-</u>	<u>142,113</u>
At 31 December 2023	<u><u>118,373</u></u>	<u><u>51,392</u></u>	<u><u>-</u></u>	<u><u>169,765</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Investment properties - Group (continued)

8.1 Investment property with a carrying amount of RM40,768,000 (2022: RM41,793,000) is charged to a bank as security for a term loan facility granted to a subsidiary (see Note 20.2).

8.2 Transfer to property, plant and equipment

Following the change in their use, some investment properties are reclassified to property, plant and equipment (see Note 3) and are measured at their carrying amount before the reclassification.

8.3 The following are recognised in profit or loss in respect of investment properties.

	2023 RM'000	2022 RM'000
Lease income	5,258	5,157
Direct operating expenses:		
- income generating investment properties	4,397	4,299
- non-income generating investment properties	147	60
	<u>5,544</u>	<u>5,416</u>

8.4 Maturity analysis of operating lease payments

The undiscounted operating lease payments receivables are as follows:

	2023 RM'000	2022 RM'000
As a lessor		
Within one year	3,532	4,496
One to two years	2,436	1,844
Two to three years	1,634	969
Three to four years	779	769
More than four years	3,333	4,106
	<u>11,714</u>	<u>12,184</u>

8.5 Fair value information

Fair value of investment properties as at end of the reporting period are categorised as Level 3, summarised as follows:

	2023 RM'000	2022 RM'000
Group		
Leasehold land	118,373	88,834
Buildings	51,392	53,279
	<u>169,765</u>	<u>142,113</u>

Level 3 fair value

The Level 3 fair value of investment properties, determined for disclosures purposes, is generally ascertained by the management with reference to valuation reports, issued by an external independent property valuer, who has appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. For certain investment properties, the Group occasionally reviews and reassesses their fair value based on informal comparison method by reference to similar/comparable properties in markets that are not active, adjusted for differences in key attributes such as property size and areas.

8. Investment properties - Group (continued)

8.5 Fair value information (continued)

For the determination of the fair value of a building, the investment method is mostly used whereby net rental is capitalised at the appropriate market yield and anticipated occupancy rates achieved. For land, the fair value is determined using the comparison method, whereby adjustments for differences in various factors affecting the value are made.

Highest and best use

The land classified as investment property is currently held under titles for residential, commercial and/or mixed development purpose. As the use of certain land is currently undetermined, it is therefore impractical to estimate its highest and best use.

A major part of the buildings comprise hypermarket malls situated at a prime area, which is the highest and best use of the land on which they were built. Other buildings comprising office lots and commercial retail units are similarly regarded as having been put at their highest and best use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Intangible assets - Group

	Goodwill RM'000	Stone quarry licence RM'000	Total RM'000
Cost			
At 1 January 2022 and 31 December 2022/1 January 2023	-	10,206	10,206
Acquisition through business combinations [Note 36(i)]	60	-	60
At 31 December 2023	<u>60</u>	<u>10,206</u>	<u>10,266</u>
Amortisation and impairment loss			
At 1 January 2022			
- Accumulated amortisation	-	8,051	8,051
- Accumulated impairment loss	-	1,361	1,361
	-	9,412	9,412
Amortisation for the year (Note 24)	-	681	681
At 31 December 2022/1 January 2023			
- Accumulated amortisation	-	8,732	8,732
- Accumulated impairment loss	-	1,361	1,361
	-	10,093	10,093
Amortisation for the year (Note 24)	-	113	113
At 31 December 2023			
- Accumulated amortisation	-	8,845	8,845
- Accumulated impairment loss	-	1,361	1,361
	-	10,206	10,206
Carrying amounts			
At 1 January 2022	<u>-</u>	<u>794</u>	<u>794</u>
At 31 December 2022/1 January 2023	<u>-</u>	<u>113</u>	<u>113</u>
At 31 December 2023	<u>60</u>	<u>-</u>	<u>60</u>

Intangible assets comprise expenditure incurred to acquire a stone quarry licence and goodwill arising from the acquisition of a subsidiary [see Note 36 (i)].

9.1 Impairment loss

An impairment loss of RM1,361,000 was recognised in prior years based on estimated recoverable amount of the stone quarry licence, which was determined based on estimated value in use of the intangible asset over a period of 2 years. The said intangible asset has been fully amortised as at year end.

9.2 Amortisation

The amortisation of the stone quarry license is recognised in cost of sales.

10. Deferred tax assets and liabilities - Group

Recognised deferred tax

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fair value adjustment on acquisition of subsidiaries*	-	-	(18,888)	(19,536)	(18,888)	(19,536)
Property, plant and equipment	-	-	(2,038)	(2,013)	(2,038)	(2,013)
Capital allowances carried forward	117	117	-	-	117	117
Tax losses carried forward	555	554	-	-	555	554
Other items	1,208	1,940	-	-	1,208	1,940
Tax assets/(liabilities)	1,880	2,611	(20,926)	(21,549)	(19,046)	(18,938)
Set off of tax	(444)	(382)	444	382	-	-
Net tax assets/(liabilities)	1,436	2,229	(20,482)	(21,167)	(19,046)	(18,938)

* This relates to fair value adjustments of certain land held for property development, property development costs, property, plant and equipment and investment property of the subsidiaries acquired in prior years. This deferred tax liability is progressively reversed to profit or loss when the subject land is developed and/or sold or when the land is amortised, as the case may be.

Certain subsidiaries of the Group have recognised deferred tax assets of RM1,436,000 (2022: RM2,229,000) based on the estimation of probable utilisation of those deductible temporary differences in the foreseeable future.

Movements in deferred tax during the year are as follows:

Group	At	Recognised	At	Recognised	At
	1.1.2022 RM'000	in profit or loss RM'000	31.12.2022/ 1.1.2023 RM'000	in profit or loss RM'000	31.12.2023 RM'000
Fair value adjustment on acquisition of subsidiaries	(20,453)	917	(19,536)	648	(18,888)
Property, plant and equipment	(1,750)	(263)	(2,013)	(25)	(2,038)
Capital allowances carried forward	99	18	117	-	117
Tax losses carried forward	505	49	554	1	555
Other items	1,898	42	1,940	(732)	1,208
	(19,701)	763	(18,938)	(108)	(19,046)
		(Note 28)		(Note 28)	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Deferred tax assets and liabilities - Group (continued)

Unrecognised deferred tax assets

Deferred tax assets of RM52,338,000 (2022: RM49,739,000) have not been recognised in respect of the following temporary differences (stated at gross) because it is uncertain if sustainable future taxable profits will be available against which the group entities concerned can utilise the benefits therefrom:

	Group	
	2023 RM'000	2022 RM'000
Capital allowances carried forward	12,426	11,658
Unutilised tax losses	204,505	196,960
Other items	1,144	(1,370)
	218,075	207,248

Capital allowances do not have any expiration date under the current tax regime. Under prevailing tax laws, unutilised tax losses can be carried forward for a maximum of 10 consecutive years of assessment with effect from the year of assessment 2019.

The expiry date of unutilised tax losses is shown below:

Year of assessment	Amount RM'000	Expiry Year
- 2018	135,996	2028
- 2019	7,215	2029
- 2020	14,970	2030
- 2021	19,912	2031
- 2022	12,063	2032
- 2023	14,349	2033
	204,505	

11. Other investments - Group

	2023 RM'000	2022 RM'000
Fair value through other comprehensive income		
- unquoted shares in Malaysia	2,963	2,963
- quoted shares in Malaysia	55	54
	3,018	3,017
Fair value (also Note 32.4)		
- unquoted shares in Malaysia	2,963	2,963
- quoted shares in Malaysia	55	54
	3,018	3,017

The Group designated the other investments as fair value through other comprehensive income because these investments in equity securities represent investments that the Group intends to hold over a long-term period.

Total dividend income receivables from the other investments held on hand during the financial year are RM2,000 (2022: RM125,000) (see Note 24).

12. Trade and other receivables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Trade receivables				
Trade receivables from contracts with customers (Notes 12.1)	13,021	28,159	-	-
Other receivables				
Other receivables (Note 12.2)	-	2,541	-	-
	<u>13,021</u>	<u>30,700</u>	<u>-</u>	<u>-</u>
Current				
Trade receivables				
Trade receivables from contracts with customers (Notes 12.1 and 12.2)	31,682	39,953	-	-
Amount due from an associate (Note 12.4)	2,256	2,256	-	-
	<u>33,938</u>	<u>42,209</u>	<u>-</u>	<u>-</u>
Other receivables				
Other receivables (Note 12.2)	25,867	32,001	-	27
Amount due from:				
- subsidiaries (Note 12.3)	-	-	85,222	76,709
- associates (Note 12.4)	3,147	3,155	-	-
	<u>29,014</u>	<u>35,156</u>	<u>85,222</u>	<u>76,736</u>
Total current	<u>62,952</u>	<u>77,365</u>	<u>85,222</u>	<u>76,736</u>
Grand total	<u>75,973</u>	<u>108,065</u>	<u>85,222</u>	<u>76,736</u>

12.1 The Group's trade receivables include a sum of RM25,601,000 (2022: RM38,108,000) arising from a construction project undertaken for a government-related entity under a deferred payment scheme where the contract proceeds (including associated financing income) are to be recovered over a period of 10 years. The outstanding receivable is unsecured, bears interest at 6.75% (2022: 7.80%) per annum and is expected to be collected as follows:

	Group	
	2023 RM'000	2022 RM'000
Within 1 year	12,580	11,818
1 - 2 year	13,021	12,641
2 - 3 year	-	13,649
	<u>25,601</u>	<u>38,108</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Trade and other receivables (continued)

122 Included in the trade and other receivables of the Group:

- i. A remaining sum of RM4,594,000 (2022: RM10,092,000) due from a debtor for sale of two (2) parcels of leasehold land in prior years. The amount is expected to be recovered over a period of four years commencing from October 2020 or upon the issuance of titles, whichever is later.
- ii. A sum of RM9,576,000 (2022: RM9,576,000) deposited to the High Court pending issuance of the final account of certain completed projects before the Group could file its legitimate claim for the said amount against a counter party.
- iii. Advance payment amounting to RM5,000,000 (2022: RM5,000,000) given to a subcontractor which is an associate of the Group in respect of a construction project.
- iv. A trade amount due from a director of RM618,000, which is not past due as at the year end.

123 Included in the amount due from subsidiaries is a sum of RM74,620,000 (2022: RM69,920,000), which is unsecured and bears interest at rates ranging from 4.95% to 5.35% (2022: 3.73% to 4.86%) per annum. The remaining balances are unsecured, interest-free and repayable on demand.

124 The amount due from associates are unsecured and interest-free.

12.5 Offsetting of financial assets and financial liabilities

The following table provides information of financial assets and liabilities that have been set off for presentation purpose:

Group	Gross amount RM'000	Offset balance RM'000	Net carrying amount RM'000
<u>2023</u>			
Trade receivables	14,318	(14,318)	-
Trade accruals	14,318	(14,318)	-
	<u>14,318</u>	<u>(14,318)</u>	<u>-</u>
<u>2022</u>			
Trade receivables	11,339	(11,339)	-
Trade accruals	11,339	(11,339)	-
	<u>11,339</u>	<u>(11,339)</u>	<u>-</u>

Certain trade and other receivables and trade payables were set off for presentation purpose as these receivables include some payments in-kind portion made in relation to the contractors' claims. They intend either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

126 The Group's and the Company's credit risk management and assessment of loss allowance for expected credit loss on trade and other receivables is disclosed in Note 32.3 (a).

13. Contract with customers

13.1 Contract costs

	2023 RM'000	2022 RM'000
Cost to fulfil contract		
- costs incurred directly on contracts with customers	5,972	4,730
	<u>5,972</u>	<u>4,730</u>

13. Contract with customers (continued)

13.2 Contract assets/(liabilities)

	2023 RM'000	2022 RM'000
Contract assets	81,689	39,316
Contract liabilities	(3,096)	(1,871)

Contract assets primarily relate to the Group's rights to contract consideration for works completed on properties and/or construction contracts but not yet billed to customers at the reporting date. Typically, the amount will be billed in the manner as established in the contracts with customers. The contract assets are reclassified as trade receivables when the rights to contract consideration become unconditional.

Contract liabilities primarily relate to contract consideration received and/or the Group's unconditional rights to contract consideration in advance of the performance under the contracts. The contract liabilities are expected to be recognised as revenue based on the expected timing of completion of works.

a. Movements in the contract assets/liabilities balances during the year includes:

	2023 RM'000	2022 RM'000
Revenue recognised arising from contract liabilities at the beginning of period	1,713	2,771
Contract assets at the beginning of period reclassified to trade receivables	46,491	38,325
Increase in revenue recognised in previous periods arising from change in contract considerations	3,340	3,093

b. Contract assets of the Group as at 31 December 2022 included a sum of RM52,000 held by customers and was regarded as conditional rights to contract considerations until the completion of performance under the contracts with customers. Such amount was transferred to trade receivables when the rights became unconditional.

c. Impairment assessment on contract assets

Credit risk on contract assets arises from construction projects and sale of development properties. The Group adopts a 'simplified approach' when performing impairment assessments for contract assets. Since the contract assets have substantially the same risk characteristics as the trade receivables, estimation techniques or significant assumptions made in assessing the loss allowance are generally the same. The Group applies similar credit risk management on its financial instrument for contract assets [see Note 32.3(a)].

Management estimates the loss allowance on contract assets at an amount equal to lifetime expected credit loss ("ECL"), taking into account the historical default experience. None of the contract assets at the end of the reporting period is past due. No aging analysis of contract assets are presented as the outstanding balances as at 31 December 2023 are current. The exposure of credit risk for contract assets as at the end of the reporting period by geographic region is Malaysia.

The following tables provides information about ECLs for contract assets:

Group	2023 RM'000	2022 RM'000
Gross amount	88,985	46,612
Loss allowance	(7,296)	(7,296)
Net amount	81,689	39,316

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Contract with customers (continued)

13.2 Contract assets/(liabilities) (continued)

c. Impairment assessment on contract assets (continued)

The movement in the allowance for impairment loss of contract assets as at each reporting period are as follows:

<u>Group</u>	<u>RM'000</u>
Balance at 1 January 2022	9,579
Reversal	(2,283)
Balance at 31 December 2022/1 January 2023 and 31 December 2023	<u>7,296</u>

14. Deposits and prepayments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits	5,623	5,463	19	19
Prepayments	2,443	4,986	1	1
	<u>8,066</u>	<u>10,449</u>	<u>20</u>	<u>20</u>

15. Other financial assets

The Group classifies deposits with licensed banks not held for working capital purpose that have a maturity of more than 3 months as other financial assets.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash pledged with licensed banks (Note 15.1)	<u>6,994</u>	<u>15,416</u>	<u>-</u>	<u>2,824</u>

15.1 Cash pledged as security

- a. Deposits of RM1,164,000 in the prior year was pledged as security to licensed banks for the issuance of bank guarantees for housing projects.
- b. A sum of RM6,994,000 (2022: RM14,252,000) is placed in designated sinking fund bank accounts as part of the requirements for term loan facilities granted to the Group for the purpose of interest and principal payments at intervals of 1 to 3 months periods, as the case may be.

16. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Deposits placed with licensed banks with maturities less than three months	167,072	203,852	18,901	24,940
Cash in hand and at banks	48,475	39,769	3,680	4,857
Housing Development Accounts (Note 16.1)	5,321	4,137	-	-
Total cash and cash equivalents	220,868	247,758	22,581	29,797

16.1A balance of RM5,321,000 (2022: RM4,137,000) is maintained in designated Housing Development Accounts ("HDA") pursuant to the Sarawak's Housing Development (Control and Licensing) Ordinance, 2013 and Housing Development (Control and Licensing) Regulations, 2014 in connection with certain property development projects of the Group. The utilisation of these balances is restricted before the completion of housing development projects and fulfilment of all relevant obligations to the purchasers, such that the cash can only be withdrawn from such HDA accounts for the purpose of completing the particular projects in the manner as defined under the ordinance.

17. Assets held for sale - Group

	2023	2022
	RM'000	RM'000
Assets classified as held for sale		
Property, plant and equipment	88	83

18. Share capital

	Group and Company	
	2023	2022
<u>Ordinary shares with no par value</u>		
Issued and fully paid shares with no par value classified as equity instruments:		
Number of shares ('000)		
Opening and closing balances	513,799	513,799
Amount (RM'000)		
Opening and closing balances	454,802	454,802

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share during a poll at general meetings of the Company.

19. Reserves

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Retained earnings	857,829	822,795	55,710	50,614
Treasury shares	(34,748)	(34,748)	(34,748)	(34,748)
Foreign currency translation reserve	29,542	21,720	-	-
Other reserves	113	112	-	-
	852,736	809,879	20,962	15,866

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Reserves (continued)

19.1 Treasury shares

Treasury shares comprise cost of acquisition of the Company's own shares.

The shareholders of the Company, via an ordinary resolution passed in the Annual General Meeting held on 25 May 2023, approved the Company's plan to repurchase its own shares in aggregate not exceeding 10% of the total number of issued shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

There were no repurchases of issued share capital by the Company during the current and previous financial year. As at 31 December 2023, the Company holds 13,056,000 (2022: 13,056,000) of the Company's own shares. All rights attached to the treasury shares that are held by the Company are suspended until those shares are reissued.

19.2 Foreign currency translation reserve

The foreign currency translation reserve arises from the translation of the financial statements of subsidiaries and/or associates whose presentation currency differs from the presentation currency of the Group's financial statements which is RM.

19.3 Other reserves

Other reserves comprise cash flow hedge in associates as well as changes in fair value of equity investments designated at fair value through other comprehensive income.

20. Loans and borrowings

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Secured term loans	66,357	87,130	32,500	38,500
Hire purchases (Note 20.1)	325	490	202	297
	<u>66,682</u>	<u>87,620</u>	<u>32,702</u>	<u>38,797</u>
Current				
Unsecured revolving credits	110,000	120,000	40,000	35,000
Secured term loans	20,118	25,173	6,000	6,000
Hire purchases (Note 20.1)	164	157	95	91
	<u>130,282</u>	<u>145,330</u>	<u>46,095</u>	<u>41,091</u>
Total	<u>196,964</u>	<u>232,950</u>	<u>78,797</u>	<u>79,888</u>

20. Loans and borrowings (continued)**20.1 Hire purchases are payable as follows:**

	2023			2022		
	Payment RM'000	Profit RM'000	Principal RM'000	Payment RM'000	Profit RM'000	Principal RM'000
Group						
Less than one year	180	16	164	180	23	157
Between one to two years	172	9	163	180	16	164
Between two to five years	166	4	162	338	12	326
	<u>518</u>	<u>29</u>	<u>489</u>	<u>698</u>	<u>51</u>	<u>647</u>
Company						
Less than one year	105	10	95	105	14	91
Between one to two years	105	6	99	105	10	95
Between two to five years	105	2	103	209	7	202
	<u>315</u>	<u>18</u>	<u>297</u>	<u>419</u>	<u>31</u>	<u>388</u>

20.2 SecurityTerm loans

- secured by fixed charges over certain parcels of leasehold land and buildings (erected thereon) [see Notes 3.5, 7.1 and 8.1].
- secured by assignment of proceeds from a construction project undertaken by a subsidiary.
- secured by debentures over future and present assets of certain subsidiaries.
- covered by corporate guarantee from the Company and/or another subsidiary, where applicable.

Revolving credits

The revolving credit facilities granted to direct subsidiaries are covered by way of corporate guarantees from the Company.

The revolving credit facility of the Company, is on a clean basis.

Hire purchases

The hire purchases are secured on the respective leased assets acquired (see Note 3.2).

20.3 Covenant for term loan facilities

The Group is required to maintain a debt to equity ratio of not exceeding 1 time.

21. Trade and other payables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables				
Trade payables (Note 21.1)	74,713	81,383	-	-
Amount due to associates (Note 21.3)	50,319	12,811	-	-
Trade accruals	119,268	144,617	-	-
	<u>244,300</u>	<u>238,811</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Trade and other payables (continued)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other payables				
Other payables	2,400	2,255	-	-
Accruals	4,810	7,250	563	556
Advance payments and deposits received	6,726	7,152	-	195
Amount due to:				
- subsidiaries (Note 21.2)	-	-	72,963	73,022
- associates (Note 21.3)	549	549	-	-
	<u>14,485</u>	<u>17,206</u>	<u>73,526</u>	<u>73,773</u>
Total	<u>258,785</u>	<u>256,017</u>	<u>73,526</u>	<u>73,773</u>

21.1 Included in trade payables of the Group are retention sums and performance bonds amounting to RM49,524,000 (2022: RM54,811,000).

21.2 Included in the amount due to subsidiaries is a sum of RM71,183,000 (2022: RM70,175,000) bearing interest ranging from 4.95% to 5.35% (2022: 3.73% to 4.86%) per annum.

The remaining balance is interest free and unsecured.

21.3 The amount due to associates are unsecured and interest-free.

22. Provision

	Group RM'000
Provision for maintenance	
At 1 January 2022 and 31 December 2022/1 January 2023	3,472
Reversed during the year (Note 24)	(3,472)
At 31 December 2023	<u>-</u>

Provisions for maintenance were made in prior years to cater for some anticipated contract maintenance/rectification works at site for certain completed projects.

The Group has reversed the balance of provision during the current financial year upon the expiry of maintenance warranty period (see Note 24).

23. Revenue

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers (Note 23.1)	312,405	364,070	2,550	2,428
Other revenue				
- Rental income	4,547	4,496	-	-
- Dividend income from an associate	-	-	8,412	4,206
	<u>316,952</u>	<u>368,566</u>	<u>10,962</u>	<u>6,634</u>

23.1 Disaggregation of revenue

Disaggregation of the revenue from contracts with customers

<i>Major products/services</i>	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Construction contracts	220,207	265,352	-	-
Sales of properties	71,804	85,618	-	-
Sales of goods	7,399	2,731	-	-
Revenue from accommodation operations	11,443	9,514	-	-
Services rendered	1,552	855	2,550	2,428
	<u>312,405</u>	<u>364,070</u>	<u>2,550</u>	<u>2,428</u>
<i>Timing of recognition</i>				
Over time	275,949	340,318	2,550	2,428
At a point in time	36,456	23,752	-	-
	<u>312,405</u>	<u>364,070</u>	<u>2,550</u>	<u>2,428</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. Revenue (continued)

23.2 Nature of goods and services

The following information reflects the typical nature of transactions with customers:

Major goods and services	Timing and method of revenue recognised	Payment terms	Example of variable consideration	Warranty
Construction contracts	Revenue is recognised over time which is measured by actual costs incurred to the estimated total contract cost.	Based on the milestones, as established in contracts.	Liquidated and ascertained damages arising from late completion, as established in contracts.	Defect liability period up to 24 months, depending on the nature of contract works performed.
Sales of properties	Revenue is recognised, either over time, or at a point in time, depending on the timing when controls of the assets pass to buyers.	Based on billings milestones as spelled out in contracts.	Discounts/rebates granted during promotional periods. Liquidated and ascertained damages arising from late completion, as established in contracts.	Defect liability period up to 24 months, as established in contracts and/or based on historical business practices.
Sales of goods	Revenue is recognised at a point in time when the goods are delivered and accepted by customers.	Credit period of up to 60 days from invoice date.	-	-
Revenue for accommodation operations	Revenue is recognised, either over time, or at a point in time, depending on the timing when the customers receive and consume the services/goods.	Based on published terms as stated in invoices/contracts.	-	-
Services rendered (comprising management fee and maintenance services)	Revenue is recognised over time when the services are rendered.	Credit period of up to 60 days from invoice date.	-	-

23. Revenue (continued)

23.3 Unsatisfied performance obligations

The unsatisfied performance obligations at the reporting date are expected to be fulfilled in the following periods based on the management's best estimations and on the assumption that there are no significant changes to the existing contractual periods and contract considerations.

	2023 RM'000	2022 RM'000
Within one year	252,523	337,400
More than one year	258,798	309,082
	<u>511,321</u>	<u>646,482</u>
Represented by:		
Construction contracts	490,694	634,431
Sales of properties	20,627	12,051
	<u>511,321</u>	<u>646,482</u>

24. Results from operating activities

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Results from operating activities is arrived at after charging:				
Auditors' remuneration:				
- Audit fee				
KPMG PLT	380	371	82	82
Overseas affiliates of KPMG PLT	-	25	-	-
Other auditors	17	17	-	-
- Non-audit fee				
KPMG PLT	26	26	20	20
Local affiliates of KPMG PLT	177	181	17	16
Overseas affiliates of KPMG PLT	35	14	-	-
Other auditors	8	8	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Material expense				
Amortisation of:				
- intangible asset (Note 9)	113	681	-	-
- investment properties (Note 8)	3,492	2,111	-	-
Depreciation of property, plant and equipment (excluding those capitalised in inventories and contract costs) (Note 3.3)	9,768	9,899	251	244
Personnel expenses (including key management personnel):				
- contributions to state plans	3,891	3,581	-	-
- wages, salaries and others	31,894	29,429	-	-
Foreign exchange loss				
- realised	24	2	-	-
Impairment loss on other assets:				
- investment in a subsidiary	-	-	-	18,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Results from operating activities (continued)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Results from operating activities is arrived at after charging/(crediting):				
Net change in impairment loss on:				
Financial assets at amortised cost [Note 32.3(a)]	2,483	(36)	-	-
Contract assets [Note 13.2(c)]	-	(2,283)	-	-
Expenses arising from leases: (Note 24.1)				
Expenses relating to:				
- short-term leases	14	21	234	234
- leases of low-value assets	454	357	1	3
Material income				
Dividend income from other investments (Note 11)				
- quoted shares in Malaysia	(2)	(1)	-	-
- unquoted shares in Malaysia	-	(124)	-	-
Dividend income from subsidiaries and associates				
- quoted shares in Malaysia	-	-	(8,412)	(4,206)
Gain on disposal of:				
- property, plant and equipment	(176)	(39)	-	-
- investment property	(1,396)	-	-	-
Reversal of impairment loss on investment in an associate (Note 5)	-	-	(4,761)	-
Reversal of provision for maintenance (Note 22)	(3,472)	-	-	-
Foreign exchange gain				
- unrealised	(248)	(247)	(221)	(238)

Lease expenses

24.1 The Group leases office equipment and premises with contract terms of 5 years or less. These leases are short-term leases and/or leases of low-value assets. The Group has elected not to recognise them as right-of-use assets and the associated lease liabilities for these leases. The lease payments for these short-term leases and low-value assets are recognised as expenses to profit or loss on a straight-line basis over the lease term.

25. Other non-operating expenses

Other non-operating expense comprises losses on deemed disposals amounting to RM205,000 (2022: RM55,000) arising from the dilution in the effective equity interest in an associate (see Note 37).

26. Finance income and costs

Recognised in profit or loss

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income of financial assets calculated using the effective interest method that are at amortised costs:				
- fixed deposits and cash funds	5,223	4,077	600	398
- interest income from deferred payment scheme	2,638	3,530	-	-
- other finance income	649	812	3,770	3,178
	8,510	8,419	4,370	3,576

26. Finance income and costs (continued)*Recognised in profit or loss* (continued)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- loans and borrowings	10,990	10,785	3,598	3,108
- other finance costs	123	1,184	3,808	2,571
	<u>11,113</u>	<u>11,969</u>	<u>7,406</u>	<u>5,679</u>

27. Compensations to key management personnel

Compensations paid/payable to key management personnel are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
- Fees	450	450	450	450
- Short-term employee benefits	3,493	3,826	3,291	3,340
	<u>3,943</u>	<u>4,276</u>	<u>3,741</u>	<u>3,790</u>
Other key management personnel (including subsidiaries' directors)				
- Fees	60	60	-	-
- Short-term employee benefits	3,219	3,634	142	57
	<u>3,279</u>	<u>3,694</u>	<u>142</u>	<u>57</u>
Total	<u>7,222</u>	<u>7,970</u>	<u>3,883</u>	<u>3,847</u>

Other key management personnel comprise persons, other than the Directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the group entities either directly or indirectly.

The estimated monetary value of benefit-in-kind is RM72,000 (2022: RM44,000).

28. Tax expense

Major components of tax expense/(income) include:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current tax expense/(income)				
- current year	7,682	7,426	-	-
- prior years	83	(217)	-	-
	<u>7,765</u>	<u>7,209</u>	<u>-</u>	<u>-</u>
Deferred tax expense/(income) (Note 10)				
- recognition and reversal of temporary differences	64	(926)	-	-
- prior years	44	163	-	-
	<u>108</u>	<u>(763)</u>	<u>-</u>	<u>-</u>
Total tax expense recognised in profit or loss	<u>7,873</u>	<u>6,446</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. Tax expense (continued)

Reconciliation of tax expense

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) for the year	35,313	25,072	5,096	(20,596)
Total tax expense	7,873	6,446	-	-
Profit/(Loss) excluding tax	43,186	31,518	5,096	(20,596)
Share of tax of equity-accounted associates and joint ventures	28,435	17,515	-	-
	<u>71,621</u>	<u>49,033</u>	<u>5,096</u>	<u>(20,596)</u>
Tax calculated using Malaysian tax rate of 24%	17,189	11,768	1,223	(4,943)
Effect of different tax rates in foreign jurisdiction	(9)	(19)	-	-
Non-deductible expenses	20,194	10,072	1,939	5,952
Non-taxable income	(3,792)	(486)	(3,162)	(1,009)
Movements in unrecognised deferred tax assets	4,371	2,680	-	-
Utilisation of tax loss previously not recognised	(1,772)	-	-	-
	<u>36,181</u>	<u>24,015</u>	<u>-</u>	<u>-</u>
Under-/(Over-)provision in prior years	127	(54)	-	-
Less: Share of tax of equity-accounted associates and joint ventures	(28,435)	(17,515)	-	-
Total tax expense	<u>7,873</u>	<u>6,446</u>	<u>-</u>	<u>-</u>

29. Earnings per ordinary share - Group

Basic and Diluted earnings per ordinary share

The calculation of basic and diluted earnings per ordinary share was based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after excluding treasury shares bought back in previous years, presented as follows:

	2023	2022
Net profit attributable to ordinary shareholders (RM'000)	35,034	24,809
Weighted average number of ordinary shares, net of treasury shares bought back in previous years ('000)	500,743	500,743
Basic and Diluted earnings per share (sen)	<u>7.00</u>	<u>4.95</u>

30. Dividend

No dividends were paid during the current and previous financial year.

31. Operating segments

The Group has three reportable segments, which are the Group's strategic business units. For each of the strategic business units, the Group Managing Director ("GMD"), being the Chief Operating Decision Maker, reviews internal management reports for resource allocation and decision making at least on a quarterly basis. The following summary describes the operations in each of the Group's existing reporting segments:

- Property development - Development and construction of residential and commercial properties (including sale of vacant land).
- Construction - Construction of buildings, roads, bridges and other infrastructure and engineering works (including oil and gas related construction projects).
- Others - All other business segments with profit contributions less than 10%. This includes trading of buildings and construction materials, provision of sand extraction and land filling services, property investment and management, hotel operation, education as well as quarry operation.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the GMD. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

There are varying levels of integration between the reportable segments. Inter-segment pricing is determined on negotiated terms. Unallocated items mainly comprise corporate and headquarters expenses and other investment income, which are managed on a group basis and are not allocated to any operating segment.

Segment assets and liabilities

The GMD reviews the statements of financial position of subsidiaries for resource allocation and decision making, instead of a summary of consolidated assets and liabilities by segments. As such, information on segment assets and segment liabilities is not presented.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. Operating segments (continued)

	Property development	
	2023	2022
	RM'000	RM'000
Revenue from external customers	71,804	85,618
Inter segment revenue	-	-
Total segment revenue	<u>71,804</u>	<u>85,618</u>
Segment profit/(loss)	6,763	6,520
Share of results (net of tax) of:		
- associates, other than Dayang Enterprise Holdings Bhd. ("DEHB group")	(462)	4,096
- joint ventures	-	-
	<u>6,301</u>	<u>10,616</u>
Unallocated expenses		
Loss on deemed disposal of interests in an associate, Perdana Petroleum Berhad ("PPB")		
Share of results (net of tax) of associates, DEHB group ¹ (in oil and gas segment)		
Tax expense		
Profit for the year		
Other comprehensive income		
Total comprehensive income for the year		
Total comprehensive income attributable to non-controlling interests		
Total comprehensive income attributable to owners of the Company		
Included in the measure of segment profit/(loss) are:		
Depreciation and amortisation		
(including depreciation capitalised in inventories and contract costs)		
Finance income		
Finance costs		
Net changes in impairment loss on financial assets and contract assets		

¹ Share of results of DEHB Group comprised the share of results from two associates, DEHB and PPB

Construction		Others		Inter-segment elimination		Consolidated	
2023	2022	2023	2022	2023	2022	2023	2022
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
220,207	265,352	24,941	17,596	-	-	316,952	368,566
35,570	54,872	3,174	2,794	(38,744)	(57,666)	-	-
<u>255,777</u>	<u>320,224</u>	<u>28,115</u>	<u>20,390</u>	<u>(38,744)</u>	<u>(57,666)</u>	<u>316,952</u>	<u>368,566</u>
4,527	1,551	(6,839)	(8,706)	(6,724)	(3,981)	(2,273)	(4,616)
(4,918)	4,730	-	-	-	-	(5,380)	8,826
61	1,256	-	-	-	-	61	1,256
<u>(330)</u>	<u>7,537</u>	<u>(6,839)</u>	<u>(8,706)</u>	<u>(6,724)</u>	<u>(3,981)</u>	<u>(7,592)</u>	<u>5,466</u>
						(2,240)	(4,832)
						(205)	(55)
						53,223	30,939
						(7,873)	(6,446)
						<u>35,313</u>	<u>25,072</u>
						7,823	9,047
						<u>43,136</u>	<u>34,119</u>
						(279)	(263)
						<u>42,857</u>	<u>33,856</u>
Property development		Construction		Others		Consolidated	
2023	2022	2023	2022	2023	2022	2023	2022
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
4,098	4,605	137	165	9,175	8,042	13,410	12,812
(637)	(812)	(2,638)	(3,530)	-	-	(3,275)	(4,342)
2,319	3,786	2,960	4,191	5,834	3,992	11,113	11,969
422	343	1,999	(2,283)	62	(379)	2,483	(2,319)
<u>4,098</u>	<u>4,605</u>	<u>137</u>	<u>165</u>	<u>9,175</u>	<u>8,042</u>	<u>13,410</u>	<u>12,812</u>
<u>(637)</u>	<u>(812)</u>	<u>(2,638)</u>	<u>(3,530)</u>	<u>-</u>	<u>-</u>	<u>(3,275)</u>	<u>(4,342)</u>
<u>2,319</u>	<u>3,786</u>	<u>2,960</u>	<u>4,191</u>	<u>5,834</u>	<u>3,992</u>	<u>11,113</u>	<u>11,969</u>
<u>422</u>	<u>343</u>	<u>1,999</u>	<u>(2,283)</u>	<u>62</u>	<u>(379)</u>	<u>2,483</u>	<u>(2,319)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. Operating segments (continued)

Major customers

The following are the major customers with revenue equal to or more than 10% of the Group's total revenue individually:

	Revenue		Segment
	2023 RM'000	2022 RM'000	
Customer A	167,383	235,509	Construction

Geographical information

The Group is mainly domiciled in Malaysia. The contribution from the foreign operations based in Fiji is minimal and immaterial to warrant disclosure.

32. Financial instruments

32.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- Amortised cost ("AC")
- Fair value through other comprehensive income ("FVOCI") - equity instrument designated upon initial recognition.

Group	Financial assets				Total RM'000
	Other investment RM'000	Trade and other receivables RM'000	Cash and cash equivalents RM'000	Other financial assets RM'000	
At 31.12.2023					
Carrying amount	3,018	75,973	220,868	6,994	306,853
AC	-	75,973	220,868	6,994	303,835
FVOCI	3,018	-	-	-	3,018
At 31.12.2022					
Carrying amount	3,017	108,065	247,758	15,416	374,256
AC	-	108,065	247,758	15,416	371,239
FVOCI	3,017	-	-	-	3,017

	Financial liabilities			
	Loans and borrowings RM'000	Trade and other payables* RM'000	Provisions RM'000	Total RM'000
At 31.12.2023				
Carrying amount	(196,964)	(252,059)	-	(449,023)
AC	(196,964)	(252,059)	-	(449,023)
At 31.12.2022				
Carrying amount	(232,950)	(248,865)	(3,472)	(485,287)
AC	(232,950)	(248,865)	(3,472)	(485,287)

* Excluding advance payment received and/or deposit received from contract customers

32. Financial instruments (continued)

32.1 Categories of financial instruments (continued)

<u>Company</u>	<u>Financial assets</u>			<u>Total</u> RM'000
	<u>Trade and other receivables</u> RM'000	<u>Cash and cash equivalents</u> RM'000	<u>Other financial assets</u> RM'000	
At 31.12.2023				
Carrying amount	85,222	22,581	-	107,803
AC	85,222	22,581	-	107,803
At 31.12.2022				
Carrying amount	76,736	29,797	2,824	109,357
AC	76,736	29,797	2,824	109,357
		<u>Financial liabilities</u>		
		<u>Loans and borrowings</u> RM'000	<u>Trade and other payables</u> RM'000	<u>Total</u> RM'000
At 31.12.2023				
Carrying amount		(78,797)	(73,526)	(152,323)
AC		(78,797)	(73,526)	(152,323)
At 31.12.2022				
Carrying amount		(79,888)	(73,773)	(153,661)
AC		(79,888)	(73,773)	(153,661)

32.2 Net gains and losses arising from financial instruments

	<u>Group</u>		<u>Company</u>	
	<u>2023</u> RM'000	<u>2022</u> RM'000	<u>2023</u> RM'000	<u>2022</u> RM'000
Net gains/(losses) on:				
Financial assets at AC	6,251	8,700	4,591	3,814
Financial liabilities at AC	(11,113)	(11,969)	(7,406)	(5,679)
Equity instruments designated at FVOCI	3	114	-	-
	<u>(4,859)</u>	<u>(3,155)</u>	<u>(2,815)</u>	<u>(1,865)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. Financial instruments (continued)

32.3 Financial risk management

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

a. Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposure to credit risk arises principally from its receivables from customers and deposits in banks. The Company's exposure to credit risk mainly arises from unsecured short term advances to subsidiaries and financial guarantees given to banks for credit facilities granted to certain subsidiaries. There are no significant changes as compared to previous year.

Receivables

Risk management objectives, policies and processes for managing the risk

- Receivables from external parties

The management regularly reviews the credit risk on customers and takes appropriate measures to enhance credit control procedures. At each reporting date, the Group or the Company assesses whether any of its receivables are credit impaired.

The gross carrying amount of credit impaired receivables will be written off, either partially or in full, when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, the receivables that are impaired (either partially or fully) are still subject to debt recovery enforcement activities to recover the amounts due from the customers. There are no significant changes as compared to previous year.

The contract assets [see Note 13.2(c)] have substantially the same risk characteristics as the trade receivables from the same categories of customers. The Group or the Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

There are no significant changes as compared to previous year.

- Intercompany balances

The Company sometimes provides some financial support assistance via unsecured short term advances to some of its subsidiaries. The Company monitors the results of these subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by their carrying amounts in the statements of financial position.

32. Financial instruments (continued)**32.3 Financial risk management** (continued)**a. Credit risk** (continued)**Receivables** (continued)**Exposure to credit risk, credit quality and collateral** (continued)

At the end of the reporting period, there are no significant concentrations of credit risk other than the following receivables due from:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
One (2022:two) external party(ies)	25,601	50,508	-	-
One (2022:one) subsidiary	-	-	85,063	76,587
	<u>25,601</u>	<u>50,508</u>	<u>85,063</u>	<u>76,587</u>

The exposure of credit risk for trade and other receivables as at the end of the reporting period by geographic region was:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysia	75,959	108,055	85,222	76,736
Fiji	14	10	-	-
	<u>75,973</u>	<u>108,065</u>	<u>85,222</u>	<u>76,736</u>

Recognition and measurement of impairment loss

The Group monitors each receivable individually and uses ageing analysis to monitor the credit quality of the receivables. Appropriate debts recovery actions are taken to recover overdue debts. These actions include sending out reminder letters and scheduling repayments such as instalment scheme and contra arrangement, which are closely monitored by delegated team before commencing any legal proceedings against the customers.

For sales of properties, as ownership and titles to properties are only transferred to customers upon full settlement of the purchase consideration, the Group regards the credit risk exposure as low. Moreover, most of these trade receivables are supported with end-financing from reputable end-financiers, which have low risk of default.

As construction contracts only involve a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, historical payment trends and other external available information. The Group regards the risk of defaults from these contract customers, which are mostly government related, as low.

For receivables from goods sold and/or services rendered, an allowance matrix is used to measure any expected credit loss ("ECL") for a particular year. The Group analyses and studies prior years' actual credit loss experience, historical payments trends and other available external credit evaluations to derive appropriate loss rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. Financial instruments (continued)

32.3 Financial risk management (continued)

a. Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment loss (continued)

The following tables provides information about the exposure to credit risk and ECLs for trade and other receivables:

<u>Group</u>	Gross RM'000	Loss allowance RM'000	Net RM'000
2023			
Not past due	48,637	-	48,637
Past due 0-30 days	2,625	(1)	2,624
Past due 31-60 days	774	(19)	755
Past due 61-90 days	300	(6)	294
Past due 91-180 days	978	(167)	811
Past due more than 180 days	39,267	(16,415)	22,852
Trade and other receivables	<u>92,581</u>	<u>(16,608)</u>	<u>75,973</u>
2022			
Not past due	71,938	-	71,938
Past due 0-30 days	6,658	(28)	6,630
Past due 31-60 days	2,267	(32)	2,235
Past due 61-90 days	345	(70)	275
Past due 91-180 days	2,267	(344)	1,923
Past due more than 180 days	38,715	(13,651)	25,064
Trade and other receivables	<u>122,190</u>	<u>(14,125)</u>	<u>108,065</u>

The movements in the allowance for impairment loss of trade and other receivables during the financial year are as follows:

<u>Group</u>	Trade receivables RM'000	Other receivables RM'000	Total RM'000
Balance at 1 January 2022	19,917	9,528	29,445
Additions	244	343	587
Reversals	(623)	-	(623)
Write-offs	(15,158)	(126)	(15,284)
Balance at 31 December 2022/1 January 2023	<u>4,380</u>	<u>9,745</u>	<u>14,125</u>
Additions	63	2,420	2,483
Balance at 31 December 2023	<u>4,443</u>	<u>12,165</u>	<u>16,608</u>

32. Financial instruments (continued)

32.3 Financial risk management (continued)

a. Credit risk (continued)

Intercompany balances

Generally, the Company does not specifically monitor the ageing of debts owing by its subsidiaries, which are considered to have low credit risk. As the Company is able to determine the timing of payments of these debts and manage the utilisation of assets, there is no indication that the amounts due from subsidiaries of RM85,222,000 (2022: RM76,709,000) are not recoverable as at the end of the reporting period. The Company considers a subsidiary's debts to be credit impaired when the subsidiary is unlikely to repay its debts to the Company in full. The Company determines the probability of default for these debts using internal information available.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of certain banking facilities extended to certain subsidiaries when required. The Company monitors on an on-going basis the results of and repayments made by the subsidiaries to ensure that they are able to meet their obligations when due.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risks, being the outstanding financial guarantees granted to the subsidiaries as at end of the reporting period is summarised as follows:

<u>Company</u>	2023 RM'000	2022 RM'000
Bank guarantees	14,003	28,523
Other loans and borrowings outstanding and recognised in financial statements	117,975	152,803
Total	<u>131,978</u>	<u>181,326</u>

The Company reviews and reassesses the credit risk when a subsidiary's financial position deteriorates significantly and makes losses from its operation. The Company considers the financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligation to the bank in full. The Company determines the probability of default of the guaranteed loans individually using internal information available.

There is no indication that any subsidiary would default on the repayments of its loans and borrowings. The financial guarantees have not been recognised as the probability of the subsidiaries defaulting on the credit lines is remote.

Cash and cash equivalents

The cash and cash equivalents are held with licensed banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. These licensed banks have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

b. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

Risk management objectives, policies and processes for managing the risk

The Group maintains a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due and to mitigate the effects of fluctuations in cash flows. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. Financial instruments (continued)

32.3. Financial risk management (continued)

b. Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities (which are non-derivatives) as at the end of the reporting period based on undiscounted contractual payments:

<u>Group</u>	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
2023							
Trade and other payables	252,059	-	252,059	234,338	2,959	14,762	-
Loans and borrowings							
- secured term loans	86,475	4.94 - 6.00	98,300	24,290	21,363	47,881	4,766
- unsecured revolving credits	110,000	5.08 - 5.85	111,352	111,352	-	-	-
- hire purchases	489	3.74 - 6.93	518	180	172	166	-
2022							
Trade and other payables	248,865	-	248,865	230,883	3,716	14,266	-
Provisions	3,472	-	3,472	3,472	-	-	-
Loans and borrowings							
- secured term loans	112,303	4.79 - 6.00	129,562	30,387	24,819	50,155	24,201
- unsecured revolving credits	120,000	3.84 - 5.53	121,382	121,382	-	-	-
- hire purchases	647	3.74 - 6.93	698	180	180	338	-
Company							
2023							
Other payables							
- interest bearing	71,183	4.94 - 5.35	71,183	71,183	-	-	-
- non interest-bearing	2,343	-	2,343	2,343	-	-	-
Loans and borrowings							
- secured term loan	38,500	5.11	44,240	7,832	7,519	27,835	1,054
- unsecured revolving credits	40,000	5.45 - 5.82	40,430	40,430	-	-	-
- hire purchases	297	3.85	315	105	105	105	-
Financial guarantees*	-	-	131,978	131,978	-	-	-
2022							
Other payables							
- interest bearing	70,175	3.73 - 4.86	70,175	70,175	-	-	-
- non interest-bearing	3,598	-	3,598	3,598	-	-	-
Loans and borrowings							
- secured term loan	44,500	4.79	52,412	7,918	7,713	21,413	15,368
- unsecured revolving credits	35,000	4.60 - 5.12	35,343	35,343	-	-	-
- hire purchases	388	3.85	419	105	105	209	-
Financial guarantees*	-	-	181,326	181,326	-	-	-

* Being corporate guarantees granted for banking facilities of certain subsidiaries [see Note 32.3(a)], which will only be encashed in the event of default by the subsidiaries. These financial guarantees do not have an impact on group contractual cash flows.

32. Financial instruments (continued)

32.3. Financial risk management (continued)

c. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices risks that will affect the Group's financial position or cash flows.

i. Currency risk

The Group is occasionally exposed to foreign currency risk on bank balances denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily United States Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

As it is not possible to predict with any certainty, the movements of foreign exchange rates, this risk is managed on an on-going basis. As at the end of the reporting period, the Group does not have any outstanding forward foreign exchange contracts.

Exposure to foreign currency risk

The exposure to foreign currency risk, attributable to a currency which is other than the functional currency of the Group entities, based on the carrying amounts as at the end of the reporting period was:

	2023 RM'000	2022 RM'000
Cash and cash equivalents denominated in USD		
- Group	5,420	4,904
- Company	5,266	4,798
	<u>5,420</u>	<u>4,904</u>

A 10% (2022: 10%) strengthening of the RM against USD at the end of the reporting period would have decreased equity and post-tax profit by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group/Company considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity and Profit or loss	
	2023 RM'000	2022 RM'000
USD		
- Group	(412)	(373)
- Company	(400)	(365)
	<u>(412)</u>	<u>(373)</u>

A 10% (2022: 10%) weakening of RM against USD at the end of the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. Financial instruments (continued)

32.3 Financial risk management (continued)

c. Market risk (continued)

ii. Interest rate risk

The Group's investments in fixed-rate term deposits and fixed-rate loans and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate loans and borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investment in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's policy is to manage its interest rate risk on an on-going basis to ensure that there are no undue exposures thereto. Management exercises a certain element of discretion on whether to borrow at fixed or floating interest rates, depending on the market situation and the outlook of the financial market prevailing then.

The investments in interest-earning assets are mainly short-term in nature and they are not held for speculative purposes but have been mostly placed as term deposits and cash funds.

Exposure to interest rate risk

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on their carrying amounts as at the end of the reporting period was:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Fixed-rates instruments				
- Financial assets	192,673	250,382	18,901	27,764
- Financial liabilities	(144,598)	(165,504)	(40,297)	(35,388)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Floating rates instruments				
- Financial assets	-	-	74,620	69,920
- Financial liabilities	(52,366)	(67,446)	(109,683)	(114,675)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Interest rate sensitivity analysis

a. Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

b. Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period, taking into account the contractual repayments terms of its floating rate instruments, would have increased/ (decreased) equity and post-tax profit or loss by the amounts shown in the ensuing page. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

32. Financial instruments (continued)

32.3 Financial risk management (continued)

c. Market risk (continued)

ii. Interest rate risk

	Equity and Profit or Loss			
	2023		2022	
	100bp increase RM'000	100bp decrease RM'000	100bp increase RM'000	100bp decrease RM'000
Floating rate instruments				
- Group	(1,089)	1,089	(1,639)	1,639
- Company	(832)	832	(1,264)	1,264

iii. Other price risk

Equity price risk arises from the Group's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management monitors and manages the equity investments on individual basis. The exposure to equity price risk is not material and hence, sensitivity analysis is not presented.

32.4 Fair value information

The carrying amounts of cash and bank balances, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	(Level 1) RM'000	(Level 3) RM'000	Total RM'000	(Level 2) RM'000	(Level 3) RM'000	Total RM'000		
2023								
Financial assets								
Other investments	55	2,963	3,018	-	-	-	3,018	3,018
Trade and other receivables	-	-	-	-	25,601	25,601	25,601	25,601
Financial liabilities								
Loans and borrowings								
- unsecured revolving credits	-	-	-	-	110,000	110,000	110,000	110,000
- secured term loans	-	-	-	-	87,087	87,087	87,087	86,475
- hire purchases	-	-	-	489	-	489	489	489

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. Financial instruments (continued)

32.4 Fair value information (continued)

<u>Group</u>	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	(Level 1) RM'000	(Level 3) RM'000	Total RM'000	(Level 2) RM'000	(Level 3) RM'000	Total RM'000		
2022								
Financial assets								
Other investments	54	2,963	3,017	-	-	-	3,017	3,017
Trade and other receivables	-	-	-	-	38,108	38,108	38,108	38,108
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,108</u>	<u>38,108</u>	<u>38,108</u>	<u>38,108</u>
Financial liabilities								
Loans and borrowings								
- unsecured revolving credits	-	-	-	-	120,000	120,000	120,000	120,000
- secured term loans	-	-	-	-	112,580	112,580	112,580	112,303
- hire purchases	-	-	-	647	-	647	647	647
	<u>-</u>	<u>-</u>	<u>-</u>	<u>647</u>	<u>-</u>	<u>647</u>	<u>647</u>	<u>647</u>
Company								
2023								
Financial liabilities								
Loans and borrowings								
- unsecured revolving credits	-	-	-	-	40,000	40,000	40,000	40,000
- secured term loans	-	-	-	-	38,936	38,936	38,936	38,500
- hire purchase	-	-	-	297	-	297	297	297
	<u>-</u>	<u>-</u>	<u>-</u>	<u>297</u>	<u>-</u>	<u>297</u>	<u>297</u>	<u>297</u>
2022								
Financial liabilities								
Loans and borrowings								
- unsecured revolving credits	-	-	-	-	35,000	35,000	35,000	35,000
- secured term loans	-	-	-	-	44,569	44,569	44,569	44,500
- hire purchase	-	-	-	388	-	388	388	388
	<u>-</u>	<u>-</u>	<u>-</u>	<u>388</u>	<u>-</u>	<u>388</u>	<u>388</u>	<u>388</u>

32. Financial instruments (continued)

32.4 Fair value information (continued)

The Group does not have any outstanding financial derivatives as at 31 December 2023.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active market for identical financial assets or financial liabilities that the entity can access at the measurement date.

Fair value of financial assets that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting period.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or financial liabilities, either directly or indirectly.

Fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market interest rates at the end of the reporting period. For hire purchases, the market interest rate is determined by reference to similar lease arrangements.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the current and previous financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets or financial liabilities.

Fair values within Level 3 for financial instruments not carried at fair value, which is determined for disclosures purpose, are derived based on discounted cash flows using unobservable input (i.e. interest rate). The estimated fair value would increase (decrease) when the interest rate was lower (higher).

For financial instruments carried at fair value, the fair value within Level 3 is derived by reference to the net assets of the investee, adjusted for the effect of market value of assets and/or the estimated discounted cash flows of the investee's operations, where applicable.

33. Capital management

The Group's objectives when managing capital is to maintain healthy capital base and safeguard the Group's ability to continue as a going concern, so as to maintain the confidence of various stakeholders in the Group and to sustain the future development of the business.

As at end of reporting period, the Group is in net equity surplus position of RM1,307,538,000 with total loans and borrowings of RM196,964,000, which gives rise to a gearing ratio of approximately 15% and is below the debt to equity ratio of not exceeding 1 time (see Note 20.3).

There were no changes in the Group's strategy and approach on capital management during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. Capital expenditure commitments

	Group	
	2023	2022
	RM'000	RM'000
<i>Property, plant and equipment</i>		
- Authorised but not contracted for	20,000	15,000
<i>Investment properties</i>		
- Authorised and contracted for	-	1,200
- Authorised but not contracted for	-	30,000
	20,000	46,200
	20,000	46,200

35. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common controls. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationships with its subsidiaries, associates, joint ventures and key management personnel.

Significant related party transactions

Significant related party transactions, other than compensations paid/payable to key management personnel (see Note 27), are disclosed below:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Subsidiaries</u>				
Management fee income	-	-	(2,550)	(2,428)
Management fee expense	-	-	1,314	1,284
Rental expense on premises	-	-	234	234
Interest income	-	-	(3,768)	(3,178)
Interest expense	-	-	3,798	2,571
	-	-	-	-
	-	-	-	-
<u>Associates</u>				
Construction costs payable	158,737	157,130	-	-
Dividend income	(8,412)	(4,206)	(8,412)	(4,206)
Sales of goods	(160)	(66)	-	-
Rental income on premises	(50)	-	-	-
Rental expense on equipment	39	-	-	-
	158,114	152,858	-	-
	158,114	152,858	-	-

35. Related parties (continued)

Significant related party transactions (continued)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Joint venture</u>				
Distribution of profit	-	1,530	-	-
<u>Key management personnel</u>				
Sale of property profit	(3,339)	-	-	-
Acquisition of subsidiary	800	-	-	-

The balances with the subsidiaries, associates and joint ventures are disclosed in Notes 12 and 21 to the financial statements.

The above related party transactions are based on negotiated terms.

36. Changes in investments in subsidiaries

i. Acquisition of a new subsidiary

On 30 November 2023, a direct subsidiary, Naim Academy Sdn. Bhd. ("NACSB") acquired approximately 53.3% of the equity interest in Mawar Education Centre Sdn. Bhd. ("MECSB") for a cash consideration of RM800,000 from a director of the Company. MECSB is involved in the education business, a new operation in which the Group intends to embark on to create more quality township development that are integrated with modern education facilities.

The acquisition price is determined by reference to the identifiable fair value of the net assets of MECSB which approximate their fair value and a goodwill of about RM60,000 is recognised arising from the acquisition.

	Group 2023 RM'000
Net assets acquired	
Property, plant and equipment	101
Inventories	48
Trade and other receivables	138
Other current assets	42
Cash and cash equivalents	823
Trade and other payables	(411)
Other current liabilities	(1)
Total identifiable net assets acquired	740
Goodwill on acquisition (Note 9)	60
Total purchase consideration	800

Net cash inflow arising from acquisition of MECSB

	Group 2023 RM'000
Purchase consideration, settled in cash	(800)
Cash and cash equivalents acquired	1,544
Net cash inflow arising from acquisition	744

The acquisition of MECSB also leads to a recognition of minority interest of RM648,000 on acquisition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. Changes in investments in subsidiaries (continued)

ii. Additional investments arising from new shares issued by existing subsidiaries

On 17 November 2023, the Company subscribed for additional 800,000 new ordinary shares issued by NACSB for a cash consideration of RM800,000.

During the last financial year, the Company subscribed for additional 50,000 new ordinary shares issued by its wholly owned subsidiary, Naim Engineering Sdn. Bhd. ("NESB") for a cash consideration of RM50,000. The share proceeds arising therefrom were subsequently used by NESB to redeem in full 50,000 preference shares previously issued to a minority shareholder. The preference shares were thereupon cancelled.

Later in the last financial year, the Company subscribed for another 40,000,000 new ordinary shares issued by NESB for a total consideration of RM40,000,000, settled by way of cash of RM3,600,000 and capitalisation of debts owing thereto amounting to RM36,400,000.

The above share subscriptions do not have any material impact to the Group as there are no changes in the Group's equity interests in NACSB and NESB.

37. Dilution in equity interest in Perdana Petroleum Berhad ("PPB")

During the current year under review, approximately 2,883,000 (2022: 795,000) redeemable convertible preference shares ("RCPS") in PPB were converted into ordinary shares by the RCPS holders of PPB. Nevertheless, the Group's resultant equity interest in PPB following the conversion of RCPS did not vary much from the 3.47% reported as of 31 December 2022. At the same time, another 24.22% owned associate of the Company, Dayang Enterprise Holdings Bhd. ("DEHB") also recorded a dilution in its ownership interest in PPB, from 63.69% in 2022 to 63.61% in 2023 as a result of the RCPS conversion.

The dilution in the equity interest in PPB arising from the above RCPS conversions, after considering both direct and indirect interests held therein, was accounted for as a loss on deemed disposal amounting to RM205,000 (2022: RM55,000), which was recognised as other non-operating expense in profit or loss (see Note 25).

38. Material litigation

Contract litigation

On 12 November 2020, a wholly owned subsidiary, Naim Engineering Sdn. Bhd. ("NESB") received a Writ of Summons together with a Statement of Claim from a subcontractor in respect of two completed works package projects. The claim against NESB was for damages and/or compensation in the sum of about RM32,935,000, or alternatively a sum of about RM29,595,000, costs of engaging an expert and/or the continuous costs until the completion of the suit, judgement interest and costs.

Following the stay of proceedings in favour of arbitration as agreed by both parties, a Notice of Arbitration dated 16 July 2021 was received on 19 July 2021. On 11 April 2022, NESB agreed to the appointment of a sole arbitrator. The appointed Arbitrator had ordered, *inter-alia*, for the hearing dates to be fixed in July 2024 and August 2024. Pursuant to the directive from the arbitrator, both parties' quantum expert witnesses had submitted their assessment reports on the parties' claims and counter-claims on 12 January 2024 and their rebuttal reports on 22 March 2024. The next due dates for submission of joint statement and supplementary reports by the parties' quantum expert witnesses are scheduled on 3 May 2024 and 31 May 2024 respectively.

The Group is of the view that the claim by the subcontractor is frivolous. As such, the Group does not expect the claim to succeed and is of the view that the claim does not have material financial and/or operational impact to the Group. Notwithstanding, in the event that the claim is allowed by the Arbitrator, the financial impact is limited to what is claimed by the subcontractor in the Statement of Claim. The Group has instructed its solicitor to vigorously contest the claim.

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 106 to 180 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Datuk Amar Abdul Hamed Bin Haji Sepawi

.....
Datuk Hasmi Bin Hasnan

Kuching,

Date: 19 April 2024

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Emily Hii San San (MIA CA 24978)**, the officer primarily responsible for the financial management of Naim Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 106 to 180 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
in Kuching in the State of Sarawak
on 19 April 2024.

.....
Emily Hii San San

Before me:



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAIM HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Naim Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 106 to 180.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAIM HOLDINGS BERHAD (CONTINUED)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition relating to construction contracts - Group

Refer to Note 1(d), Basis of Preparation and Note 2(n)(i), Accounting policy-Revenue from contracts with customers and Note 23, Revenue

The key audit matter	How the matter was addressed in our audit
<p>The total revenue from construction contracts recognised by the Group was RM220 million for the financial year ended 31 December 2023, representing 69% of total revenue of the Group.</p> <p>Revenue from construction contracts is accounted for based on over time recognition using input method. The stage of completion is determined by reference to the actual contract costs incurred for work performed to-date bear to the total estimated contract costs.</p> <p>Consequently, the recognition of revenue is highly dependent on judgement exercised and estimates made in determining the estimated costs to complete, and the ability to deliver contracts within the contractual time and potential claims and penalties for late deliveries.</p> <p>We focused on this area as a key audit matter due to the degree of judgement involved in the estimation of cost to complete over the contract life. Changes in judgements and the related estimates throughout a contract life can result in material adjustments to revenue and consequently, the profit margin of contracts.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Group's processes, systems and controls implemented, in respect of the budgeting process of estimated costs to complete and monitoring of costs incurred for work performed to date. • We obtained an understanding of the method, key assumptions and underlying data used in the process for estimates made in determining the estimated costs to complete. • We have obtained an understanding of the basis of the key judgements made for the revenue recognition in particular on the number of performance obligations, determining the transaction price, allocation of transaction price to each performance obligation, appropriateness of over time revenue recognition. • We challenged the basis of estimations applied by the Group in regard to the required cost to complete the construction contracts and assessed whether there were biasness in estimating these costs. Our procedures include evaluating the historical accuracy of the Group's estimation process by comparing actual costs with the estimated costs that had previously been estimated, and testing estimated costs, on a sample basis, to sub-contractors' contracts and suppliers' quotations. • We checked, on sample basis, variations and claims arising from the contract revenue and sub-contract costs to correspondences, supplementary agreements or variation orders. • We interviewed the Group and evaluated the construction progress against the contracted completion date and assessed if any penalties were payable arising from expected and actual delay in completion of contracts.

Key Audit Matters (continued)**2. Recognition of revenue from sales of properties - Group**

Refer to Note 1(d), Basis of Preparation, Note 2(n)(i), Accounting policy-Revenue from contracts with customers and Note 23, Revenue

The key audit matter	How the matter was addressed in our audit
<p>The total revenue from sales of properties recognised by the Group is RM71 million for the financial year ended 31 December 2023, representing 23% of total revenue of the Group.</p> <p>Revenue from sales of properties is accounted for either over time or at a point in time recognition, depending on the timing when the controls of properties are passed to customers. The stage of completion is determined by reference to the actual contract costs incurred for work performed to-date bear to the total estimated total property development costs.</p> <p>Consequently, the recognition of revenue is highly dependent on judgement exercised and estimates made in determining the estimated costs to complete, and the ability to deliver properties within the contracted time.</p> <p>We focused on this area as a key audit matter due to the degree of judgement involved in the estimation of cost to complete over the project life. Changes in judgements and the related estimates throughout a property development life can result in material adjustments to revenue and profit margin recognised on uncompleted properties.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Group's processes, systems and controls implemented, in respect of the budgeting process of estimated costs to complete and monitoring of costs incurred for work performed to date. • We obtained an understanding of the method, key assumptions and underlying data used in the process for estimates made in determining the estimated costs to complete. • We obtained an understanding of the basis of the key judgements made for the revenue recognition in particular on the number of performance obligations, determining the transaction price, allocation of transaction price to each performance obligation, appropriateness of whether revenue for each contract is to be recognised over time or at a point in time. • We challenged the basis of estimations applied by the Group in regard to the required cost to complete the contracts and assessed whether there were biasness in estimating these costs. Our procedures include evaluating the historical accuracy of the Group's estimation process by comparing actual costs with the estimated costs that had previously been estimated, testing estimated costs to contracts and suppliers' quotations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAIM HOLDINGS BERHAD (CONTINUED)

Key Audit Matters (continued)

3. Impairment of completed developed properties held for sale - Group

Refer to Note 1(d), Basis of Preparation, Note 2(f), Accounting policy-Inventories and Note 7, Inventories

The key audit matter	How the matter was addressed in our audit
<p>The total completed developed properties held by the Group is RM307 million for the financial year ended 31 December 2023, representing 17% of total assets.</p> <p>We focus on this area as a key audit matter as property overhang units in the property industry remained on the high side despite of government's initiatives to help boost property sales. The risk is now heightened with increasing construction cost, coupled with competitive pricing within the industry, particularly for high rise properties. Subsequent sales of these units are highly dependent on market conditions.</p> <p>Thus, assessment of the valuation of the inventories is critical to ascertain that the carrying amount of these completed properties are stated at the lower of cost and net realisable value as such assessment involved estimates made by the Group and was influence by assumptions concerning future market conditions.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Group's processes and controls implemented in estimating the net realisable value of these inventories. • We obtained an understanding of the method, key assumptions and underlying data used in the assessment on the net realisable value for the completed development properties held for sale. • We challenged the basis of estimations applied by the Group in regard to net realisable value and assessed whether there were biasness as well as the Group's assessment on the effect of estimate uncertainty. Our procedures include checking to subsequent sales or planned selling prices of the respective units, taking into account market conditions and key attributes such as property size, types and location by reference to similar/comparable properties within the proximity.

We have determined that there is no key audit matter in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information other than the Financial Statements and Auditors' Report thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAIM HOLDINGS BERHAD (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 4 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Nicholas Chia Wei Chit
Approval Number: 03102/03/2026 J
Chartered Accountant

Kuching,

Date: 19 April 2024



PART 7

Other Information

192 ANALYSIS OF SHAREHOLDINGS

194 TOP 10 PROPERTIES

195 NOTICE OF ANNUAL GENERAL MEETING

200 ADMINISTRATIVE DETAILS FOR THE
TWENTY-SECOND ANNUAL GENERAL
MEETING ("22ND AGM") OF NAIM
HOLDINGS BERHAD

203 PROXY FORM

ANALYSIS OF SHAREHOLDINGS AS AT 29 MARCH 2024

NUMBER OF ISSUED SHARES	:	513,799,322 ORDINARY SHARES
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER ORDINARY SHARE

Size of Holdings	No. of Shareholdings	% of Shareholders	No. of Shares Held	% of Issued Capital
1 – 99	21	0.37	552	0.00
100 – 1,000	959	17.07	555,510	0.11
1,001 – 10,000	2,813	50.07	15,225,769	3.04
10,001 – 100,000	1,557	27.72	51,408,237	10.27
100,001 – 25,037,165 (*)	264	4.70	183,702,778	36.69
25,037,166 and above (**)	4	0.07	249,850,476	49.89
Total	5,618	100.00	500,743,322#	100.00

Remark: * Less than 5% of issued shares
 ** 5% and above of issued shares
 # The number of 500,743,322 ordinary shares was arrived at after deducting 13,056,000 treasury shares retained by the Company from the original number of issued shares of 513,799,322 ordinary shares of the Company

TOP 30 SHAREHOLDERS

No.	Name	No. of Shares Held	% Shareholding
1.	ISLAND HARVESTS SDN.BHD.	102,373,817	20.44
2.	TAPAK BERINGIN SDN. BHD.	70,272,017	14.03
3.	CIMSEC NOMINEES (TEMPATAN) SDN.BHD. CIMB FOR HASMI BIN HASNAN (PB)	44,864,692	8.96
4.	HASMI & ASSOCIATES MANAGEMENT SDN.BHD.	32,339,950	6.46
5.	ABDUL HAMED BIN SEPAWI	23,905,368	4.77
6.	RHB NOMINEES (TEMPATAN) SDN.BHD. PLEDGED SECURITIES ACCOUNT FOR HASMI BIN HASNAN	10,866,076	2.17
7.	HSBC NOMINEES (TEMPATAN) SDN.BHD. HSBC (M) TRUSTEE BHD.FOR MANULIFE INVESTMENT SHARIAH PROGRESS FUND	10,022,100	2.00
8.	ABDUL HAMED BIN SEPAWI	8,648,059	1.73
9.	PUBLIC NOMINEES (TEMPATAN) SDN.BHD. PLEDGED SECURITIES ACCOUNT FOR LEE SIE TONG @ LEE AH TONG (E-PLT)	6,695,400	1.34
10.	CITIGROUP NOMINEES (TEMPATAN) SDN.BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	5,341,400	1.07
11.	HWS PROPERTIES SDN.BHD.	4,312,250	0.86
12.	CITIGROUP NOMINEES (TEMPATAN) SDN.BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DG)	2,913,200	0.58
13.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR BONG LEE MIN (MK0082)	2,807,900	0.56
14.	CITIGROUP NOMINEES (TEMPATAN) SDN.BHD. GREAT EASTERN TAKAFUL BERHAD (MEKAR)	2,200,000	0.44

TOP 30 SHAREHOLDERS

No.	Name	No. of Shares Held	% Shareholding
15.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN.BHD. PLEDGED SECURITIES ACCOUNT FOR TEE ZHEN XAO (6000085)	2,068,000	0.41
16.	CITIGROUP NOMINEES (TEMPATAN) SDN.BHD. EMPLOYEES PROVIDENT FUND BOARD (AM INV)	2,030,000	0.41
17.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN.BHD. PLEDGED SECURITIES ACCOUNT FOR PLASMA CAPITAL SDN. BHD.	2,000,000	0.40
18.	TAN KOK CHUAN	1,951,500	0.39
19.	CARTABAN NOMINEES (ASING) SDN.BHD. EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	1,945,900	0.39
20.	CIMB GROUP NOMINEES (TEMPATAN) SDN.BHD. EXEMPT AN FOR AHAM ASSET MGT BHD.(T)	1,900,000	0.39
21.	FOONG KAH HENG	1,893,900	0.39
22.	LEMBAH RAKYAT SDN. BHD.	1,874,983	0.37
23.	MAYBANK NOMINEES (TEMPATAN) SDN.BHD. PLEDGED SECURITIES ACCOUNT FOR TOO BOON SIONG	1,777,200	0.35
24.	CITIGROUP NOMINEES (TEMPATAN) SDN.BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (MYBK AM SC E)	1,696,500	0.34
25.	CITIGROUP NOMINEES (TEMPATAN) SDN.BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	1,591,300	0.32
26.	AMANAHRAYA TRUSTEES BERHAD AHAM GROWTH FUND	1,514,700	0.30
27.	TAN AI BENG	1,460,000	0.29
28.	CHOY WEE CHIAP	1,400,000	0.28
29.	TAPAK BERINGIN SDN. BHD.	1,360,433	0.27
30.	RHB NOMINEES (TEMPATAN) SDN.BHD. PLEDGED SECURITIES ACCOUNT FOR IBRAHIM BIN BAKI	1,359,600	0.27

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
1. ISLAND HARVESTS SDN. BHD.	102,373,817	20.44	-	-
2. TAPAK BERINGIN SDN. BHD.	71,632,450	14.31	-	-
3. HASMI & ASSOCIATES MANAGEMENT SDN. BHD.	32,339,950	6.46	-	-
4. DATUK HASMI BIN HASNAN	55,730,768	11.13	135,259,244	27.01
5. DATUK AMAR ABDUL HAMED BIN HAJI SEPAWI	32,553,427	6.50	73,507,433	14.68

DIRECTORS' DIRECT AND INDIRECT INTEREST IN THE COMPANY

	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
1. DATUK AMAR ABDUL HAMED BIN HAJI SEPAWI	32,553,427	6.50	73,507,433	14.68
2. DATUK HASMI BIN HASNAN	55,730,768	11.13	135,259,244	27.01
3. DATUK AHMAD BIN ABU BAKAR	-	-	-	-
4. DATIN MARY SA'DIAH BINTI ZAINUDDIN	-	-	-	-
5. CHIN CHEE KONG	-	-	-	-
6. TAN CHUAN DYI	-	-	-	-
7. SULAIHAH BINTI MAIMUNNI	-	-	-	-

NOTE:

^ Deemed interested by virtue of his interest in Tapak Beringin Sdn. Bhd. and Lembah Rakyat Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

Deemed interested by virtue of his interest in Island Harvests Sdn. Bhd., Hasmi & Associates Management Sdn. Bhd. and Lambaian Kukuh Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

TOP 10 PROPERTIES

Lot No/Location	Description	Date Of Acquisition/ Lease Expiring Date	Land Area/ (Built up Area) Sq. Meter	Carrying Amount RM'000
PROPERTIES UNDER PROPERTY, PLANT AND EQUIPMENT				
Part of Lot 6180, Block 11 Kuala Baram Land District	Clubhouse	20.07.1995 Expiring 26.05.2114	29,220 (5,385)*	22,955
Part of Lot 4532 Bintulu Town District	Hotel Land and Building	06.11.2008 Expiring 04.07.2111	1,969 (12,662)	38,835
Lot 2905, Block 20 Kemena Land District	Building for Worker's Accommodation	31.12.2016 Expiring 19.05.2112	- (26,397)	15,474
PROPERTIES UNDER INVENTORY - LAND HELD FOR DEVELOPMENT				
Lot 5234, Block 25 Muara Tuang Land District	Land For Development	29.05.2008 Expiring 15.01.2112	1,808,000	26,709
Lot 4286, Block 26 Kemena Land District	Land For Development	14.11.2014 Expiring 13.11.2113	138,050	8,285
Lot 4288, Block 26 Kemena Land District	Land For Development	14.11.2014 Expiring 13.11.2113	114,680	17,204
Lot 2905, Block 20 Kemena Land District	Land For Development	20.05.2013 Expiring 19.05.2112	260,000	15,080
Lot 4533 Bintulu Town District	Land For Development	26.09.2008 Expiring 04.07.2111	54,997	12,697
INVESTMENT PROPERTY				
Lot 2597, Block 8 Muara Tebas Land District	Industrial Land	27.07.2016 Expiring 26.07.2076	200,300	9,815
Lot 3244, Block 11 Kuala Baram Land District	Commercial Land and Retail Building	20.07.1995 Expiring 19.07.2094	34,130 (25,560)	40,768

* excluding outdoor facilities

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of Members of **NAIM HOLDINGS BERHAD** will be held at Sapphire On The Park, Function Hall, 3rd Floor, Jalan Lintang Selatan, Batu Lintang, 93200 Kuching, Sarawak on Thursday, 30 May 2024 at 10:00 a.m. for the following purposes:

ORDINARY BUSINESSES

1. ADOPTION OF FINANCIAL STATEMENTS

To receive and adopt the audited financial statements and reports of Directors and Auditors for the financial year ended 31 December 2023.

[Please refer to Explanatory Note a]

2. APPROVAL OF DIRECTORS' REMUNERATION

a. To approve the payment of Directors' remuneration for the Non-Executive Chairman.

ORDINARY RESOLUTION 1

b. To approve the payment of Directors' remuneration for the Non-Executive Directors.

ORDINARY RESOLUTION 2

3. RE-ELECTION OF DIRECTORS

To re-elect the following Directors who retire in accordance with Clause 85(a) of the constitution of the Company:

Chin Chee Kong
Tan Chuan Dyi

ORDINARY RESOLUTION 3

ORDINARY RESOLUTION 4

4. RE-APPOINTMENT OF AUDITORS

To re-appoint Messrs. KPMG PLT as Auditors and to authorise the Directors to fix their remuneration.

ORDINARY RESOLUTION 5

SPECIAL BUSINESSES

To consider and, if thought fit, to pass the following as Ordinary Resolutions:

5. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT approval be and is hereby given to Datin Mary Sa'diah Binti Zainuddin to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next AGM."

ORDINARY RESOLUTION 6

6. AUTHORITY TO ALLOT AND ISSUE SHARES

"THAT, subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue shares or convertible securities in the Company, from time to time, and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion deem fit, provided that the aggregate number of shares or convertible securities to be issued pursuant to this resolution does not exceed ten percent (10%) of total number of issued shares of the Company (excluding treasury shares) for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of, and quotation for the additional shares convertible securities so issued on Bursa Malaysia Securities Berhad ("Bursa Malaysia") AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

ORDINARY RESOLUTION 7

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

7. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED SHARE BUY-BACK”)

“THAT, subject always to the Companies Act 2016 and all other applicable laws, guidelines, rules and regulations, the Company be and are hereby authorised to purchase such number of ordinary shares of the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company, from time to time, through Bursa Malaysia, upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that: -

- i. the aggregate number of ordinary shares to be purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company;
- ii. the amount not exceeding the retained profits of the Company shall be allocated by the Company for the Proposed Share Buy-Back;

AND THAT at the absolute discretion of the Directors of the Company, upon such purchase by the Company of its own shares, the purchased shares shall be cancelled and/or retained as treasury shares and subsequently be cancelled, distributed as dividends or resold on Bursa Malaysia and/or in any other manner as prescribed by the Companies Act 2016.

AND THAT the Directors of the Company be and are hereby empowered to do all acts and enter into all such transactions, agreements and arrangements, and to execute, sign and deliver for and on behalf of the Company, all such documents as the Directors may deem fit and expedient in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as the Directors may in their absolute discretion deem fit and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities.

AND THAT such authority conferred by this resolution shall commence immediately and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company following the passing of this ordinary resolution, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting.

ORDINARY RESOLUTION 8

8. PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“NEW SHAREHOLDERS’ MANDATE”)

“THAT subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries (“Naim Group”) to enter into any of the categories of related party transactions which are recurrent, of a revenue or trading nature and are necessary for the day-to-day operations of Naim Group as outlined in Section 3.2 of the Circular to Shareholders dated 30 April 2024 (“Circular”), with the specific related parties mentioned therein subject further to the followings:

- i. the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders; and
- ii. disclosure is made in the annual report a breakdown of the aggregate value of the transactions conducted pursuant to the New Shareholders’ Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements, and amongst others, based on the following information:
 - the type of the recurrent related party transactions made; and
 - the names of the related parties involved in each type of recurrent related party transactions made and their relationship with the Company.

AND THAT such approval will continue to be in force until:

- i. the conclusion of the next annual general meeting (“AGM”) of the Company, at which time it will lapse unless by an ordinary resolution passed at the meeting, the authority is renewed;
- ii. the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or

- iii. revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT the Board of Directors of the Company be and is hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the New Shareholders' Mandate."

ORDINARY RESOLUTION 9

9. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

LOW WAI SEE (MAICSA 7051463)
SSM Practising Certificate No. 202008000868
Company Secretary

Kuching, Sarawak
 30 April 2024

NOTES:

1. A member entitled to attend, speak and vote at the same meeting may appoint a proxy to attend, speak and vote on his behalf. A proxy may but need not be a member of the Company.
2. To be valid the Proxy form duly completed must be deposited at the Office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to submit the proxy form electronically via TIIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that where a Member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account.
4. Where a member appoints more than one (1) proxy, the appointment is invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointer is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respects of each omnibus account it holds.
7. Only members registered in the Record of Depositors as at 23 May 2024 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his/her behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

Explanatory Notes on Ordinary and Special Businesses

a. Item 1 of the Agenda

The Audited Financial Statements laid at this meeting pursuant to Section 340(1)(a) of the Companies Act 2016 are meant for discussion only. It does not require shareholders' approval, and therefore, not put forward for voting.

b. Ordinary Resolutions 1 and 2 – Directors' Remuneration

Pursuant to Section 230(1) of the Companies Act 2016, ("the Act"), the fees and benefits ("Remuneration") payable to the Directors of the Company will have to be approved by the shareholders of the Company at a general meeting. In this respect, the Board of Directors of the Company hereby seeks the shareholders' approval for the Directors' remuneration in two (2) separate resolutions as follows:-

- Ordinary resolution 1 payment of Directors' remuneration to the Non-Executive Chairman
- Ordinary resolution 2 payment of Directors' remuneration to the Non-Executive Directors

Details of the estimated Directors' Remuneration for Non-Executive Directors for the period from May 2024 to April 2025 are as follows:-

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Description	Non-Executive Chairman May 2024 to April 2025 RM	Non-Executive Director May 2024 to April 2025 RM
Fixed allowance per month	73,230	Not applicable
EPF contribution per month	11,717	Not applicable
Directors' Fee per month	Not applicable	7,500
Additional Directors' Fee per month for Senior Independent Non-Executive Director	Not applicable	1,000
Meeting allowance per Board meeting	2,000	2,000
Meeting allowance per Board Committees meeting	1,500	1,500
Other Benefits	Car, driver, petrol, medical coverage, professional & club memberships, travel, communication, D&O [®] Liability Insurance coverage and other claimable benefits	reimbursement for travel expenses (to attend meetings and company functions), communication, professional membership fee, D&O [®] Liability Insurance coverage and other claimable benefits

Notes: [®] Directors & Officers

The Executive Directors are not entitled to Directors' fees and meeting allowances for attending Board and Board Committee meetings.

c. Ordinary Resolutions 3 and 4 – Re-Election of Directors

Clause 85(a) of the Company's constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at the AGM of the Company. All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

The Directors retiring under Clause 85(a) are as follows:-

- i) Chin Chee Kong; and
- ii) Tan Chuan Dyi

and being eligible have offered themselves for re-election.

The respective profiles of the above Directors are set out in the Profile of Directors in the Annual Report.

d. Ordinary Resolution 5 – Re-appointment of Auditors

The Board has, at its meeting held on 19 April 2024, approved the recommendation of the Audit Committee on the re-appointment of Messrs KPMG PLT as Auditors of the Company. The Board is satisfied that Messrs KPMG PLT has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Securities which was concluded through the assessment carried out by the Audit Committee on the suitability and independence of Messrs. KPMG PLT.

e. Ordinary Resolution 6 – Retention of Independent Non-Executive Directors

Datin Mary Sa'diah Binti Zainuddin has served as an Independent Non-Executive Director for a cumulative term of 11 years. The Nominating Committee and the Board have carried out an evaluation and assessment and concluded that Datin Mary Sa'diah Binti Zainuddin continues to be independent and objective in all board deliberations. She continues to comply with the relevant criteria and provisions under the definition of independence of the Main Market Listing Requirements of Bursa Securities. She is not related to any directors and major shareholders of the Company and hence she is not under the influence of other directors and major shareholders. Upon the recommendation by the Nominating Committee, the Board of Directors recommended that Datin Mary Sa'diah Binti Zainuddin be retained as an Independent Non-Executive Director of the Company until the conclusion of the next AGM.

f. Ordinary Resolution 7 – Authority to Allot and Issue Share pursuant to Sections 75 and 76 of the Companies Act 2016

This resolution is proposed pursuant to Sections 75 and 76 of the Companies Act 2016, and if passed, will empower the Directors of the Company to issue shares in the Company up to an amount not exceeding ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being for any possible fund-raising activities for purposes as the Directors consider to be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next AGM.

The renewal of this mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding current and future investment project(s), working capital and/or acquisitions.

The Company did not issue any new shares under the general mandate which was approved at the 21st AGM.

g. Ordinary Resolution 8 – Proposed Renewal of Authority for the Company to Purchase its Own Shares

The Proposed Ordinary Resolution 8, if passed will empower the Directors of the Company to purchase its own shares. The total number of shares purchased shall not exceed 10% of the total number of issued shares of the Company for the time being. This authority will, unless revoked or varied by the Company in general meeting, expires at the next AGM in the Company.

The Share Buy-Back Statement in relation to the Proposed Renewal of Authority for the Company to Purchase of its Own Shares dated 30 April 2024 is enclosed for further information.

h. Ordinary Resolution 9 - Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("New Shareholders' Mandate")

Paragraph 10.09 of the Main Market Listing Requirements states that with regard to related party transactions that are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations ("RRPT"), a public listed company may seek a shareholders' mandate.

The proposed resolution no. 9, if passed, will authorise the Company and each of its subsidiaries to enter into RRPT with the mandated related parties as identified in Section 3.2 of the Circular dated 30 April 2024 ("Circular"), which are necessary for the Group's day-to-day operations, provided that such transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders.

By obtaining the New Shareholders' Mandate, the necessity to convene separate meetings from time to time to seek shareholders' approval as and when such RRPT occurs would not arise. This would reduce substantial administrative time and costs associated with the convening of such meetings without compromising on the corporate objectives of Naim Group or adversely affecting the business opportunities available to Naim Group.

Please refer to the Circular for further information.

ADMINISTRATIVE DETAILS FOR THE TWENTY-SECOND ANNUAL GENERAL MEETING (“22ND AGM”) OF NAIM HOLDINGS BERHAD

Date : **Thursday, 30 May 2024**
Time : **10:00 a.m.**
Venue : **Sapphire On The Park, Function Hall,
3rd Floor, Jalan Lintang Selatan, Batu Lintang,
93200 Kuching, Sarawak**

REGISTRATION ON THE DAY OF THE 22ND AGM

The registration counter will open at 9:00 a.m. on Thursday, 30 May 2024. Shareholders or proxies are requested to produce/show their original MyKAD or Passport (for non-Malaysians) during registration for verification purposes. Please ensure the original MyKAD or Passport is returned to you thereafter.

Please take note that no person will be allowed to register on behalf of another person, even with the original MyKAD or Passport of that person. Upon verification, shareholders or proxies are required to write their names and sign on the Attendance List placed on the registration table.

Shareholders who appoint proxy(ies) to attend and vote on your behalf at the AGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor Investor & Issuing House Services Sdn. Bhd. no later than **Tuesday, 28 May 2024 at 10:00 a.m.** Otherwise, the proxy form shall be treated as invalid.

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:

(i) In hard copy form

In the case of an appointment made in hard copy form, the original proxy form must be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online website at <https://tiih.online>. Kindly refer to the Procedure for Electronic Submission of Proxy Form.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Corporate members who wish to appoint corporate representatives instead of a proxy to attend and vote at the 22nd AGM, must deposit their **original or duly certified** certificate of appointment of corporate representative to Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Tuesday, 28 May 2024 at 10:00 a.m.** The certificate of appointment should be executed under its common seal in accordance with the constitution of the corporate member.

Attorneys appointed by power of attorney are required to deposit their power of attorney with Tricor Investor & Issuing House Services Sdn. Bhd. not later than **Tuesday, 28 May 2024 at 10:00 a.m.** to attend and vote at the 22nd AGM.

If a corporate member (through its corporate representative(s) or appointed proxy(ies)) is unable to attend the 22nd AGM, you may appoint the Chairman of the meeting as your proxy and indicate the voting instructions in the proxy form in accordance with the notes and instructions printed therein.

PROCEDURE FOR ELECTRONIC SUBMISSION OF PROXY FORM

The procedures to submit your proxy form electronically via Tricor's **TIIH Online** website are summarised below:

Procedure	Action
i. Steps for Individual Members	
(a) Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Select the "Sign Up" button and followed by "Create Account by Individual Holder". Please do refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
(b) Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. Select the corporate event: "Naim Holdings Berhad 22nd AGM – Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy(s) and insert the required details of your proxy(s) or appoint the Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. Review and confirm your proxy(s) appointment. Print proxy form for your record.
ii. Steps for Corporation or Institutional Members	
(c) Register as a User with TIIH Online website	<ul style="list-style-type: none"> Access TIIH Online website at https://tiih.online Under e-Services, the authorised or nominated representative of the corporation or institutional member selects "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by e-mail within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the e-mail and re-set your own password.
<p>Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate member electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>	
(d) Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> Login to TIIH Online website at https://tiih.online. Select the corporate exercise name: "Naim Holdings Berhad 22nd AGM – Submission of Proxy Form". Agree to the Terms & Conditions and Declaration. Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Submit the duly completed proxy appointment file. Select "Submit" to complete your submission. Print the confirmation report of your submission for your record.

ADMINISTRATIVE DETAILS FOR THE TWENTY-SECOND ANNUAL GENERAL MEETING (“22ND AGM”) OF NAIM HOLDINGS BERHAD (CONTINUED)

GENERAL MEETING RECORD OF DEPOSITORS (“ROD”)

Only a depositor whose name appears on the **ROD as at 23 May 2024** shall be entitled to attend, speak and vote at the 22nd AGM or appoint proxies/corporate representatives/attorneys to attend and/or vote on his/her behalf.

POLL VOTING

The voting at the 22nd AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

During the AGM, the Poll Administrator will brief on the voting procedures. The voting session will commence as soon as the Chairman calls for the poll to be opened.

Upon completion of the voting session for the AGM, the Scrutineers will verify and announce the poll results followed by the Chairman’s declaration of whether the resolutions are duly passed.

RECORDING OR PHOTOGRAPHY

Unauthorised recordings or photography are strictly prohibited at the AGM.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	:	+603-2783 9299
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@my.tricorglobal.com
Contact Persons	:	Mr. Nazrul Darwin: +603-2783 9246 / Email: nazrul.darwin@my.tricorglobal.com Mr. Hifzul Azad : +603-2783 9284/ Email: mohamad.hifzul@my.tricorglobal.com Ms. Siti Zalina : +603-2783 9247/ Email: siti.zalina@my.tricorglobal.com

BUILDING VALUE SPIRITEDLY



NAIM HOLDINGS BERHAD
REGISTRATION NO. 200201017804 (585467 - M)

PROXY FORM

Number of shares held:	CDS account no.	Shareholder's Contact No.

I/We _____
(FULL NAME AS PER NRIC IN BLOCK CAPITAL)

IC No./ID No./Company No. _____ (new) _____ (old)

of _____
(FULL ADDRESS)

being a member/members of NAIM HOLDINGS BERHAD ("the Company") hereby appoint:

First Proxy

Full Name	NRIC/Passport No.	Proportion of Shareholdings represented	
		No. of Shares	%

and or failing him/her

Second Proxy

Full Name	NRIC/Passport No.	Proportion of Shareholdings represented	
		No. of Shares	%

Or failing him/her the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company will be held at Sapphire On The Park, Function Hall, 3rd Floor, Jalan Lintang Selatan, Batu Lintang, 93200 Kuching, Sarawak on **Thursday, 30 May 2024 at 10:00 a.m.** or any adjournment thereof, in the manner indicated below:

Resolution		For	Against
Ordinary Resolution 1	Approval of Directors' fees and remuneration for the Non-Executive Chairman		
Ordinary Resolution 2	Approval of Directors' fees and remuneration for the Non-Executive Directors		
Ordinary Resolution 3	Re-election of Director: Chin Chee Kong		
Ordinary Resolution 4	Re-election of Director: Tan Chuan Dyi		
Ordinary Resolution 5	Re-appointment of Auditors: Messrs KPMG PLT as Auditors and authorising the Directors to fix their remuneration		
Special Businesses			
Ordinary Resolution 6	Retention of Datin Mary Sa'diah Binti Zainuddin as Independent Director		
Ordinary Resolution 7	Authority to allot and issue shares		
Ordinary Resolution 8	Proposed renewal of authority to purchase own shares		
Ordinary Resolution 9	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

(Please indicate with an "X" in the spaces above how you wish your votes to be casted on the resolution specified in the Notice of Meeting. If no specific direction as the voting is indicated, the proxy/proxies will vote abstain from voting as he/she/they think(s) fit.)

Dated this _____ day of _____, 2024

Signature of Shareholder(s)/Common Seal

1. Fold here / Lipat di sini

STAMP

Share Registrar
TRICOR INVESTOR & ISSUING
HOUSE SERVICES SDN BHD

Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

2. Fold here / Lipat di sini

NOTES:

1. A member entitled to attend, speak and vote at the same meeting may appoint a proxy to attend, speak and vote on his behalf. A proxy may but need not be a member of the Company.
2. To be valid the Proxy form duly completed must be deposited at the Office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to submit the proxy form electronically via TIH Online at <https://tih.online> not less than forty eight (48) hours before the time set for holding the meeting or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that where a Member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointer is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respects of each omnibus account it holds.
7. Only members registered in the Record of Depositors as at 23 May 2024 shall be eligible to attend the meeting or appoint proxy to attend and vote on his/her behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.



APPENDIX

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	382,936.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	19
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category:		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-59	Percentage	100.00
Senior Management Above 60	Percentage	0.00
Manager Under 30	Percentage	3.00
Manager Between 30-59	Percentage	91.00
Manager Above 60	Percentage	6.00
Executive Under 30	Percentage	39.00
Executive Between 30-59	Percentage	60.00
Executive Above 60	Percentage	1.00
Non-executive/Technical Staff/General Workers Under 30	Percentage	36.00
Non-executive/Technical Staff/General Workers Between 30-59	Percentage	62.00
Non-executive/Technical Staff/General Workers Above 60	Percentage	2.00
Gender Group by Employee Category		
Senior Management Male	Percentage	45.00
Senior Management Female	Percentage	55.00
Manager Male	Percentage	53.00
Manager Female	Percentage	47.00
Executive Male	Percentage	32.00
Executive Female	Percentage	68.00
Non-executive/Technical Staff/General Workers Male	Percentage	76.00
Non-executive/Technical Staff/General Workers Female	Percentage	24.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	71.00
Female	Percentage	29.00
Under 30	Percentage	0.00
Between 30-59	Percentage	14.29
Above 60	Percentage	65.71
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.10
Bursa C5(c) Number of employee trained on health and safety standards	Number	300
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	4.68
Bursa (Water)		
Bursa C6(a) Total volume of water used	Megalitres	1,540,050,000
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	300
Manager	Hours	2,705
Executive	Hours	19,495
Non-executive/Technical/General Workers	Hours	2,980
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	56.50
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	7
Manager	Number	1,997
Executive	Number	34
Non-executive/Technical Staff/General Workers	Number	65
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

Buras (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage		75.41
Buras (Data privacy and security)			
Bursa C6(a) Number of substantiated complaints concerning breaches of customer privacy and loss of customer data	Number		0
Buras (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Senior Management	Percentage		100.00
Manager	Percentage		67.00
Executive	Percentage		96.00

Internal assurance External assurance No assurance (*) Fiatated

Indicator	Measurement Unit	2023
Non-executive/Technical Staff/General Workers	Percentage	99.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0

FROM WHERE WE BEGAN . . .



Annual Report
1998
NAIM CENDERA SDN BHD



Annual Report
1999
NAIM CENDERA SDN BHD



Annual Report
2000
NAIM CENDERA SDN BHD



Annual Report
2001
NAIM CENDERA SDN BHD



Annual Report
2002
NAIM CENDERA SDN BHD



Listing on KLSE Main Board
2003



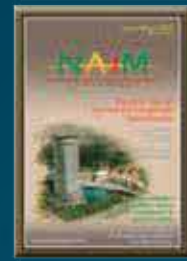
Annual Report
2003
NAIM CENDERA HOLDINGS BERHAD



Annual Report
2004
NAIM CENDERA HOLDINGS BERHAD



Annual Report
2005
NAIM CENDERA HOLDINGS BERHAD



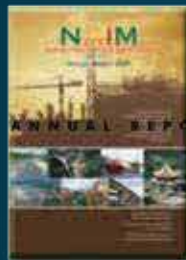
Annual Report
2006
NAIM CENDERA HOLDINGS BERHAD



Annual Report
2007
NAIM CENDERA HOLDINGS BERHAD



Annual Report
2008
NAIM HOLDINGS BERHAD
(Formerly known as Naim Cendera Holdings Berhad)



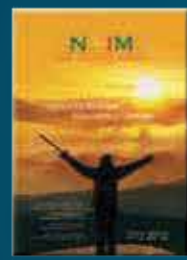
Annual Report
2009
NAIM HOLDINGS BERHAD



Annual Report
2010
NAIM HOLDINGS BERHAD



Annual Report
2011
NAIM HOLDINGS BERHAD



Annual Report
2012
NAIM HOLDINGS BERHAD



Annual Report
2013
NAIM HOLDINGS BERHAD



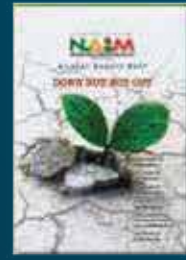
Annual Report
2014
NAIM HOLDINGS BERHAD



Annual Report
2015
NAIM HOLDINGS BERHAD



Annual Report
2016
NAIM HOLDINGS BERHAD



Annual Report
2017
NAIM HOLDINGS BERHAD



Annual Report
2018
NAIM HOLDINGS BERHAD



Annual Report
2019
NAIM HOLDINGS BERHAD



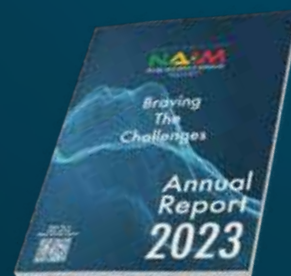
Annual Report
2020
NAIM HOLDINGS BERHAD



Annual Report
2021
NAIM HOLDINGS BERHAD



Annual Report
2022
NAIM HOLDINGS BERHAD



Annual Report
2023
NAIM HOLDINGS BERHAD

BUILDING VALUE SPIRITEDLY



NAIM HOLDINGS BERHAD

REGISTRATION NO. 200201017804 (585467 - M)

Registered and Head Office

9th Floor Wisma Naim, 2 1/2 Mile, Rock Road,
93200 Kuching, Sarawak, Malaysia

Tel : +6 082 411667
Fax : +6 082 429869
Email : enquiries@naim.com.my
Website : www.naim.com.my
naimproperties.com.my

Kuching | Bintulu | Miri

-  NAIM Properties
-  NAIM Holdings Berhad
-  [naim.properties](https://www.instagram.com/naim.properties)