



## Directors' Profiles

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

Chairman

**Aged 72, Male, Malaysian**

**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 Public Listed Companies**

- Ta Ann Holdings Berhad
- Sarawak Plantation Berhad

**Present Directorship in Non-Listed Public Company**

- Sarawak Energy Berhad

**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 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.

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





## ***Datuk Hasmi Bin Hasnan***

Managing Director

**Aged 69, Male, Malaysian**

### **Date of Appointment**

25 July 2003

### **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**

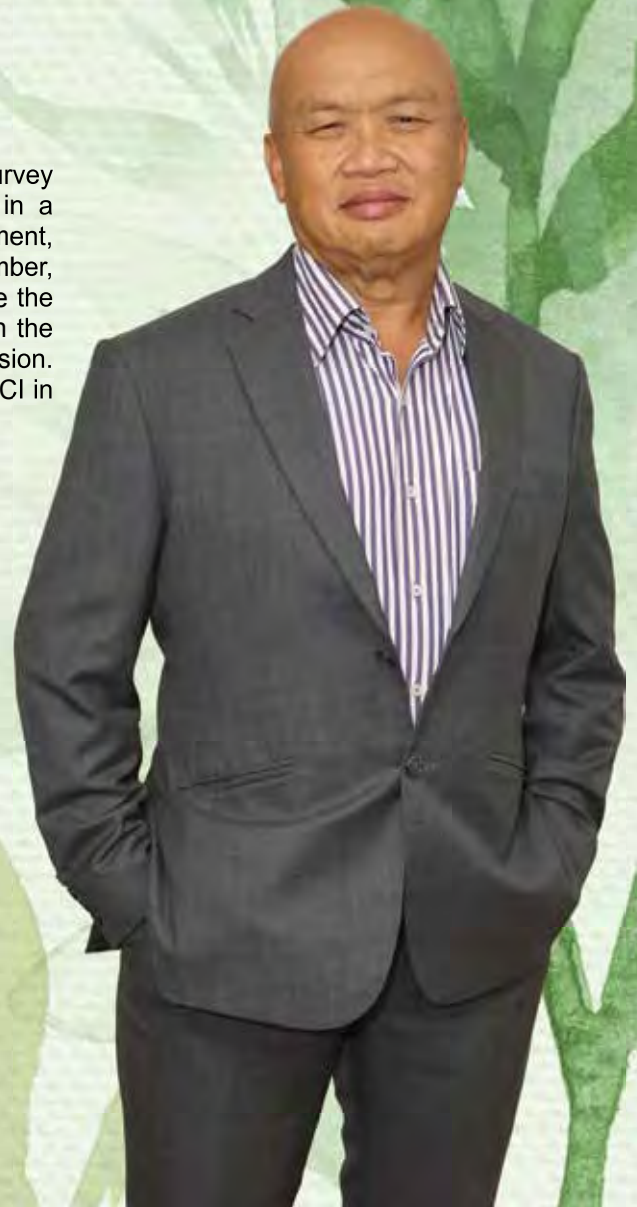
- Dayang Enterprise Holdings Bhd
- Perdana Petroleum Berhad

### **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 Naim Group's growth and expansion. He was awarded the Property Man of the Year for 2008 by FIABCI in Kuala Lumpur.





## Directors' Profiles (continued)

### **Beh Boon Ewe**

Executive Director

**Aged 61, Male, Malaysian**

#### **Date of Appointment**

26 November 2020

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

- Bachelor of Civil Engineering, Monash University, Victoria, Australia

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

Prior to joining Naim, he has about 23 years of working experience in construction project management involved in projects such as infrastructure, housing, resettlement scheme, airport and smelting plant.

He joined Naim in May 2006 as Project Manager. Since then, he held various positions in the construction division such as Senior Project Manager, Project Director, Head of Planning & QC, Senior Regional General Manager of Miri and Joint Vice President of Operations. He was assigned to Fiji from 2010 to 2012 as the Project Director for the Project Upgrading of Kings Road from Waito to Wailotua. On 1 February 2020, he was promoted to Chief Operating Officer – Construction, a position he holds to this day.





## ***Datin Mary Sa'diah Binti Zainuddin***

Independent Non-Executive Director

**Aged 66, Female, Malaysian**

### **Date of Appointment**

27 February 2013

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

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

### **Board Committees**

- Chairman, Risk Management Committee
- Member, Nominating Committee
- Member, Remuneration 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, Vice President of Malaysia Hockey Confederation and a member of the Kuching North City Commission.







## Directors' Profiles (continued)

### **Chin Chee Kong**

Non-Independent and Non-Executive Director

**Aged 64, Male, Malaysian**

**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

**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 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 1 January 2014.



## Tan Chuan Dyi

Independent Non-Executive Director

**Aged 50, Male, Malaysian**

### **Date of Appointment**

23 February 2017

### **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 listed on GEM of the Stock Exchange of Hong Kong Limited. 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 Group, he was with Kenanga Investment Bank where during his tenure, he held several positions namely Director, Head of Equity Syndication, Institutional Business and Projects.

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







## Directors' Profiles (continued)

### **Sulaihah Binti Maimunni**

Independent Non-Executive Director

**Aged 65, Female, Malaysian**

#### **Date of Appointment**

1 August 2018

#### **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

#### **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.





## ***Datuk Ahmad Bin Abu Bakar***

Independent Non-Executive Director

**Aged 67, Male, Malaysian**

### **Date of Appointment**

1 June 2019

### **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.

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Please refer to page 203 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 73 for Directors' attendance at board meetings held during the financial year.







## Chief Officers' Profiles

### *Emily Hii San San*

Senior Vice President Cum Chief Financial Officer

**Aged 44, Female, Malaysian**

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

- Bachelor of Commerce Degree, major in Accountancy and Diploma for Graduates, University of Otago, New Zealand, 2000
- Chartered Accountant of Chartered Accountants Australia and New Zealand, March 2005
- Member of MIA, August 2005

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

She joined Naim on 1 June 2010 as Finance Manager and then promoted to Deputy Director – Finance in August 2012 to oversee the finance and corporate planning units. On 1 February 2019, she was promoted to Senior Vice President cum Chief Financial Officer. With close to 20 years of working experience in accounting and tax related matters, she is an experienced finance chief.

### *Chen King Yu*

Chief Operating Officer, Strategic Planning and New Businesses

**Aged 44, Male, Malaysian**

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

- Bachelor of Commerce, majoring in Accounting and Finance, University of Melbourne, Australia, 2000

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

He joined Naim in February 2021 as Chief Operating Officer for Strategic Planning and New Businesses Department. He has over 18 years of work experience in the oil and gas, and construction sectors, and has held leadership positions in these sectors. A specialist in corporate transformation, he has worked overseas for extended periods developing new businesses in new markets.

He started his career with the UEM Group. Prior to joining Naim, he was a Resident Director of PwC Malaysia, responsible for leading and developing its practice in East Malaysia and initiating business collaboration with the state.



## Alexander Lim Kuok Hui

Chief Information Officer

**Aged 45, Male, Malaysian**

### Academic/Professional Qualification(s)

- Bachelor of Science (Hons) in Computer Science majoring in Computing and Software Engineering, Oxford Brookes University, United Kingdom, 1999
- Master of Science in Computer Science, Oxford Brookes University, United Kingdom, 2000

### Working Experience and Occupation

He joined Naim in March 2012 as Information Technology (IT) Manager leading the system and software development unit. He was promoted to Head of Information Technology (IT) in January 2017 overseeing system, software development, IT infrastructure and network units. In March 2021, he was promoted to Chief Information Officer to facilitate Naim's technological advancements and transformation.

He has more than 20 years of work experience in information technology, particularly in software engineering.

## Ng Yee Ming

Chief People Officer

**Aged 55, Male, Malaysian**

### Academic/Professional Qualification(s)

- Bachelor of Science in Architectural Studies University of Nebraska Lincoln, USA, 1989.

### Working Experience and Occupation

He joined Naim on 3 Jan 2022, driving the human capital needs, from learning & development to talent attraction and engagement. He will be tasked to look into Naim's more essential people matters like succession planning, rebuilding talents and resetting culture, to ensure Naim's workforce stays competitive, spirited and sustainable; moving forward into a more disruptive & challenging business world. Yee Ming comes in with more than 30 years' experience in Human Resources, having worked in Singapore with multinational brands and big local conglomerates like Tropicana, Mudajaya, Mulpha International and Matrix Concepts Holdings.

- None of the chief officers holds directorship in public companies and listed issuers except the following:
  - Chen King Yu is a director of Dayang Enterprise Holdings Berhad and an alternate director to Datuk Hasmi Bin Hasnan in Perdana Petroleum Berhad.
- There is no family relationship between the chief officers and Directors and/or Major Shareholders of the Company.
- The chief officers have no conflict of interests with the Company.
- None of the chief officers has been convicted of any offences within the past 5 years other than traffic offences.





## Our Awards and Accolades



- 2002 ● CIDB Builders Building Works Category Awards: **Institutional Building Project**
- 2003 ● The Malaysian Construction Industry Excellence Project Awards: **Medium Building Category**
- SCCI Annual Corporate Report Awards: **Best Annual Report 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**
- 2005 ● 17th International Construction Awards: **New Millennium Award Spain, Madrid**
- **Malaysia Corporate & Social Environment Responsibility Award**
- 2007 ● The Malaysian Construction Industry Excellence Awards: **Contractor Award Grade7**
- 2008 ● **FIABCI Malaysia Property Award: Property Man of The Year**
- 2009 ● SHEDA Excellence Awards: **Top Developer In Residential Development**
- 2010 ● The Sarawak CMEA Award: **Large Enterprise Category (Construction)**
- 2011-2012 ● The BrandLaureate Best Brands Awards 2011-2012: **The BrandLaureate Conglomerate Awards 2011-2012**
- 2012 ● The Sarawak CMEA Award: **Large Enterprise Category (Construction)**
- 2013 ● APEA **Outstanding Entrepreneurship Category**
- 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





- 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
- 2016**
- **The Best Classic Achievement** Non-Residential (Large) Category
  - SHEDA Excellence Awards: **Property Man of The Year**
  - **Sarawak State Outstanding Entrepreneurship Award**
- 2017**
- The Sarawak CMEA Award: **Large Enterprise (Construction)**
  - 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
- 2018**
- SHEDA Property Expo: **Best Booth Award**
  - **Malaysia's Best Employer Brand Award 2018** (World HRD Congress)
- 2019**
- StarProperty.my Awards: **The Borneo Star Award (Honours)** Naim Sapphire Condominium 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
- 2020-2021**
- The BrandLaureate **Iconic Brand of the Decade Industry Champion Award** in Property & Infrastructure
  - **Asia Pacific Property Awards Development AWARD WINNER**
- 2021**
- Residential High Rise Development Malaysia - Naim Sapphire Condominium 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





SAPPHIRE  
ON THE PARK

Naim Sapphire Luxury Homes







ASIA PACIFIC  
PROPERTY  
AWARDS  
DEVELOPMENT

in association with

*American  
Standard*

**AWARD WINNER**

RESIDENTIAL HIGH RISE  
DEVELOPMENT MALAYSIA

NAIM Sapphire on the Park  
Condominium Homes  
by Naim Holdings Berhad

2020-2021





# PART 3





## **Business Review**

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## Letter to our Shareholders



Dear Shareholders,

Created by Pressfoto - Freepic.com

### 2021 at a Glance

The year 2021 began with the hope that the COVID-19 pandemic would stabilise, bringing with it a return to normalcy for the global and Malaysian economy. There were encouraging signs of global recovery, however the momentum has weakened due to the emergence of the highly transmissible Delta variant in late 2020, followed by the Omicron variant. Other than the pandemic, the global economy was also confronted with financial market volatility, higher commodity prices and labour shortages. Several of these factors resulted in inflationary pressures, amid a recovery in demand as economies began to reopen. Overall, risks to economic prospects have increased, and policy trade-offs have become more complex<sup>1</sup>.

The Malaysian economy mirrored the global economy as local COVID-19 cases began to surge in May 2021, the Government re-introduced strict nationwide containment measures under the first phase of the National Recovery Plan (NRP) in June 2021. This affected the recovery momentum. Nonetheless, the swift progress of the National COVID-19 Immunisation Programme enabled economic sectors to

gradually reopen in the third quarter of the year, Malaysia's economy registered a 3.1% growth for 2021 compared with a contraction of 5.6% in 2020, while the unemployment rate stood at 4.6%<sup>2</sup>.

### Our Performance in 2021

The property industry during the year under review remained challenging, faced with global and regional economic headwinds.

Against this challenging backdrop, we recorded a total revenue of **RM422.3 million**, a decline from RM589.3 million achieved in 2020, whilst loss before tax was RM71.4 million compared with a profit before tax of RM101.2 million registered in 2020.

We would like to highlight that our performance in 2020 included a land sale of RM340 million which generated RM145.4 million net profit before tax to the Group. Should the said sale be excluded, the Group actually recorded an improvement in revenue in the current year under review, mainly contributed by higher construction revenue due to the increased work progress on site.

<sup>1</sup> World Economic Outlook (International Monetary Fund), October 2021

<sup>2</sup> Economic and Financial Developments in Malaysia in the Fourth Quarter of 2021 - Bank Negara Malaysia (bnm.gov.my)

The key aspects influencing our performance for the current year under review were:

- Substantial amount of share of loss of about RM89.3 million (2020: share of profit of RM11.5 million) from our associate Dayang Enterprise Holdings Berhad (DEHB) and its subsidiary, Perdana Petroleum Berhad (PPB) mainly due to significant impairment losses made on certain property, plant and equipment, and additional depreciation expense of certain marine vessels.
- On the other hand, the Group registered a segment profit before tax of **RM13.0 million**, an improvement from a segment loss before tax of about RM34.2 million in 2020 (excluding the profit from the abovementioned land disposal) mainly due to factors such as increased work progress from the construction and development projects, as well as some income savings from certain completed projects.

Notwithstanding the challenging business environment, our efforts to continuously innovate and deliver quality living spaces that meet the needs of our customers have been recognised, as we were being adjudged as one of Malaysia's Top 30 property developers by the Edge Malaysia Property Excellence Awards (TEPEA) – the only Sarawak-based property developer to have made it within Malaysia's Top 30 since the establishment

of the awards in 2003. This has made the award more memorable.

We also spared no effort in our strategic planning exercise, which involved going back to the drawing board to re-strategise our business plans in order to achieve our long-term aspirations of the Group. In deriving this plan, we also paid close attention to key operational areas such as human capital development and digitalisation as these core areas would help us achieve growth and deliver added value in the future. To take us through 2021, we focused on our turnaround plan - Re-set, Re-direct and Re-energise- which is set to put in place actions that would strengthen our position and our ability to deliver growth across our core business areas.



Vessel of Dayang Enterprise Holdings Bhd



Vessel of Perdana Petroleum Berhad





Naim Bintulu Paragon, Bintulu's largest integrated development



## Outlook for 2022

The global economic recovery is facing significant headwinds amid new waves of COVID-19 infections, persistent labour market challenges, lingering supply-chain challenges and rising inflationary pressures.

With the highly transmissible Omicron variant driving unprecedented surge of infections globally, the human and economic toll of the pandemic are expected to increase again – the pandemic remains the greatest risk to sustainable recovery of the world economy.

The same sentiment seemed to prevail in terms of the Malaysian economic outlook. In Bank Negara Malaysia's (BNM) statement on 30 March 2022, it stated that while it expected the Malaysian economy to expand between 5.3% and 6.3% in 2022 underpinned by the reopening of the economy and international borders, better COVID-19 management and higher vaccination rates, less disruption to domestic economic activity, continued expansion in global demand and higher private consumption<sup>3</sup>, while risks to the outlook comprised slower-than-expected global growth risk, worsening supply chain disruptions and emergence of more severe COVID-19 variants<sup>4</sup>.

### Material Cost and Labour Shortage Remain Key Challenges for the Construction Sector

We expect escalating prices of building materials and shortage of labour to continue to dampen the Construction sector.

Labour shortage is a serious problem as contractors would not be able to complete jobs or projects on time, and it would also affect the general unwillingness among contractors to undertake new projects. The was further compounded by the increase in building material costs, which have increased from 20% to 50%<sup>5</sup> in recent years.

### A Year of 'Re-set' for the Retail and Mall Sector

The closure of physical retail stores and malls due to lockdowns and social distancing measures have led consumers to resort to online shopping, which in turn strengthened the e-commerce market growth nationwide. This change in consumer behaviour has resulted in a need for retailers and malls to rethink their product and channel strategies to address this behavioural change. At the same time, they also needed to implement appropriate health and safety protocols to protect staff and customers.

Moving forward, our retailer outlets would need to consider providing a truly omni-channel experience by adopting elements of online experience alongside brick-and-mortar retail set-up, such as artificial intelligence (AI) and virtual reality (VR). In addition, stores and malls should also focus on enhance their physical outlook and services aspect, so that they become experience-driven destinations.

As such, it is crucial for retailers and mall managements to take a long-term view and make investments to address such shift in consumer behaviour and preferences.



3 BNM publishes AR 2021, EMR 2021 and FSR 2H2021 - Bank Negara Malaysia

4 World Bank trims Malaysia's GDP expansion to 5.5%, with Russia-Ukraine war a key growth risk | The Edge Markets

5 <https://www.thestar.com.my/metro/metro-news/2022/02/12/look-into-material-cost-labour-shortage>





## Letter to Our Shareholders (continued)



Fairfield by Marriott Bintulu Paragon Hotel Facade



LNG Train 9 Project, Bintulu

### Uncertainties in the Hotel Sector

The hospitality sector was among the worst hit during the pandemic, with the country receiving almost no foreign tourists since early 2020 due to the closure of international borders and domestic travel restrictions.

While domestic demand is finally picking up driven by higher vaccination rates nationwide and lifting of domestic travel restrictions, various challenges remain such as when international borders reopen to facilitate foreign arrivals and the uncertainties surrounding the Omicron variant.

With domestic spending power being much lower than foreign spending and the prevalent Omicron-related uncertainties, we expect year 2022 to continue being a year of 'hard survival' for the sector.

### A Silver Lining for Sarawak

Despite the challenges, we do believe that there are several bright spots for Sarawak.

The State Budget 2022 which provided a RM6.6 billion allocation<sup>6</sup> to finance the implementation of various development programmes and projects is expected to create opportunities for industry players and facilitate job creation for the communities. In addition, the incorporation of 'Invest Sarawak' in 2022 as a vehicle to drive foreign investments into the State<sup>7</sup> is expected to help create a vibrant local economy.

We remain confident in the potential of Bintulu Petrochemical Hub, an initiative by the State Government to increase Sarawak's participation in added value downstream petrochemical industries, as an economic catalyst for Bintulu and the State as a whole.

Besides the above, the announcement that Shell Malaysia will move its regional headquarters from Kuala Lumpur to Miri<sup>8</sup> also augurs well for Miri's economy, and such relocation is expected to benefit the growth of the local economy as well.

6 <https://www.newsarawaktribune.com.my/sarawak-approves-rm10-646-bln-budget-for-2022/>

7 <https://www.theborneopost.com/2022/01/24/sarawak-to-establish-invest-sarawak-to-facilitate-investment-in-statesays-abg-johari/>

8 <https://www.dailyexpress.com.my/news/161183/shell-s-exodus-to-miri-is-positive-cm/>

## Naim Group in 2022

Leveraging on lessons learnt over the past year and as a result of the recalibration of our Group's business directions, we will be intensifying our efforts to increase productivity, profitability and competitiveness of our Group.

### Refinement of the Group's Organisation Structure, Key Processes and Levels of Empowerment

To futureproof our operations and enhance business agility, we embarked on structural and process improvements Group-wide. These improvements will not only help us adjust to market and internal changes, but also provide a framework that will strengthen our fundamentals and be well-prepared to capitalise on future growth opportunities.

### Property

Market sentiments showed some signs of improvements, albeit at a slower pace as more business activities resumed across various industries when Sarawak entered into phase 3 of the NRP in the last quarter of 2021<sup>9</sup>.

While we expect the property market to remain soft, it will gradually stabilise and recover in the short to medium term, backed by prevailing low bank interest rates and various government initiatives to drive overall market recovery.

Given the continued demand for medium range and affordable properties, we remain committed in our efforts in introducing more properties in this segment. With our aim to deliver the 'best of the best' products to our customers, where focus will be given to aspects such as product design in line with new lifestyle trends and incorporate more environmental as well as social governance (ESG) elements. We will continue to improve the quality of our products and deliver service excellence.





## Letter to Our Shareholders (continued)

We will also be introducing our 'luxury' segment, focusing on niche lifestyle-inspired developments in prime locations under the umbrella brand of 'Naim Luxury Collection'. Our maiden project in this segment, the ultra-low density and exclusive concept George Y. Residence at Naim Kuching Paragon is expected to be completed in 2022 provides a springboard in this segment.

As part of our medium-term plans, we are also actively increasing our current land bank of over 1,300 acres to support our long-term development plans, particularly for mass affordable housing developments supported by various lifestyle amenities.

### Construction

On the Construction front, the current priority will be to complete on-going or secured projects satisfactorily. We remain committed to improve efficiency, productivity and cost management by leveraging on technology. At the same time, we will be selective in project tendering and focus particularly on those projects where we have proven records and experiences, supported by current project management resources.

Despite a challenging economic outlook, we are cautiously optimistic on the potential opportunities introduced by the State Budget 2022. We will continue to monitor the prevailing situation and pivot accordingly.

### Other Business Segments

We expect our other business segments to gradually improve, particular in terms of retail leasing and hotel businesses when market reopens. Nevertheless, we expect the rental market to remain competitive as more efforts would be focused on retaining tenants while maintaining fair returns on yield, against the backdrop of increasing e-commerce businesses.

Our focus in the near term will be the revitalisation of our malls, including the continuation of the revamp of our Naim Street Mall in Bintulu and enhancement of Naim Permy Mall in Miri. We will also revisit our tenant mix to ensure that it serves the needs of the surrounding communities, in



The Luxury George Y. Residence





addition to stepping up our digital marketing efforts to better promote these malls.

We will also focus on better cost management and continue to assist our tenants at the respective malls.

#### Investing in Quality Education

We believe in the importance of reaching out and ensuring quality education is provided to our homeowners, a key focal point in building holistic and vibrant township. On this note, we expect to diversify into the education business in 2022 as this diversification not only creates a new revenue stream for the Group but will also provide synergy, as the education component within our developments will increase the marketability of our property products and enhance the performance of our investment properties.

#### **Appreciation**

We would like to express our appreciation to the Board of Directors and Management Team for their valuable counsel and commitment to Naim throughout the year in review. We would also like to thank Dato' Ir. Abang Jemat Abang Bujang who served as our independent Non-Executive Director from 21 March 2011 to 24 June 2021 for his contributions that have proven invaluable to Naim.

To our loyal colleagues and employees, customers, shareholders, investors, financiers, business partners, business associates and the authorities, we would like to extend our heartfelt gratitude for their unceasing loyalty and support.

Despite market uncertainties over the short-term, we believe that pockets of opportunities and value creation remain boundless. With solid fundamentals, robust strategies and dynamic TEAM NAIM, we will **Re-set, Re-direct** and **Re-energise** for a better future for all of us!

Thank you.

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

**Datuk Hasmi Bin Hasnan**  
Managing Director



# Review of Performance and Operations



COVID-19 pandemic has upended the way we live and work. The effects of the pandemic continue to permeate all levels of society. As a Group, Naim was faced with challenges such as business disruptions due to movement controls and lockdowns, as well as the need to maintain high service quality and customer engagement despite operating at reduced capacity.

Despite the uncertainties brought on by the COVID-19 pandemic, the Group achieved a total revenue of RM422.3 million on the back of higher construction revenue due to the increased work progress on site. This is against the backdrop of fast-evolving conditions and uncertainties surrounding COVID-19 developments, geopolitical conflicts and supply chain disruptions, among others.

## Property

The segment achieved a revenue and profit of RM92.6 million and RM9.0 million respectively, primarily due to higher work progress achieved from existing on-going projects and some cost savings from certain completed projects. Nevertheless, the revenue and profit performance in the year under review was some 79.2% and 94.4%

Naim Meadow Villas  
(Single Storey Semi-Detached House)



lower than that achieved in 2020 mainly due to a land sale in 2020.

Meanwhile, the Group managed to achieve new property sales of about RM80.0 million as compared with RM107.7 million registered in 2020, a direct reflection of the continued soft market sentiments during the year.

Our property segment is mainly active in Kuching, Bintulu and Miri, with an array of properties catering to different levels of affordability. In line with our continued focus on affordable residential properties, we launched our single storey terrace homes at Naim SouthLake Permyjaya, a mixed development in Miri during the year, which garnered encouraging response from the surrounding communities.

Over in Kuching, we continued to promote our flagship Naim Sapphire Condominium Homes, comprising three upmarket condominium towers - the Classic, Deluxe and George Y. Residence, our first luxury phase within the affluent Naim Kuching Paragon integrated development. The Classic tower has been fully taken up, while sales are still ongoing for the Deluxe tower, with works for the said tower expected to be completed in early 2022. In addition, works for the luxury George Y. Residence are also expected to complete in 2022.

Meanwhile in Bintulu, we stepped up our efforts for Naim 'The Peak' Condominium Homes, Sarawak's tallest condominium tower located within our Naim Bintulu Paragon integrated development.

On the sales and marketing front, we introduced various value-added home ownership packages such as 'move-in' and



'smart home' packages to drive sales of our residential properties. We also increased our efforts in digital marketing to better connect with our target audience.

### Construction

The segment recorded an improvement in both revenue and profit of RM310.3 million and RM10.0 million respectively, as compared to our performance in 2020 (2020: RM125.6 million revenue and RM21.9 million segment loss). This was mainly contributed by higher work progress achieved from existing on-going projects and additional income savings from certain completed projects upon finalisation of contract sum with clients. In addition, measures such as tightened project planning, execution and monitoring were in place to ensure that projects were completed within the targeted schedule and expected margin.

Our key ongoing projects comprise the Pan Borneo Highway (Pantu Junction to Batang Skrang, UCTS Phase 3 project, which is a JV project and the Batang Lupar Bridge project.

### Other Business Segments

Our other business segments registered an improvement in revenue and loss of RM19.4 million and RM5.2 million respectively, as compared with 2020 (2020: RM18.7million revenue and RM25.7 million segment loss). The improvement was mainly due to lower level of loss reported by our hotel operation in Bintulu which recorded high occupancy rates during the year under review.

During the year, our hotel introduced value-added packages to drive its business travel segment, while efforts were expended to retain our malls' existing tenants and attract

new tenants via various tenant assistance programmes, and closely monitor debt collection.

### Major Associates

Our associate, Dayang Enterprise Holdings Berhad (DEHB) reported an unaudited loss after tax and attributable to owners of some RM318.9 million<sup>1</sup> against a profit after tax of RM56.4 million achieved in 2020.

The said net loss was mainly due to impairment loss made by its subsidiary, Perdana Petroleum Berhad (PPB) on certain marine vessels and the resultant impairment of goodwill arising from DEHB's investment in PPB.

In spite of the substantial losses reported, the DEHB group (including PPB) remains financially strong with a solid asset base of approximately RM2.3 billion<sup>1</sup>. Besides this, DEHB group still has an estimated call orders of about RM1.9 billion, which is expected to contribute positively to its performance in future years.



<sup>1</sup> Extracted from the announced quarterly report of DEHB





# Sustainability Statement

The COVID-19 pandemic, which started in 2020, continues into 2022. It has had far-reaching economic impact on, inter alia, global supply chain, inflation, labour, cash flows and prices of goods, leading to governments providing an unprecedented amount of stimulus. The pandemic was also a factor in the 2021–2022 global energy crisis and 2022 food crises.

With the implementation of the National COVID-19 Immunisation Programme (PICK) starting from February 2021 as part of the Government's measures to curb the spread of COVID-19, 25.84 million Malaysians (about 82% of the population) have received two doses of vaccine while 15.88 million have been administered with booster shots as at 6 April 2022.

After over two years of living with strict nationwide containment measures to curb COVID-19, Malaysia joins the global movement to transition from pandemic status to endemicity starting 1 April 2022. The Malaysian economy is expected to remain on its recovery path in line with continued expansion in global growth and higher private sector spending.<sup>1</sup>

In the year under review, our Group's performance continued to recover as restrictions for construction activities were lifted during the National Recovery Plan while the outlook for the property sector maintained soft as buyers and investors remained cautious in view of continuing economic uncertainties.

In addition to the challenges brought by the COVID pandemic, businesses today have no choice but to respond to the need for greater sustainability in the face of a potential climate disaster. Increasingly, Chief Operating Officers of major corporations globally continue to push for the Environmental, Social and Governance (ESG) agenda.

Closer to home, the Group has continued what was started in 2020, the reduction of commute from home to work by transitioning to work from home arrangements as well as scheduling alternate teams to be on site where necessary, providing self-test kits and educating staff on SOP implemented in the day-to-day operation of the Group.

The Group has also implemented among others, customer engagement, sales and marketing via social media and digital marketing and virtual property tours.

We remain committed towards developing sustainability strategies that are intertwined together with financial targets of key business units, while at the same time, inculcating a culture of employee awareness on actions taken to realise our sustainability strategies across the Group.

<sup>1</sup> <https://www.bnm.gov.my/-/4q-gdp-2021>







Naim Desa Ilmu Development, Kota Samarahan





# Sustainability Statement (continued)

## 1. SUSTAINABILITY POLICY

### a. Mission Statement for Sustainable Property Developer and Construction Contractor

“We aim to be the industry leader as a responsible property developer and construction contractor, contributing to a sustainable world and better future for our customers.”

### b. Scope

This Policy applies to all operations of Naim Group including the holding of assets.

### c. Our Commitment

Naim Group continues to commit to:

- i. Support the well-being of the communities;
- ii. Reduce the greenhouse gas emissions, manage our energy, water and waste footprint as well as protect and conserve biodiversity;
- iii. Apply a sustainable approach in our development projects;
- iv. Provide employment conditions that help attract and develop employees, support their well-being and encourage gender equality;
- v. Ensure the health and safety of our offices and premises including corporate office, site offices, malls etc;
- vi. 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.



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## 2. KEY FOCUS AREAS

Our seven Economic, Environment and Social (“EES”) goals remain aligned with the United Nation’s Sustainability Development goals (“SGD”).

<p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>4</b> QUALITY EDUCATION</p>	<p><b>5</b> GENDER EQUALITY</p>	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>
<p>Ensure healthy lives and promote well-being for all regardless of age</p>	<p>Provide quality education</p>	<p>Encourage gender equality and empower women and girls</p>	<p>Promote productive employment</p>	<p>Build resilient infrastructure to achieve economic growth</p>	<p>Make cities and human settlements safe and sustainable</p>	<p>Strengthen implementation and revitalise the global partnership for sustainable development</p>



### 3. SUSTAINING THE BUSINESS DURING THE COVID-19 PANDEMIC

Naim's management continued to implement survival strategies under the Naim Survival Plan to mitigate continuing financial and operation risk exposure.

A continuous review of the technology infrastructure to support remote working and virtual collaboration capabilities were still ongoing until the government relaxed the movement restrictions allowing for return of operations in reduced capacity.

Against a challenging environment, we focused on implementing our turnaround strategy which focused on mitigating the impact of the pandemic on our operations and financial performance. We also continued to review and strengthen our technology infrastructure to support our workforce who were mostly working from home during the lockdowns.

However, for the period between June to August 2021, construction operations were halted due to the implementation of the FMCO, which was then followed by the phased NRP.

We also continued digital engagements with customers, via e-mails, social media, websites and virtual showrooms.

### 4. SUSTAINABILITY APPROACH

Naim Group is committed to the 'triple bottom line' of people, planet and prosperity. Our sustainability approach is built on value creation for our stakeholders and communities within which we operate. Our internal stakeholders are shareholders or investors, employees and our external stakeholders are customers, regulators, bankers, contractors, suppliers, communities and the media.

### 5. STAKEHOLDER ENGAGEMENT

Managing stakeholders' expectations is critical to the success of the business. Engaging stakeholders frequently will demonstrate our culture of inclusivity and strengthen our relationship with them, which in turn will impact positively on the Group's financial performance and overall reputation.

Stakeholder	Areas of Interest	Mode of Engagement
<b>Customer</b>	<ul style="list-style-type: none"> <li>Complaint management and resolution</li> <li>Customer relations</li> <li>Safety and Security</li> <li>Personal Data Protection Act compliance</li> </ul>	<ul style="list-style-type: none"> <li>Property management meetings with tenants and owners</li> <li>Customer Satisfaction Survey</li> <li>Community and networking event with customers</li> <li>Online enquiries on Naim's website and social media such as Facebook and WhatsApp</li> </ul>
<b>Employee</b>	<ul style="list-style-type: none"> <li>Performance-driven management</li> <li>Learning and development</li> <li>Ethics and integrity</li> <li>Safety and hygiene</li> </ul>	<ul style="list-style-type: none"> <li>KPI and Performance Appraisal on half yearly basis</li> <li>Ongoing training and development programs for employees</li> <li>Internal Customer Satisfaction Survey</li> <li>Employee Engagement and Motivation Session</li> <li>Spot Awards</li> <li>Peer Awards</li> <li>Induction training for new employees</li> <li>Town Hall meetings</li> <li>Festival celebration with staff</li> </ul>



## Sustainability Statement (continued)

### 5. STAKEHOLDER ENGAGEMENT (continued)

Stakeholder	Areas of Interest	Mode of Engagement
<b>Regulatory Bodies</b>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Labour law</li> <li>Environmental management and compliance</li> <li>Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Naim construction processes are ISO 9001:2015, ISO14001:2015 and ISO45001:2018 accredited</li> <li>Local authorities conduct regular inspection of Naim's completed properties to ensure compliance with local regulatory requirements</li> <li>Inspection by internal audit to ensure regulatory compliance</li> </ul>
<b>Shareholders &amp; Investors</b>	<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Sustainable income</li> </ul>	<ul style="list-style-type: none"> <li>Issuance of media releases and Bursa announcements to keep all our shareholders and investors informed of the Group's financial performance and corporate developments</li> <li>All Bursa announcements and media releases are uploaded to the Group's website</li> </ul>
<b>Bankers</b>	<ul style="list-style-type: none"> <li>Financial performance and</li> <li>Property launches</li> <li>Property sales</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly release of financial results and yearly audited financial statements in the annual report.</li> <li>Periodic meetings and discussions with bankers to update the status of the projects and the performance of the Group</li> </ul>
<b>Contractors, Suppliers and Service Providers</b>	<ul style="list-style-type: none"> <li>Procurement practices</li> <li>Competence and performance</li> <li>Payment schedules</li> <li>Pricing for services</li> <li>Quality of product or services</li> <li>Project completion and timely delivery</li> <li>Health, Safety and Environment ("HSE") compliance</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings between management team and contractors, suppliers or service providers</li> <li>Procurements are conducted in compliance with Group Authority Limits</li> <li>All contractors, suppliers and service providers are required to declare and comply with the Group's Anti-Bribery &amp; Corruption Policy</li> <li>Internal and external audits on business practices and risk are conducted yearly</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Community activities</li> </ul>	<ul style="list-style-type: none"> <li>Communities residing around Permyjaya benefit from our facilities such as clubhouse, hospital, schools, shopping mall and places of worship such as surau and church</li> <li>Donations to schools and religious bodies</li> <li>Community engagement activities</li> </ul>



## 6. NAIM KEY SUSTAINABILITY THEMES FOR YEAR 2021

In view of the COVID-19 pandemic and the global financial crisis, Naim Group has identified the following key sustainability themes for year 2021:

- Digitalisation of work processes and workplace;
- Integrating lean and sustainability principles into management processes;
- Developing and nurturing talent; and
- Building communities

## 7. ETHICS AND INTEGRITY

The Anti-Bribery & Corruption Compliance Committee was constantly briefed by the Compliance Officer and also reviewed 2021 operations to safeguard Naim Group from corrupt practices.

In line with Section 17A of the Malaysian Anti-Bribery & Corruption Commission Amendment Act 2018, the Group has also implemented its Anti-Bribery & Corruption Policy (“ABC Policy”) and an Anti-Bribery & Corruption Compliance Committee was formed to monitor and report to the Board in relation thereto.

All staff have undergone ABC Policy and the Code briefing conducted by the Group Legal Department.



## 8. 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
Sustainable site development	<ul style="list-style-type: none"> <li>Reduce site disturbance and soil erosion during construction</li> <li>Use of natural drainage systems</li> <li>Preserve or restore natural site features</li> </ul>	<ul style="list-style-type: none"> <li>Lesser impact on the environment and/or eco-system</li> <li>Improved site aesthetics</li> <li>Greater public support for development</li> </ul>	<ul style="list-style-type: none"> <li>Improved marketability of developments</li> <li>Protected and conserved biodiversity</li> </ul>



## Sustainability Statement (continued)

### 8. KEY SUSTAINABILITY MATTERS (continued)

Green Objectives	Green Strategies/features	Green impact	Value
Energy-efficiency	<ul style="list-style-type: none"> <li>Use passive solar heating/cooling and natural ventilation</li> <li>Enhance penetration of daylight to interior spaces to reduce need for artificial lighting</li> <li>Use energy-management systems, monitoring and controls to continuously calibrate, adjust and maintain energy-related systems</li> <li>Staff work from home</li> <li>Virtual meetings through teleconferencing and video conferencing</li> </ul>	<ul style="list-style-type: none"> <li>Lower capital costs</li> <li>Occupant Benefit</li> <li>Lower energy cost</li> <li>Operational savings (can offset higher capital costs)</li> </ul>	<ul style="list-style-type: none"> <li>Reduced operating costs, longer life cycle</li> <li>Reduce carbon footprint</li> </ul>
Reduced consumption of building materials	<ul style="list-style-type: none"> <li>Eliminate unnecessary finishes and other products</li> <li>Design for functionality and adaptability</li> </ul>	<ul style="list-style-type: none"> <li>Lower maintenance costs</li> </ul>	<ul style="list-style-type: none"> <li>Improved cost management</li> </ul>
Efficient use of natural resources	<ul style="list-style-type: none"> <li>Use of captured rainwater or water from the nearby river</li> <li>Reuse and/or recycling of construction leftovers</li> </ul>	<ul style="list-style-type: none"> <li>Lower water consumption costs</li> <li>Lower material costs</li> </ul>	<ul style="list-style-type: none"> <li>Minimise waste</li> <li>Emails issued to shareholders to download the Company's Annual Report from the Company's website</li> </ul>
Digitalisation of work processes	<ul style="list-style-type: none"> <li>Digital reporting methods through online submission of reports</li> </ul>	<ul style="list-style-type: none"> <li>Target to achieve paperless office</li> </ul>	<ul style="list-style-type: none"> <li>Reduce carbon footprint.</li> </ul>
Social consideration	<ul style="list-style-type: none"> <li>Construction of affordable home to house the low income group</li> <li>Township developments integrating residential with commercial, public and social facilities such as education, public transport and hospital</li> </ul>	<ul style="list-style-type: none"> <li>Improve the standard of living of the low income group</li> <li>Providing employment to members of the township community</li> </ul>	<ul style="list-style-type: none"> <li>Improved social conditions and potentially, income of community members, towards building sustainable communities</li> </ul>
Supply Chain	<ul style="list-style-type: none"> <li>80% of our suppliers are Malaysian-based entities.</li> </ul>	<ul style="list-style-type: none"> <li>Lower transportation cost and less impact on environment</li> </ul>	<ul style="list-style-type: none"> <li>Create job opportunities for the local community</li> <li>Support the local economy</li> </ul>



## 9. ENVIRONMENT-RELATED CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

We have a voluntary fire-fighting team to help the authorities fight bush fires at Kuala Baram, Miri, Sarawak, an area that is prone to frequent bush-fires over the last 20 years. The team comprising staff volunteers who have been trained to fight such fires and have been very active over the years.

The team actively assisted the authorities to fight bushfires at Kuala Baram and helped to patrol the Group's land parcels and surrounding areas in an effort to detect bushfires.

Formed about two decades ago as part of the Group's corporate social responsibility programmes, the team comprises staff volunteers trained in basic fire-fighting and usage of basic fire-fighting equipment to help fight bushfires.

## 10. CONTRIBUTIONS TOWARDS BETTER COMMUNITIES

At Naim, we believe that our communities define our future. This became the very core of our existence – to make a difference in every life we touch and a force for good within our communities. Ultimately, we seek to strengthen our communities by driving a positive change at all levels thereby creating a better life and future for all.

Our initiatives in 2021 included the following:

### a. Rewarding excellent students: Naim Foundation Academic Excellence Awards

January – March 2021 (Sarawak)

Year 2021 saw excellent students from 36 schools in Sarawak being selected as recipients of the Naim Foundation Academic Excellence Awards.

Naim Foundation, the charitable arm of the Group, launched the awards in 2016 with the objective of driving the culture of academic excellence and rewarding well-rounded learners.

Chung Hua Secondary School No3, Kuching



St. Joseph Private School (SJPS) Kuching





## Sustainability Statement (continued)

### 10. CONTRIBUTIONS TOWARDS BETTER COMMUNITIES (continued)

#### c. Ramadhan contributions to mosques and suraus

April 2021 (Kuching, Miri and Bintulu)

As part of its annual donations during Ramadan month in aid of the religious establishments, Naim handed over financial contributions to Masjid Darul Ilmu and Masjid Darul Falah, Kampung Binyu in Kota Samarahan, Masjid Ar' Rayyan and Surau Sinar Islam in Miri and Masjid Al Taqwa in Bintulu.



#### d. Caring for our workers: 'Naim Cares Food Aid' programme

17 July 2021 (Miri and Bintulu)

Naim commenced distribution of food aid to its construction workers and security guards in Kuching, Bintulu and Miri as part of its 'Naim Cares Food Aid' corporate social responsibility (CSR) programme. The programme was made possible through the Group's corporate responsibility contribution and more than RM4,000 financial contribution from Naim staff.

Under the programme, food baskets would be distributed to more than 200 workers comprising local and foreign workers over a period of one month. The food baskets comprised daily necessities such as rice, cooking oil, canned food and eggs.



#### e. Donation of RM35,000 to help pandemic victims

14 September 2021 (Kuching)

Naim Foundation donated RM35,000 via a fund-raising drive by the Sarawak Chamber of Bumiputera Entrepreneurs (DUBS) to help underprivileged rural families affected by the COVID-19 pandemic.



## 10. CONTRIBUTIONS TOWARDS BETTER COMMUNITIES

(continued)

### f. Naim contributed PPE to Bomba Miri

25 May 2021 (Miri)

Naim handed over Personal Protection Equipment (PPE) to the Bomba of Miri in support of its cause in fighting the pandemic. The PPE included disposable gloves, face masks, face shields, aprons and disposable protective clothing.



## 11. SUSTAINABILITY AND REGULATORY CONTROLS

We recognise the importance of managing our environmental footprint and at the same time, integrate green features into the design and infrastructure of our developments. We are ISO 9001: 2015, ISO 14001: 2015 and ISO45001:2018 certified.

We put great efforts to complying with regulations to ensure that all the processes and system meets standards in our daily operation. The regulations that we complied with, in reducing our Economic, Environmental and Social (“EES”) impacts are as follows:

### COMPLIANCE

- √ Environmental Quality Act 1974 and its amendments
- √ Environmental Quality (Scheduled Wastes) Regulations 2005
- √ Environmental Quality (Industrial Effluent) Regulations 2009
- √ Environmental Quality (Sewage) Regulations 2009
- √ Environmental Quality (Clean Air) Regulations 2014
- √ Environmental Quality (Prescribed Activities)(Environmental Impact Assessment) Order 2015
- √ Natural Resources & Environment Ordinance 1958 – NREB (Requirements for Sarawak )
- √ NREB (Prescribed Activities) Order 1994
- √ Wildlife Protection Ordinance 1998
- √ The Sarawak Rivers Ordinance 1993
- √ Control of Supplies Regulations 1974
- √ Factories and Machinery Act 1967
- √ Factories and Machinery Act 1967 (Fencing of Machinery and Safety) Regulations 1970
- √ Factories and Machinery Act 1967 (Safety, Health and Welfare) Regulations 1970
- √ Construction Industry Development Board Malaysia Act 1994
- √ Uniform Building By-Laws 1984
- √ Fire Services Act 1988 – Act 341
- √ Occupational Safety and Health Act 1994
- √ Occupational Safety and Health Act 1994 (Safety and Health Committee) Regulations 1996
- √ Personal Data Protection Act 2010 Act 709
- √ Minimum Wages Order 2016
- √ Employment Act 1955
- √ Employees Provident Fund Act 1991
- √ Employees’ Social Security Act 1969
- √ Employment Insurance System Act 2017
- √ Income Tax Act 1967
- √ Labour Ordinance (Sarawak Cap. 76)
- √ Industrial Relations Act 1967
- √ Minimum Retirement Age Act (order 2016)



## Sustainability Statement (continued)

### 12. QUALITY HEALTH, SAFETY AND ENVIRONMENT (“QHSE”)

We strive to promote a safe and healthy work culture.

As part of our commitment to Quality, Health, Safety and Environment (QHSE), our policy along with our integrated management system are periodically reviewed to ensure their relevance, adequacy and effectiveness.

In compliance to legal and other requirements, HSE Committees are established for offices and project sites. It comprises a Chairman, Secretary, representatives of the employer as well as representatives of the employees.

Our project sites are registered with Construction Industry Development Board (CIDB) and Department of Occupational Safety and Health (DOSH). In addition, DOSH does random audits to our sites to ensure compliance.

Naim engages DOSH registered Safety Offices to enforce safety requirements at our project sites. Standard Operating Procedures (SOP) are in place to ensure compliance.

#### Contagious Disease Prevention

2021 continued to be a challenging year as the country continuously updated the SOPs in order to transition to economic recovery.

The COVID-19 taskforce diligently monitored the SOPs and implemented necessary actions in a timely manner for the Group to ensure minimum disruptions in operations.

Throughout the year, the Group had continuously monitored the implementation of Standard Operating Procedures to meet health, safety and business requirements of National Security Council (NSC), Ministry of International Trade and Industry (MITI) and the State Disaster Management Committee (SDMC) to ensure Business Continuity. Project sites were regularly visited by the State Department of Health, DOSH and CIDB to ensure our we were in compliance with the SOPs.

### 13. 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.

Toolbox meeting with contractor's workers





#### 14. LOSS TIME INJURY AND LOSS TIME ACCIDENT

We are also pleased to report that we have achieved zero Loss Time Injury (LTI) and Loss Time Accident (LTA) for 2021.

HSE PERFORMANCE & STATISTIC	2021
<b>TOTAL SAFE MANHOURS WORKED</b> TOTAL ACCUMULATIVE MANHOURS WORK WITHOUT LTI TODATE <b>44,511,513</b>	3,054,709

SAFETY		Year (2021)
Fatalities	FAT	Nil
Lost Time Incidents	LTI	Nil
Lost Workday Cases	LWC	1
Restricted Workday Cases	RWC	Nil
Medical Treatment Cases (major)	MTC	Nil
First Aid Cases (<4 days MC)	FA	Nil
Total Recordable Cases (sum FAT, LWC, MTC, or RWC)	TRC	Nil
Near Miss Incidents	NM	Nil
Fire Incidents	FI	Nil
Lost Time Injury Frequency Rate	LTIFR	0.327

ENVIRONMENTAL		Year (2020)
Oil/Chemical Spillage	OP	Nil
Substance Incident Case	SIC	NIL
Erosion Case	EC	4

#### 15. ENVIRONMENT

##### a. Enhancement in construction processes

As part of our efforts to reduce depletion of natural resources, we introduced the usage of system formwork in our construction process for our condominium projects. As these formworks could be recycled, reliance on wood products was reduced.

##### b. Bush fire Prevention

We continuously monitor our landbanks in Miri that are prone to bush fires on annual basis. In addition to setting up a volunteer fire fighting team, our Miri Team also works closely with the Natural Resources and Environment Board (NREB), Department of Environment (DoE) and the Fire Brigade to combat bush fire.

Naim has also invested in drone monitoring to combat bush fire for better precision and faster reaction time.





# Sustainability Statement (continued)

## 16. COMMITMENT TO QUALITY

In line with the Health, Safety and Environment (“QHSE”) Policy, Naim made several organisational and quality improvement. This included the creation of Standard Operation Procedures (SOP) and usage of Consultants’ services to ensure we delivered quality products and services to our customers.

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 the Intertek International (previously known as Moody International).

Besides the above, some of our initiatives to ensure quality were as follows:

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



## 17. 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.

**HI-CODES ICONS (2021-2022)**

**DIRECTORS' LEVEL**

<b>H</b>	<b>I</b>	<b>C</b>	<b>O</b>	<b>D</b>	<b>E</b>	<b>S</b>
<b>Humble</b> Humble and approachable, listening to the views of others.	<b>Integrity</b> Integrity in all dealings, being honest and fair.	<b>Commitment</b> Commitment to the company and its stakeholders.	<b>Openness</b> Openness to new ideas and perspectives.	<b>Determination</b> Determination to achieve the company's goals.	<b>Enthusiasm</b> Enthusiasm in all work and activities.	<b>Spiritual</b> Spiritual values and principles.

**SENIOR MANAGEMENT LEVEL**

<b>H</b>	<b>I</b>	<b>C</b>	<b>O</b>	<b>D</b>	<b>E</b>	<b>S</b>
<b>Humble</b> Humble and approachable, listening to the views of others.	<b>Integrity</b> Integrity in all dealings, being honest and fair.	<b>Commitment</b> Commitment to the company and its stakeholders.	<b>Openness</b> Openness to new ideas and perspectives.	<b>Determination</b> Determination to achieve the company's goals.	<b>Enthusiasm</b> Enthusiasm in all work and activities.	<b>Spiritual</b> Spiritual values and principles.

HI-CODES Poster



## 17. BUILDING A SUSTAINABLE WORKFORCE OF THE FUTURE (continued)

### Training & Development

At Naim, we focus on upgrading and re-skilling our talent pool by nurturing their skills and competencies to achieve the organisation's immediate and long-term aspiration.

Among the key internal and external training programmes attended by our employees in 2021, include:

- Pipe Fitter Competency Program
- Primavera P6 Basic
- Fundamental of Project Management
- Internal Audit Report Writing: 8 Key Aspects for Improved Communication, Impact & Assurance
- Effective Purchasing & Negotiation Skills
- Basic First Aid & CPR Training
- Contract & Procurement Fraud
- Autocount Premium Stock Edition
- The Combat of Web Application: Hacker vs. Developer
- Suspension & Termination in Construction Contracts
- Updates on OSH (Noise Regulation) 2019 & ICOP 2019 & Environmental Noise
- The Repercussion of The Recent Federal Court Ruling on LAD for Developers
- MAICSA Annual Conference 2021
- IR Law Conference 2021
- KPMG Tax & Business Summit 2021
- Surveyor's Congress 2021

Due to COVID-19 restrictions since 2020, majority of our training in 2020 - 2021 were conducted/attended virtually or via the hybrid method, and we anticipate this practice to continue in 2022 and beyond.

In 2021, we held our first-ever Naim Virtual Conference, a two-day conference where industry experts and Naim managers from across the regions discuss innovative approaches, new technological concepts and the new "digital mindset" that is required in realising our 2030 Naim Aspiration Plan.

The event was attended by 14 guest speakers from various portfolios, and over 60 participants - ranging from middle to top level management, as well as members of the Company's Board of Directors.

Naim Virtual  
Conference 2021





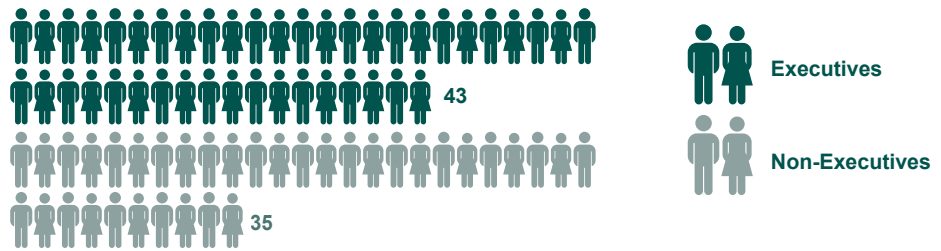
# Sustainability Statement (continued)

## 17. BUILDING A SUSTAINABLE WORKFORCE OF THE FUTURE (continued)

### Talent Acquisition and Retention

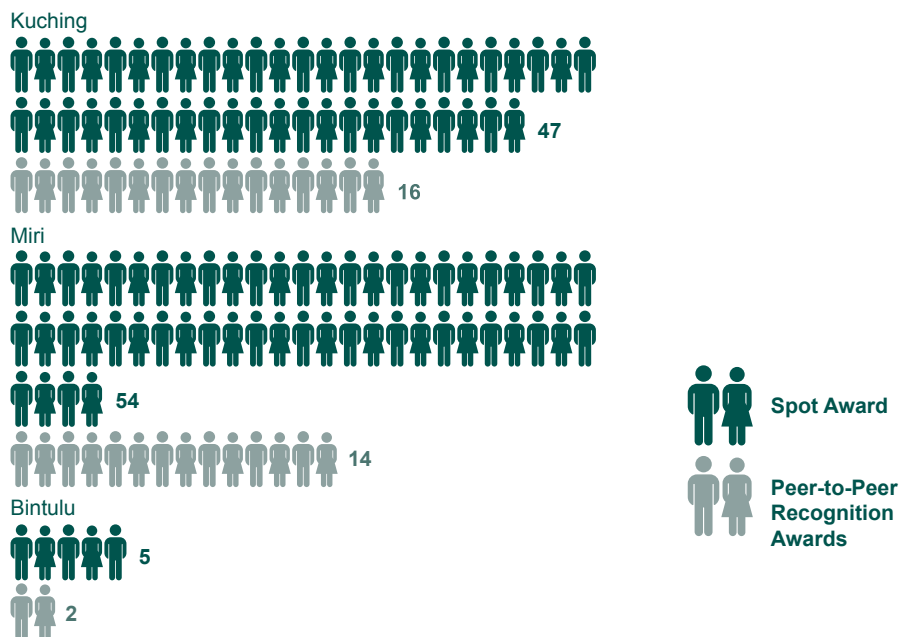
We welcomed a total of 78 new hires in 2021 - 43 executive-level and above, and 35 non-executives.

#### NEW EMPLOYEE HIRES



In addition to acquiring the best new talents, we also believe in retaining our existing talent pool and developing them to realise their full potential via continuous training and development opportunities. We also conducted various employee recognition programmes such as our monthly SPOT Awards and Peer-to-Peer Recognition Awards.

#### EMPLOYEE RECOGNITION AWARD RECIPIENTS BASED ON LOCATIONS



The SPOT Award is designed to recognise and reward outstanding individual and/or team efforts, reinforcing behaviours and values that are important at Naim. We encourage leaders, including Department Heads to submit their nominations in recognition of their own staff.

Similarly, the Peer-to-Peer Recognition Award aims to provide every employee with the opportunity to give and receive recognition, regardless of job title, tenure, or function. Any employee may submit a nomination in recognition of another employee within the Group for this award.

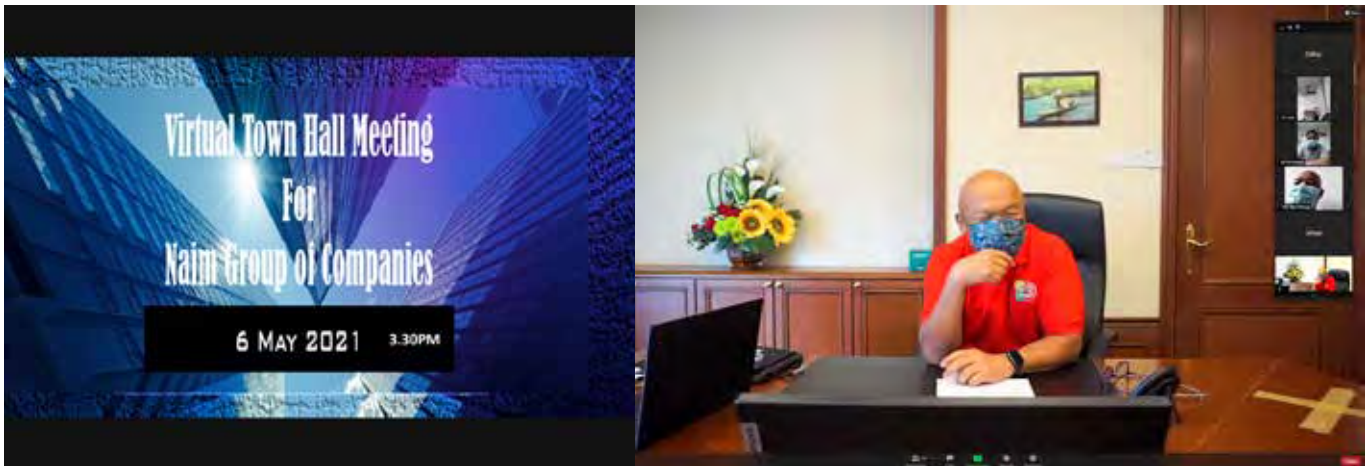


**17. BUILDING A  
SUSTAINABLE  
WORKFORCE OF THE  
FUTURE**  
(continued)

Employee Engagement

Employee engagement remains a priority at Naim, as we continue to invest in various activities to improve and measure the level of our employee engagement. These activities include regular town hall meetings, as well as annual employee engagement and internal satisfaction surveys.

In alignment with our aspiration towards digital transformation, all our engagement activities – including town halls and employee surveys were conducted via online platforms.



Workforce and Workplace Diversity

Diversity in the workplace is essential for business sustainability. At Naim, we encourage workplace diversity as it inspires wider range of views, opinions, values, tolerances, respects, innovation enriching every team members.



Christmas Gathering at Wisma Naim



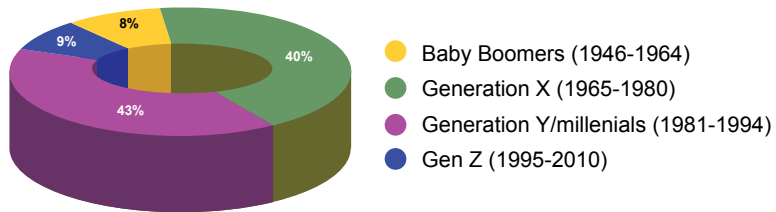
# Sustainability Statement (continued)

## 17. BUILDING A SUSTAINABLE WORKFORCE OF THE FUTURE (continued)

The Group's openness to hiring employees from diverse backgrounds, regardless of age, gender, race, religion, nationality and education levels are reflected in our workforce composition below:

Majority of our workforce consists of Gen X's and Gen Y's (i.e., 40% and 43% respectively). Only 9% of our employees are below the age of 27 (Gen Z), with the remaining 9% are 58 years old (Baby Boomers).

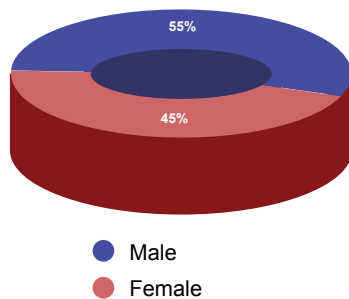
### AGE GROUP DISTRIBUTION



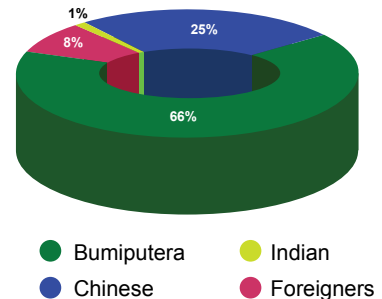
More than half of our workforce are male (55%), whereas female members make up the remaining 45% of the overall total.

The Bumiputera group which consists of Malay, Iban, Bidayuh, and more forms the biggest portion of our diverse workforce (66%), followed by Chinese (25%), foreigners (8%) and finally, a 1% minority of Indians.

### GENDER DISTRIBUTION

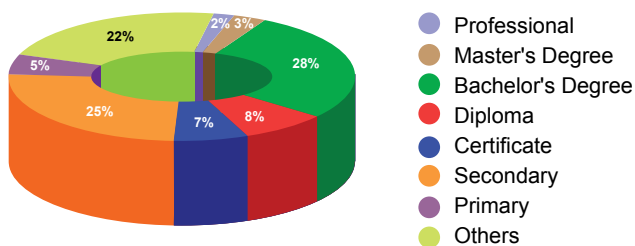


### RACE DISTRIBUTION



Almost half of Naim's workforce have completed their post-secondary/tertiary education with majority possessing a bachelor's degree (28%). The second largest group are those who had completed their secondary education (25%), followed by primary education (5%) and others (22%).

### EDUCATION LEVEL DISTRIBUTION





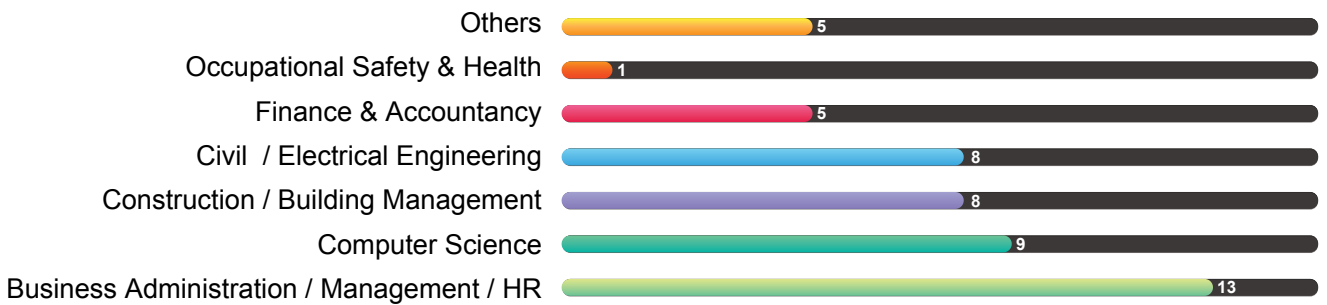
**17. BUILDING A SUSTAINABLE WORKFORCE OF THE FUTURE**  
(continued)

Internships

The Naim Internship Programme offers undergraduates the opportunity to gain direct practical working experience with the Group, with the aim of better preparing the students for the “real work environment” upon graduation.

In 2021, we have provided internship opportunities for a total of 49 interns/practical students from various field of studies and institutions of higher learnings/vocational institutes:

**INTERNSHIPS BASED ON AREA OF STUDIES**



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



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