

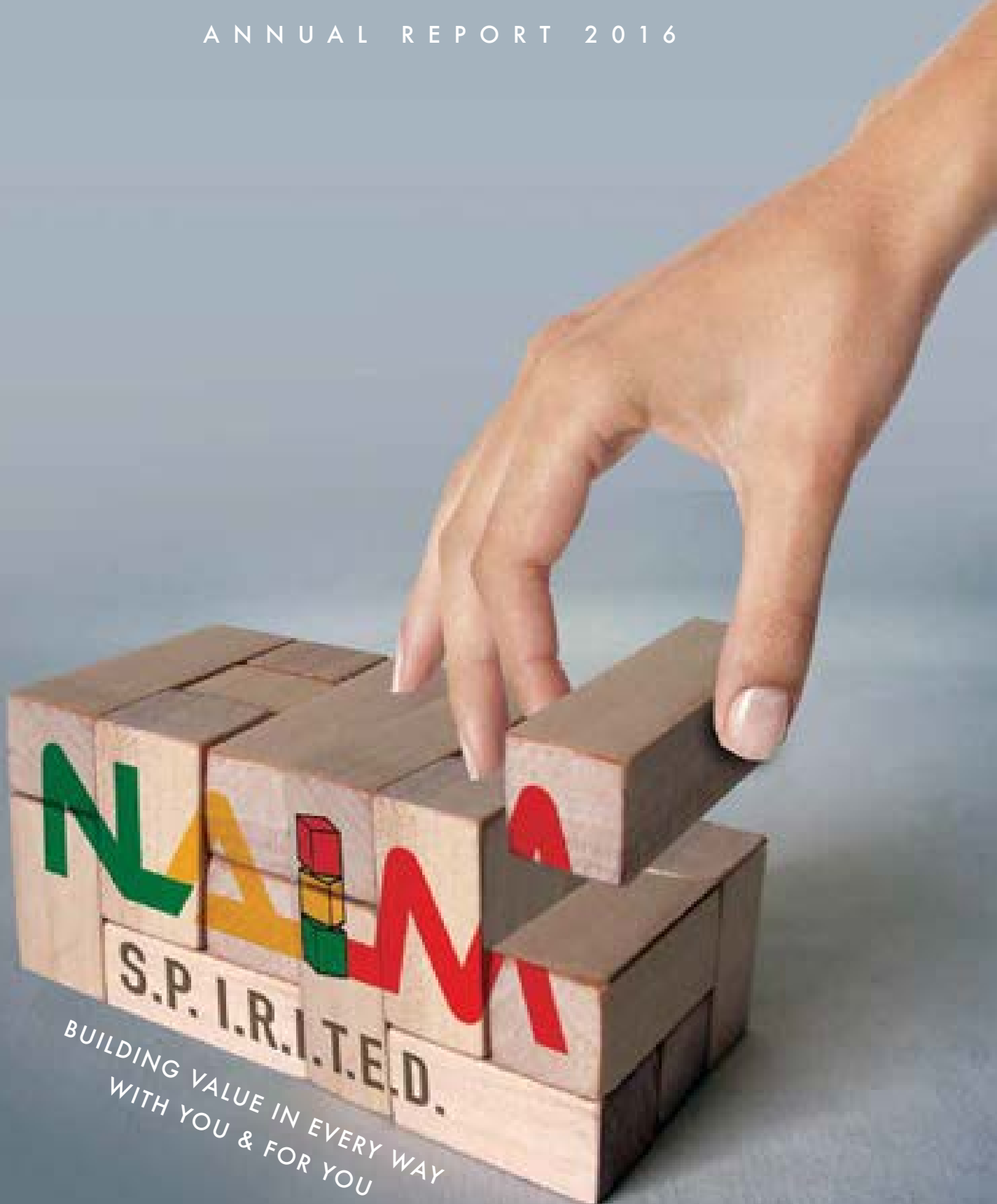
BUILDING VALUE IN EVERY WAY



NAIM HOLDINGS BERHAD

COMPANY NO. 585467 - M

ANNUAL REPORT 2016



BUILDING VALUE IN EVERY WAY  
WITH YOU & FOR YOU



BUILDING VALUE IN EVERY WAY



NAIM HOLDINGS BERHAD

## New Logo Rationale

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

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

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

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

Launch of the new corporate logo in October 2016, Bintulu



## Theme For Cover Design

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

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

Disclaimer: The featured photographs and perspective drawings in this report are subject to amendment as maybe required by the Authorities or project consultants and cannot form part of an offer or contract. Whilst every care has been taken in providing them, Naim cannot be held responsible for any inaccuracy.

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Relaxing boardwalk at  
Naim Southlake Permyjaya Miri

## Our Vision

To be a **TOP NOTCH GLOBAL** property developer and infrastructure builder

## Our Mission

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

- ◆ **EXCEEDING CUSTOMER EXPECTATIONS**
- ◆ Being The **BEST PLACE TO WORK** on earth
- ◆ Being The **BEST COMPANY TO INVEST IN** and **DO BUSINESS WITH**
- ◆ Being an **EXEMPLARY CORPORATE CITIZEN** that **CONTRIBUTES GENEROUSLY** to the society, community and environment

## **Our S.P.I.R.I.T.E.D Cultural Beliefs**

### **SERVICE**

I make customers & their needs my primary focus

### **PROFESSIONALISM & INTEGRITY**

I demonstrate professionalism & integrity in everything I do

### **RESPECT**

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

### **INNOVATION**

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

### **TEAMWORK & ENGAGEMENT**

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

### **EMPOWERMENT**

I am empowered and accountable for all my actions

### **DETERMINATION**

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

## **Corporate Responsibility Statement**

To consider, monitor and ensure that our operations continue to have a positive impact on our employees, the communities we work in and the environment that nurtures us, and to promote trust and mutual respect amongst our customers and all other stakeholders.

## Cautionary Statement Regarding Forward-Looking Statements

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



## **Performance At A Glance**

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Aerial view of Naim Bandar Baru Permyjaya, Miri

## Corporate Profile

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

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

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

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

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

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



# Group Financial Summary

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

## Financial Calendar

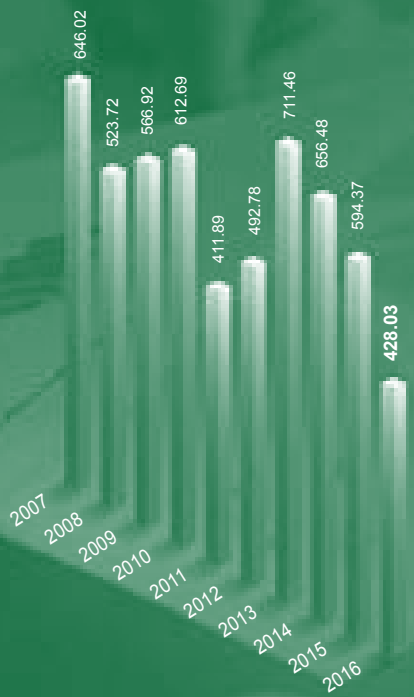
Financial Year End	31 Dec 2016	
Announcement of Results	1st quarter	26 May 2016
	2nd quarter	26 Aug 2016
	3rd quarter	24 Nov 2016
	4th quarter	23 Feb 2017
Notice of Annual General Meeting & Extraordinary General Meeting		28 April 2016
Annual General Meeting & Extraordinary General Meeting		26 May 2016

## Investor Relations Service

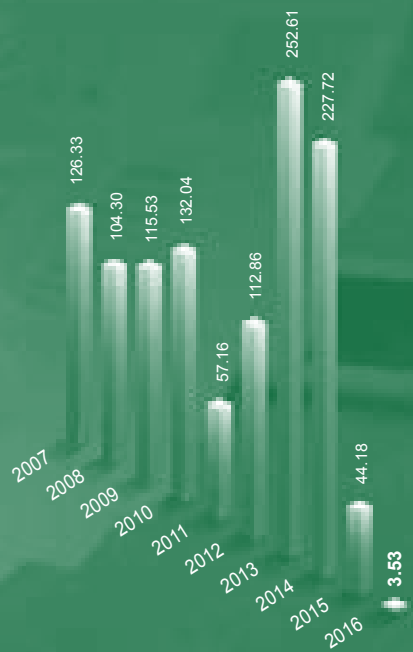
The Group maintains a website ([www.naim.com.my](http://www.naim.com.my)) which provides detailed information on the Group's operations and latest developments. For further details, please forward your queries to [investorrelations@naim.com.my](mailto:investorrelations@naim.com.my) (attn: Mr Johnny Wong).

## 10-Year Financial Highlights (in RM million)

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue	646.02	523.72	566.92	612.69	411.89	492.78	711.46	656.48	594.37	<b>428.03</b>
Profit before taxation	126.33	104.30	115.53	132.04	57.16	112.86	252.61	227.72	44.18	<b>3.53</b>
Net Profit Attributable to Owners of the Company	76.27	80.75	84.98	97.75	46.63	89.49	235.72	220.34	34.33	<b>0.72</b>
Earnings Per share (sen)	31.20	33.32	35.85	41.25	19.68	37.77	99.49	92.99	14.49	<b>0.30</b>
Total Assets	906.92	955.92	1,057.16	1,054.62	1,289.06	1,397.45	1,715.09	1,879.03	2,111.92	<b>2,227.72</b>
Shareholders' Equity	539.32	587.65	652.36	724.02	747.18	831.96	1,039.88	1,261.03	1,307.28	<b>1,314.57</b>
Net Tangible Assets	537.96	586.75	652.36	714.38	738.22	823.69	1,032.28	1,254.11	1,301.04	<b>1,309.01</b>
Net Tangible Assets Per Share (RM)	2.15	2.35	2.61	2.86	2.95	3.29	4.13	5.02	5.20	<b>5.24</b>
Total Number of Shares of RM1.00 each	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	<b>250.00</b>
Gross Dividend Rate (%)	15%	13%	8%	10%	8%	8%	3%	3.5%	-	-



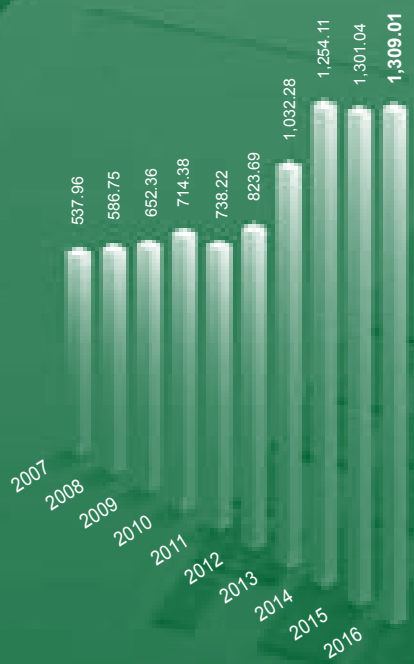
**Revenue**  
(in RM million)



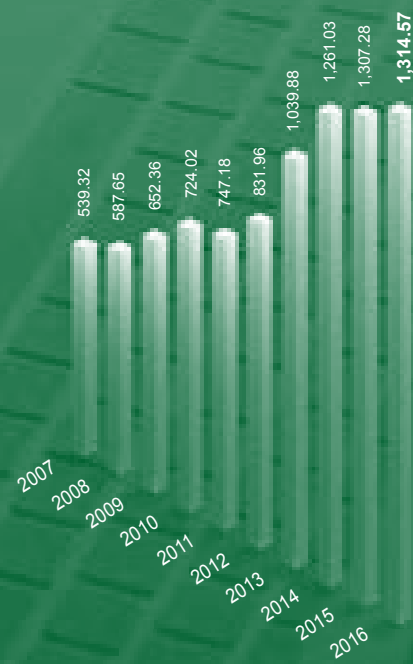
**Profit Before Tax**  
(in RM million)



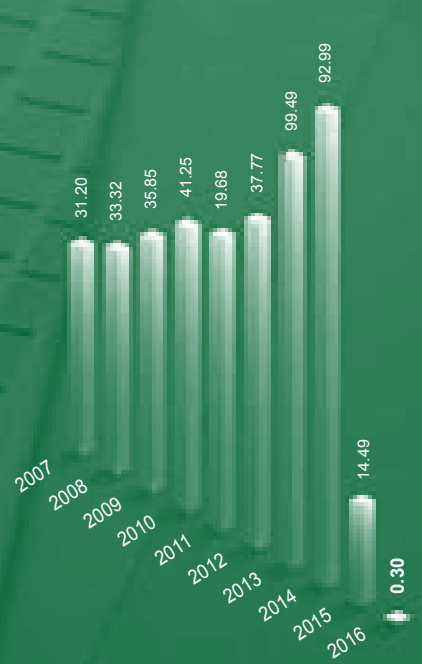
**Net Profit Attributable to Owners of the Company**  
(in RM million)



**Net Tangible Assets**  
(in RM million)



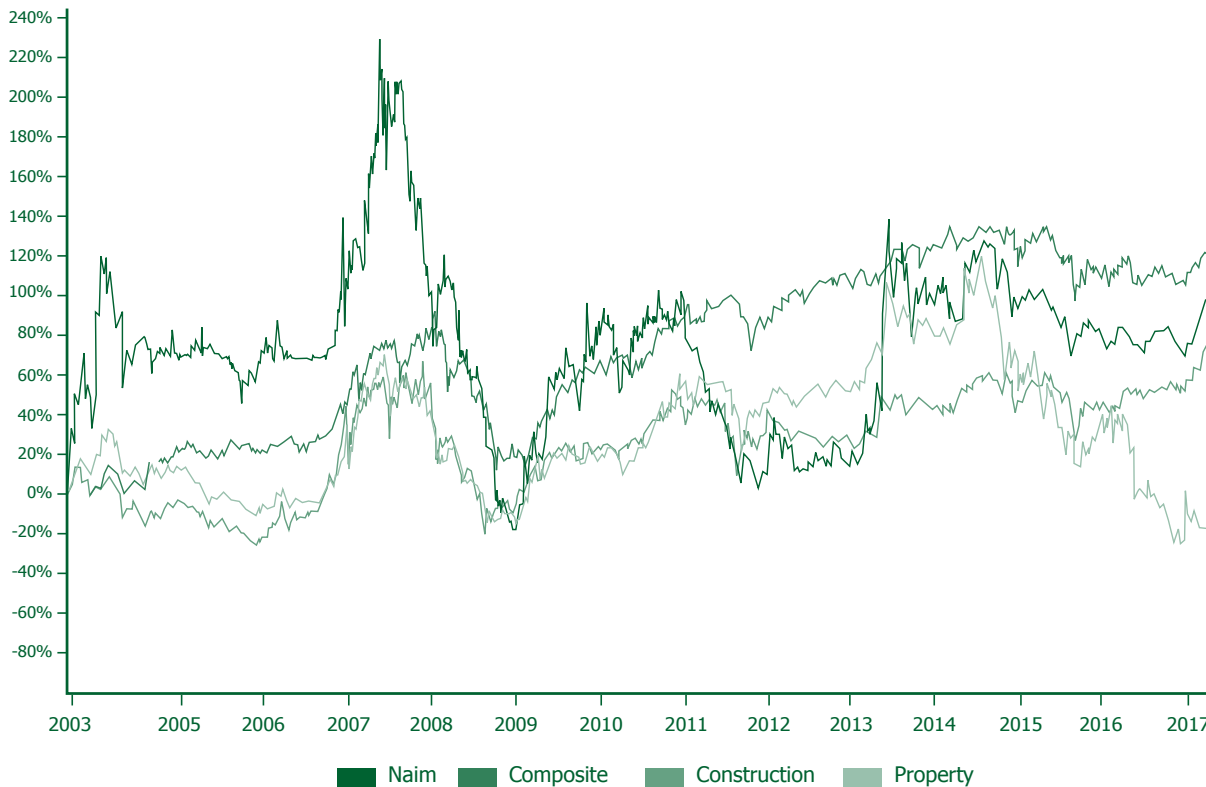
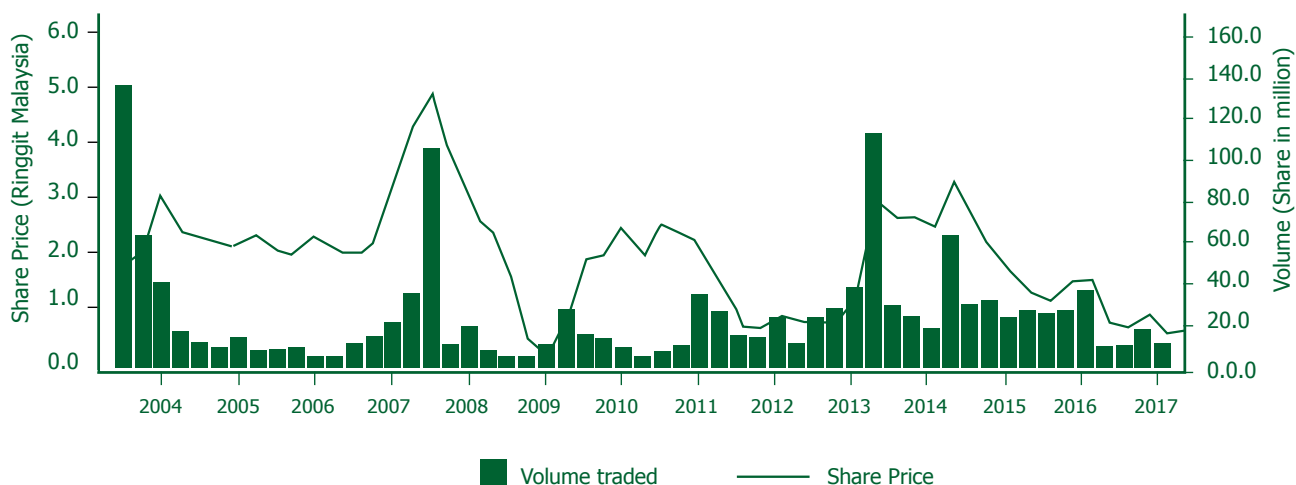
**Shareholders' Equity**  
(in RM million)



**Earnings Per Share**  
(sen)

# Share Performance

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



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# Corporate Information

## BOARD OF DIRECTORS

### Chairman

- Datuk Amar Abdul Hamed Bin Haji Sepawi

### Managing Director

- Datuk Hasmi Bin Hasnan

### Deputy Managing Director

- Wong Ping Eng

### Senior Independent Non-Executive Directors

- Datu (Dr.) Haji Abdul Rashid Bin Mohd Azis

### Independent Non-Executive Directors

- Dato Ir. Abang Jemat Bin Abang Bujang
- Emeritus Professor Dato' Abang Abdullah Bin Abang Mohamad Ali
- Datin Mary Sa'diah Binti Zainuddin
- Tan Chuan Dyi

### Non-Independent Non-Executive Director

- Chin Chee Kong

### Company Secretaries

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

## Registered Corporate Office

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

## Registrar

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

## Stock Exchange Listing

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

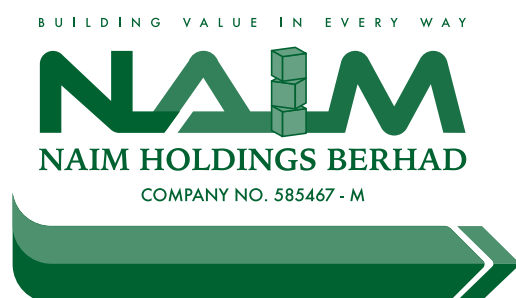
## Auditor

KPMG PLT





# Corporate Structure (as at date of Annual Report)



\* Associates

## Board Of Directors





*From Left to Right*

- 1 **Tan Chuan Dyi**  
Independent Non-Executive Director
- 2 **Datin Mary Sa'diah Binti Zainuddin**  
Independent Non-Executive Director
- 3 **Wong Ping Eng**  
Deputy Managing Director
- 4 **Datuk Hasmi Bin Hasnan**  
Managing Director
- 5 **Datuk Amar Abdul Hamed Bin Haji Sepawi**  
Chairman
- 6 **Datu (Dr.) Haji Abdul Rashid Bin Mohd Azis**  
Senior Independent Non-Executive Director
- 7 **Dato Ir. Abang Jemat Bin Abang Bujang**  
Independent Non-Executive Director
- 8 **Emeritus Professor Dato' Abang Abdullah Bin Abang Mohamad Alli**  
Independent Non-Executive Director
- 9 **Chin Chee Kong**  
Non-Independent Non-Executive Director

## Directors' Profiles



**Datuk Amar  
Abdul  
Hamed Bin  
Haji Sepawi**  
Chairman

Malaysian, Male, Aged  
67

Date of Appointment  
25 July 2003

**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 PLC(s)**

- Ta Ann Holdings Berhad
- Sarawak Plantation Berhad

**Present Directorship in Non Listed Company**

- Sarawak Energy Berhad

**Working Experience and Occupation**

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

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

He was also a member of the National Economic Consultative Council II.

**Academic/Professional Qualification(s)**

- BSc in Estate Management from the London South Bank University, UK
- Senior Certified Valuer with the International Real Estate Institute, USA
- Member of the International Real Estate Federation (FIABCI)

**Board Committees**

- Member, Remuneration Committee

**Present Directorship in Non Listed Company**

- Naim Incorporated Berhad
- Kebajikan Dayang Fatimah Berhad  
(non-profit company, limited by guarantee)

**Working Experience and Occupation**

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

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

**Datuk Hasmi  
Bin Hasnan**  
Managing Director

**Malaysian, Male, Aged  
64**

**Date of Appointment  
25 July 2003**

## Directors' Profiles (continue)



### **Wong Ping Eng**

**Deputy Managing  
Director**

**Malaysian, Female, Aged  
43**

**Date of Appointment  
29 November 2012**

#### **Academic/Professional Qualification(s)**

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

#### **Present Directorship in other PLC(s)**

- Dayang Enterprise Holdings Bhd.
- Perdana Petroleum Berhad

#### **Present Directorship in Non Listed Company**

- Naim Incorporated Berhad

#### **Working Experience and Occupation**

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



#### **Academic/Professional Qualification(s)**

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

#### **Board Committees**

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

#### **Working Experience and Occupation**

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

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

Currently, he is also the Chairman of the Charitable Trust, Bandar Sri Aman Mosque, a Board Member of Swinburne University of Technology and Deputy Chairman of the University's Council (Sarawak Campus).

## **Datu (Dr.) Haji Abdul Rashid Bin Mohd Azis**

Senior Independent Non-Executive Director

Malaysian, Male, Aged 71

Date of Appointment  
16 February 2005

## Directors' Profiles (continue)



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

Malaysian, Male, Aged  
63

### Date of Appointment

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

### Academic/Professional Qualification(s)

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

### Board Committees

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

### Working Experience and Occupation

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



**Academic/Professional Qualification(s)**

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

**Board Committees**

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

**Present Directorship in other PLC(s)**

- KKB Engineering Berhad

**Working Experience and Occupation**

She has more than 30 years of experience in the oil and gas industry and was the General Manager, Petronas Sarawak Regional Office Kuching since 2009 till her retirement on 31 December 2012. Her 30 years' of wide experience in Petronas includes management, public relations, administration, marketing, procurement and corporate affairs. She is also the President of Sarawak Women Hockey Association, a member of the Kuching North City Commission and a member of the Majlis Wanita & Keluarga Sarawak (Ministry of Women & Family).

**Datin Mary  
Sa'diah Binti  
Zainuddin**

Independent Non-  
Executive Director

Malaysian, Female, Aged  
60

Date of Appointment  
27 February 2013

## Directors' Profiles (continue)



**Emeritus  
Professor  
Dato' Abang  
Abdullah  
Bin Abang  
Mohamad Ali**

Independent Non-  
Executive Director

Malaysian, Male, Aged  
64

Date of Appointment  
15 May 2007

### Academic/Professional Qualifications

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

### Board Committees

- Chairman, Long Term Incentive Plan Committee

### Working Experience and Occupation

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

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

He has written a book on Industrialised Buildings Systems (IBS) and has been involved in research work on housing and construction technology, specifically in the areas of low cost materials of construction, industrialised building systems and affordable quality housing.

**Academic/Professional Qualification(s)**

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

**Working Experience and Occupation**

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

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

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

**Tan Chuan Dyi**

Independent and  
Non-Executive  
Director

Malaysian, Male, Aged  
45

Date of Appointment  
23 February 2017

## Directors' Profiles (continue)



### Chin Chee Kong

Non Independent  
and Non-Executive  
Director

Malaysian, Male, Aged  
59

Date of Appointment  
1 October 2015

#### Academic/Professional Qualification(s)

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

#### Board Committees

- Member, Audit Committee
- Member, Long Term Incentive Plan Committee

#### Present Directorship in other PLC(s)

- Perdana Petroleum Berhad

#### Present Directorship in Non Listed Company

- Kebajikan Dayang Fatimah Berhad  
(non-profit company, limited by guarantee)

#### Working Experience and Occupation

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

Please refer to page 168 for Directors' securities holdings in the Company.

There is no other family relationship between the Directors and/or major shareholders of the Company.

None of the Directors was convicted for any offence within the past 5 years other than traffic offences.

Please refer to page 79 for Directors' attendance at board meetings held during the financial year.



Construction works for Naim Sapphire  
On The Park condominium in progress

## Key Senior Management Members' Profiles

### Dato' Haji Mohd Nizam Bin Abdul Malik

Chief Executive Officer – Construction and Oil & Gas

Malaysian, Male, Aged  
50

**Date of Appointment**  
1 December 2016

#### Academic/Professional Qualification(s)

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

#### Working Experience and Occupation

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

### Lee Han Ming

Chief Executive Officer – Property

Malaysian, Male, Aged  
50

**Date of Appointment**  
1 September 2016

#### Academic/Professional Qualification(s)

- B.Eng (Hons) Civil Engineering, University of Bristol, UK
- MBA, University of Bradford, UK

#### Working Experience and Occupation

He joined Naim as the Chief Executive Officer – Property on 1 September 2016. He has over 20 years of work experience in property development locally and in the UK, with experience in large scale international projects.

### Tan Kian Ann

Senior General Manager – QAQC

Malaysian, Male, Aged  
61

**Date of Appointment**  
4 January 2016

#### Academic/Professional Qualification(s)

- Bachelor of Science (Architecture), University of New South Wales, Australia
- Bachelor of Architecture, University of New South Wales, Australia
- Professional Architect (Ar.) registered with the Board of Architect Malaysia since 1991

#### Working Experience and Occupation

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

### Andrew Chan Geh Hui

Head of Group Human Resources

Malaysian, Male, Aged  
49

**Date of Appointment**  
16 December 2015

#### Academic/Professional Qualification(s)

- Bachelor of Science, University of Malaya, Malaysia
- Master in Business Administration, University of New England, Australia

#### Working Experience and Occupation

He joined Naim as the Head of Group Human Resources on 16 December 2015. He has more than 25 years of work experience, having held various senior management positions in multinational corporations across Asia Pacific.

## Emily Hii San San

Deputy Director – Finance

Malaysian, Female, Aged

39

### Date of Appointment

1 June 2010

### Academic/Professional Qualification(s)

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

### Working Experience and Occupation

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

- The members of the key senior management team were appointed to head the operating subsidiaries.
- None of the members of the key senior management team holds directorship in public companies and listed issuers.
- There is no family relationship between members of the key senior management team and Directors and/or Major Shareholders of the Company.
- The members of the key senior management team have no conflict of interests with the Company.
- None of the members of the key senior management team were convicted of any offences within the past 5 years other than traffic offences.

# OUR VALUED PARTNERS: Talent Management And Development

## Strengthening Valued Partners' Growth

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

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

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

## Learning through Technology

We have rolled out an internally-developed 'Computer Based Training' platform during the year to enhance our Valued Partners' knowledge on our Group's Standard Operating Procedures (SOPs) and Best Practices to facilitate operational efficiency. Comprising information

giving and interactive contents, the platform serves as a convenient professional development tool for Valued Partners.

## Face-to-Face Professional Training and Development Interventions

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

Some of the training and development programmes organised were:

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

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

- MBAM Site Safety Supervisor



Industry engagement session in progress





Management sharing session in progress

- NIOSH Safety & Health Officer
- NIOSH 'Train-the-Trainer'
- Fire Safety Engineering Approach for Modern City Design Seminar 2016
- Global Conference 2016 – Enterprise Risk Management & Power
- Malls Asia 2016
- PAM Architecture Conference
- The 11th Global Group International Conference – ISO 9001:2015 & ISO 14001:2015

These allowed our Valued Partners to attain more exposure in related areas and keep abreast of the current and innovative industrial practices – such knowledge gained will undoubtedly benefit not only those who attended the conferences but also other Valued Partners via sharing sessions, meetings and similar activities.

### Engage and Align

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

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

In addition, other key activities in this regard include the Group Managing Director's sharing sessions, regular



Industrial Relations training session

## OUR VALUED PARTNERS: Talent Management And Development (continue)

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

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



Datuk Hasmi with Mohamad Nasran Bin Abdul Rahman, Site Supervisor & winner of the performance excellence award



Datuk Hasmi presenting long service award to Alice Ting, Senior General Manager Sales and Marketing



Christina Wong presenting the Project Management Award to Falynaa Marie and Lester Lai (both from Miri)

### Rewarding Outstanding Efforts, Innovation and Long Service

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

### Adding Value to Total Employee Wellness

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

In addition, we also organised various financial management-related programmes to assist Valued Partners plan for periods beyond their employments as follows:

- Building a 'Retirement-Ready' Workforce
- Better-Manage Your EPF/KWSP 'i-Akaun' seminar



Valued Partners being briefed on 'KWSP's i-Akaun' website

### Upholding the Concept and Importance of the 'Greater Good'

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

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

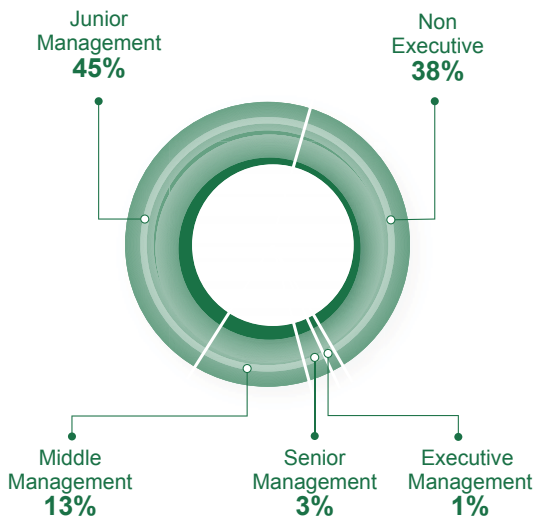
**Promoting Workforce and Workplace Diversity**

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

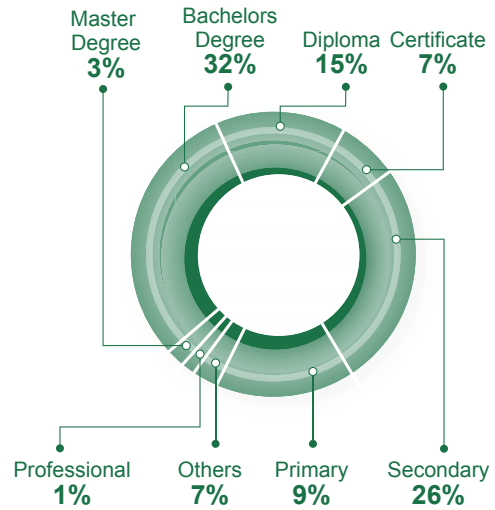
We also believe in recruiting the best talent available and developing them to realise their full potential. As at 31 December 2016, out of our total monthly paid staff, approximately 58% holds tertiary and technical qualifications consistent with our objective to absorb more young graduates and technically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

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

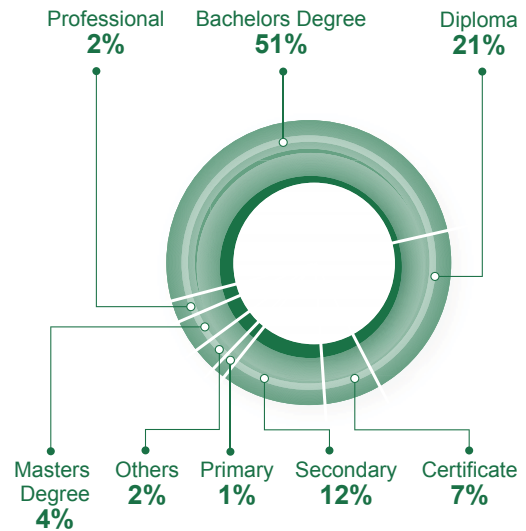
Manpower Distribution by Job Category as at 31 December 2016



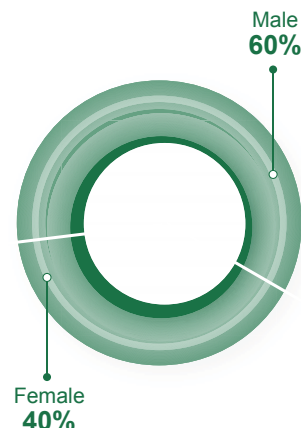
Manpower Distribution for Monthly Paid Employees as at 31 December 2016



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



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



## Our Awards And Accolades



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

28. **2016**  
**Sarawak State  
Outstanding  
Entrepreneurship  
Award**

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

26. **2016**  
**The Best Classic  
Achievement**  
Non-Residential (Large)  
Category

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

24. **2015**  
Award For PLWS  
Practitioners

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

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

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

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

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

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

17. **2014**  
**AREA Social  
Empowerment Category**

16. **2013**  
**APEA Outstanding  
Entrepreneurship  
Category**



15. **2012**  
The Sarawak CMEA Award:  
**Large Enterprise Category**  
(Construction)

14. **2010**  
The BrandLaureate Best Brands  
Awards 2011-2012: **The**  
**BrandLaureate Conglomerate**  
Awards 2011-2012

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

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

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

10. **2007**  
The Malaysian Construction  
Industry Excellence Awards:  
**Contractor Award Grade7**

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

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

7. **2004**  
KPMG Shareholder Value  
Awards

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

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

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

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

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

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



## **Business Review**

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## Letter To Our Shareholders



Some of our Valued Partners with Datuk Amar Hamed and Datuk Hasmi at the closing ceremony for our 20th Anniversary celebrations in Bintulu



Datuk Amar Hamed speaking about S.P.I.R.I.T.E.D. core values

### Dear Valued Shareholders

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

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

### REVIEW OF FINANCIAL PERFORMANCE

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

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

#### Our Performance

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

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

#### Property

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

## Letter To Our Shareholders (continue)



Site progress photo of Naim Sapphire On The Park, Kuching as at March 2017

### Construction

Our Construction Division reported lower revenue of RM242.1million as compared with RM398.7million in 2015. The Division also recorded loss of RM18.8million as compared with RM12.6million in 2015.

The decline in performance was mainly due to:

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

### Other Segment

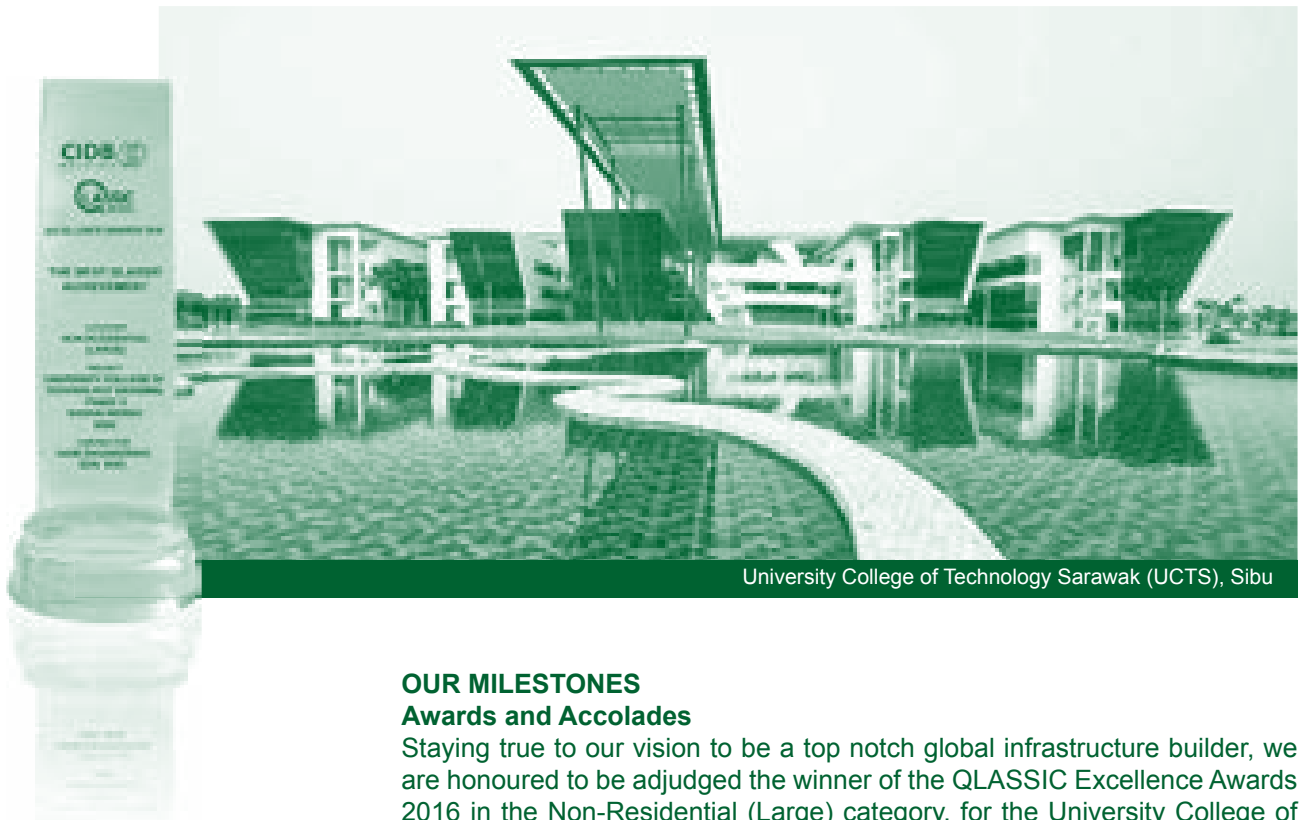
This segment recorded a revenue of about RM36.7million as compared with RM39.3million in 2015. At the same time, the segment reported a loss of RM0.6million in 2016, as compared with a profit of RM0.2million in 2015. The decline was primarily due to lower turnover.

### Associate Company – Dayang Enterprise Holdings Bhd.

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

\* based on Dayang's announced accounts





University College of Technology Sarawak (UCTS), Sib

## OUR MILESTONES

### Awards and Accolades

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

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

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

## LOOKING AHEAD

### Economic Situation

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

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

## Letter To Our Shareholders (continue)



Perspective: Naim Bintulu Paragon integrated development, Bintulu's largest integrated development

### Property

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

Although we expect some degree of slowdown in the take-up of our products in general, we will continue to focus on our three flagship developments, namely Naim Bintulu Paragon integrated development (Street Mall, Small Office Versatile Office (SOVO) and 'The Peak' condominium), Naim Kuching Paragon integrated development (Sapphire on the Park condominium) and Naim SouthLake Permyjaya integrated township development (a range of landed residential properties) in Miri. Various initiatives such as attractive product packaging, other value-added features and innovative sales strategies will help to sustain demand for these properties. Plans are also in the pipeline to launch more medium range and affordable products. We will also adopt a more cautious approach towards product launches in 2017, by scheduling launches based on market dynamics.



Naim Small Office Versatile Office (SOVO) show unit



Naim "The Peak" show unit



Naim Bintulu Paragon's aerial view



Naim Street Mall @ Naim Bintulu Paragon



Perspective: The scenic Naim SouthLake Permyjaya lakeside development @ Naim Bandar Baru Permyjaya, Miri

Nevertheless, it is hoped that Sarawak's long term development plans such as the Sarawak Corridor of Renewable Energy (SCORE) designed to accelerate its economic growth by attracting some RM300billion worth of investments by 2030 (Source: The Borneo Post, 25 August 2016) will continue to create a bustling business environment, to help sustain market demand in the State, including property and construction.

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

### Construction

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



Perspective of KPJ Miri Specialist Hospital



Proposed Pan Borneo Highway

## Letter To Our Shareholders (continue)



Sabah Oil & Gas Terminal (SOGT) project, Sabah

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

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

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



Naim Permy Mall, Bandar Baru Permyjaya, Miri, Sarawak: Our first mall

### Other Segment

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

The Group may look into divesting non-performing businesses to realise some funds.



Dayang Enterprise Holdings Bhd.

**Associate Company – Dayang Enterprise Holdings Bhd.**

We expect Dayang to contribute positively to our results in the near future in view of an anticipation of more maintenance jobs to come in the next quarters or years, as PETRONAS recalibrates its budget, and optimism that maintenance activities for the oil and gas industry would remain resilient. This is an area of specialty of the group.

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

**Enhancing Our People, Our Valued Partners**

At Naim, we continuously invest in our people known as Valued Partners, as they are the backbone of our company, the catalyst in propelling Naim to greater heights. We are also proud to celebrate our differences and foster an environment where every Valued Partner has the opportunity to reach his/her full potential.



First Town Hall Meeting (2017)

## Letter To Our Shareholders (continue)

2016 saw a series of development interventions being conducted in relation to specific operational areas and mind set change. Valued Partner engagement exercises were also intensified to facilitate inculcation of the S.P.I.R.I.T.E.D. values among our team members. One of the notable initiatives was undoubtedly the rolling out of our Computer-Based Training platform to facilitate better understanding of our Standard Operating Procedures and Best Practices among our Valued Partners.

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

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

### **Corporate Governance**

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

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

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

### **Responsible Business**

As a responsible corporate citizen, we remain committed to our Triple Bottom Line of PEOPLE, PLANET and PROFIT. Our increased efforts in this regard are a testimony to our enduring commitment to balance overall environmental, social and economic goals towards building a sustainable future, for the benefit of future generations.



We care about the environment: Wetlands tree planting event

## **ACKNOWLEDGEMENTS**

Finally, we would like to take this opportunity to record our appreciation to all our stakeholders: our shareholders, customers, clients, Valued Partners and their families, Directors, joint venture partners, subcontractors, consultants, financiers and associates for their dedication, concerted effort and faith in us.

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

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

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

Once again, thank you and our warmest regards.

**Datuk Amar Abdul Hamed Bin Haji Sepawi**  
Chairman

**Datuk Hasmi Bin Hasnan**  
Managing Director



Datuk Hasmi Bin Hasnan (left) & Datuk Amar Abdul Hamed Bin Haji Sepawi (right)