

SUSTAINABILITY STATEMENT (CONTINUED)

7. KEY SUSTAINABILITY MATTERS (CONTINUED)

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

7. KEY SUSTAINABILITY MATTERS (CONTINUED)

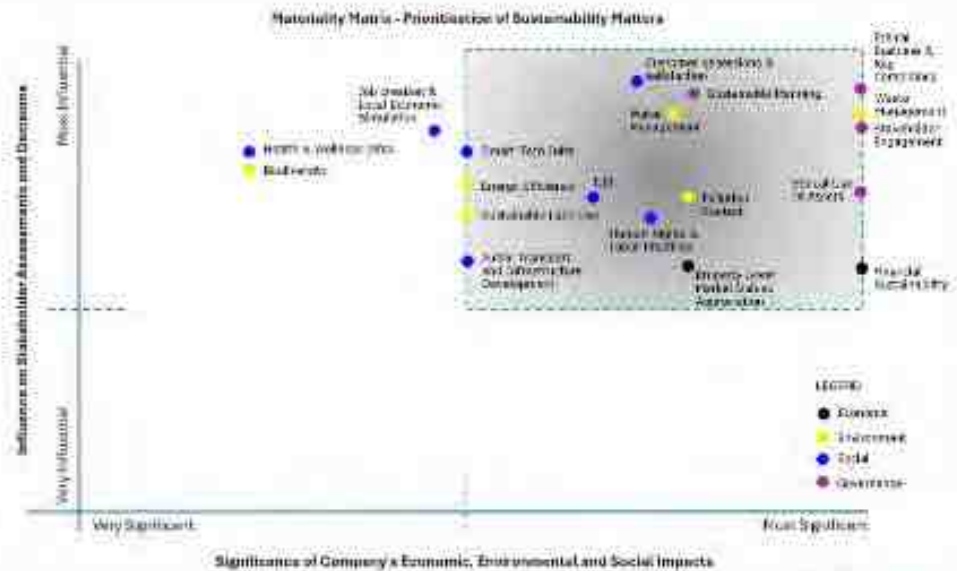
Green Objectives	Green Strategies/features	Green Impact	Value Generated
Digitisation and digitalisation of work processes	<ul style="list-style-type: none"> Digital reporting methods through online submission of reports Transforming how we work through Project AEGIS for a more efficient and innovative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

SUSTAINABILITY STATEMENT (CONTINUED)

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

10. MATERIALITY (CONTINUED)

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



Axes

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

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

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

11. KEY SUSTAINABILITY ACHIEVEMENTS

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

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

SUSTAINABILITY STATEMENT (CONTINUED)

12. SUPPORTING THE COMMUNITIES

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

COMMUNITY AND SOCIETY

a. Tabung Amanah NAIM (NAIM Foundation)

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

Naim Foundation Academic Excellence Award (NFAEA)

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

Tabung Amanah NAIM and NFAEA invested RM90,550 for FY2023

NAIM excellence awards for 17 top STPM students

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

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



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

12. SUPPORTING THE COMMUNITIES (CONTINUED)

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

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



Presentation of donations for mosque and surau at Wisma Naim



NAIM donates at a mosque in Bintulu

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

b. Donation to improvement works at Lutong police station

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

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

SUSTAINABILITY STATEMENT (CONTINUED)

12. SUPPORTING THE COMMUNITIES (CONTINUED)

c. Recovery Support

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

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



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

d. Emergency Assistance

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

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



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

13. DATA PRIVACY, SECURITY, AND ANTI-CORRUPTION

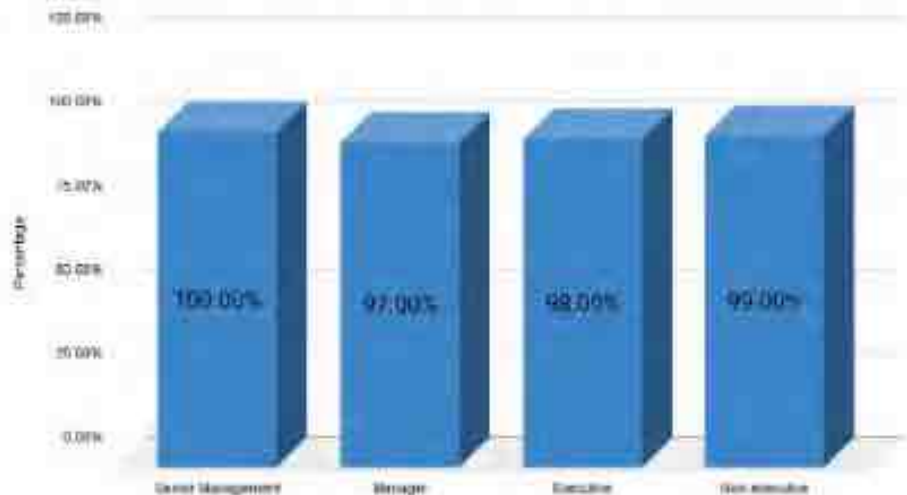
There were no substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2023.

ANTI-CORRUPTION

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

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

Percentage of employees who have received on anti-corruption training



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

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

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



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

SUSTAINABILITY STATEMENT (CONTINUED)

15. HEALTH AND SAFETY

Number of work-related fatalities - 1

Number of employees trained on health and safety standards - 380

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

Number of employees trained on health and safety standards

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

Training/Competency

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



NAIM during BOMBA training

16. COMMITMENT TO QUALITY

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

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

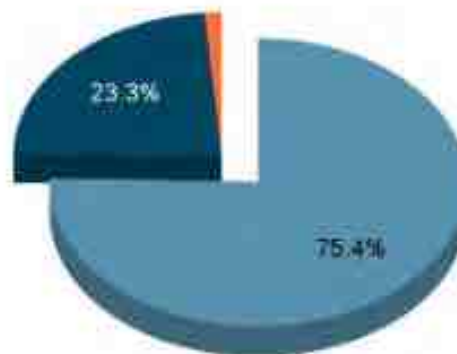
To ensure quality, we have frequently conduct the following:

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



17. SUPPLY CHAIN MANAGEMENT

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



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

Total number of suppliers:

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

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

SUSTAINABILITY STATEMENT (CONTINUED)

18. ENVIRONMENT - WATER AND ENERGY CONSUMPTION

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

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

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

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

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

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

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

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

Water Management

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

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

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

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

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

19. BUILDING A SUSTAINABLE WORKFORCE OF THE FUTURE

BUILDING VALUES SPIRITEDLY

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

Learning & Development

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

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

The four (4) competency pillars are:

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

NAIM has achieved the following:

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

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



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

SUSTAINABILITY STATEMENT (CONTINUED)

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

Talent Acquisition and Employer Branding

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

NEW EMPLOYEE HIRES 2023

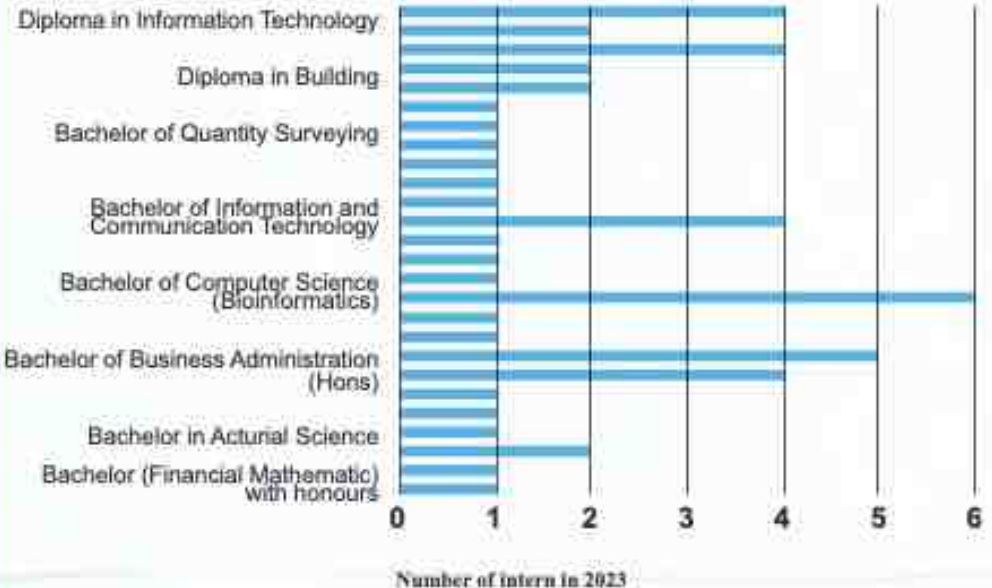
- In addition to acquiring the best new talents, we also believe in retaining our existing talent pool and developing and supporting them in their succession and career development by upgrading and upskilling their performance and potential via continuous training and development opportunities, as well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

NAIM INTERNSHIPS PROGRAMME

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

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

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



EMPLOYEE ENGAGEMENT

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

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

DIVERSITY, EQUITY AND INCLUSION (DEI)

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

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

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

The following data is true as at 31 December 2023.

GENDER DISTRIBUTION

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

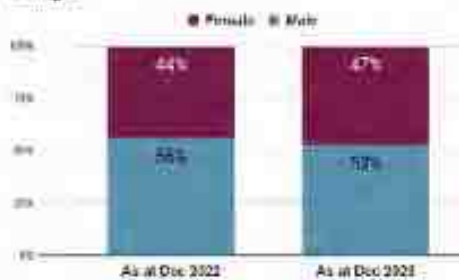
Directors



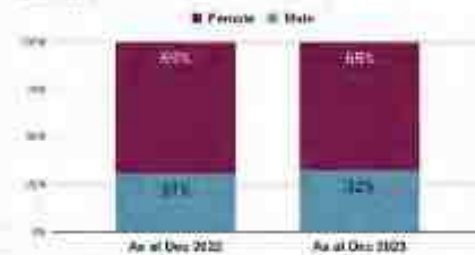
Senior Management



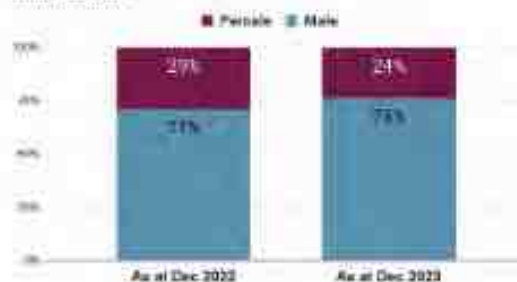
Manager



Executive



Non-executive



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

SUSTAINABILITY STATEMENT (CONTINUED)

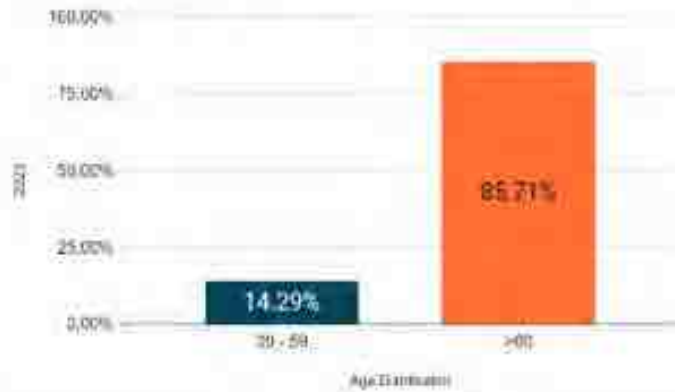
19. BUILDING A SUSTAINABLE WORKFORCE OF THE FUTURE (CONTINUED)

AGE GROUP DISTRIBUTION¹

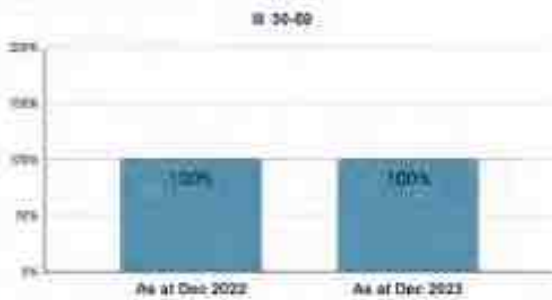
- Majority of our workforce consists of individuals within the age group of "30-59" followed by "below 30" and lastly "above 60".

Directors

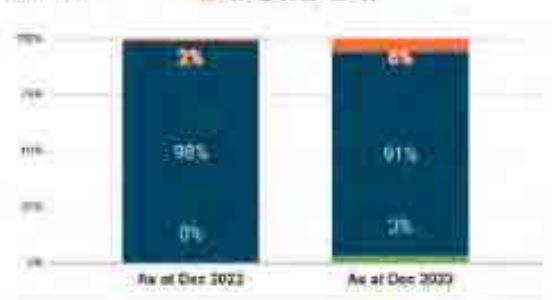
Directors Age Distribution



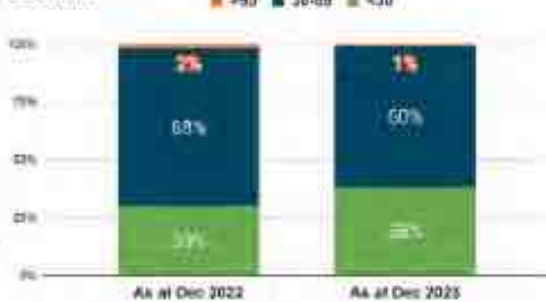
Senior Management



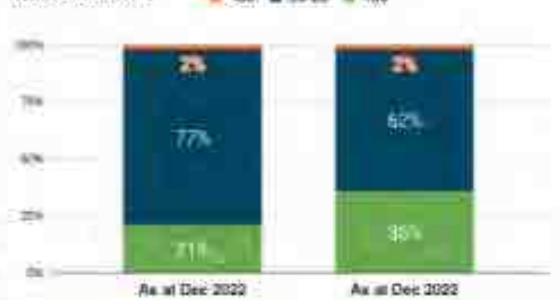
Manager



Executive



Non-executive



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

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

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

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

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

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

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



PART 4

Other Highlights

- 72 CORPORATE EVENTS
- 76 NAIM IN THE NEWS



CORPORATE EVENTS



NAIM Chinese New Year (CNY) Open House

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



Aram Ngerami Gawai

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



NAIM Ramadan Bubur Lambuk

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



Konvoi Kembara 60 Tahun Sarawak Merdeka

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

CORPORATE EVENTS (CONTINUED)



NAIM Occupational, Safety and Health Campaign

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



NaCOS Culture Launch

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





NAIM Recognized as Top 30 Developers in Sarawak

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



SHEQ "CLASSIC" Award

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

NAIM IN THE NEWS

Fostering spirit of homeownership

Kuala Lumpur: Naim Group has been successful in its efforts to foster a spirit of homeownership among its employees and their families.

The group's employees and their families have been able to purchase Naim Group properties, which are designed to meet their needs for a comfortable and secure living environment.

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Group photo of Naim Group employees and their families.

Naim hands over contribution to mosques, suraus in Sarawak

KUALA LUMPUR - Naim Group has handed over a contribution to the Sarawak Islamic Development Board (SIDB) for the construction of mosques and suraus in Sarawak.

FLOWING

KOMBERG has reported a strong performance in the second quarter, with net profit of RM12.6 million, up from RM10.5 million in the first quarter.

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

KUALA LUMPUR - Naim Group has reported a strong performance in the second quarter, with net profit of RM12.6 million, up from RM10.5 million in the first quarter.

The group's net profit for the second quarter was RM12.6 million, compared to RM10.5 million in the first quarter. This represents a 20% increase in net profit.

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The group's net profit for the second quarter was RM12.6 million, compared to RM10.5 million in the first quarter. This represents a 20% increase in net profit.

Naim Group hosts inaugural 'Aram Ngerami Gawai'

KUALA LUMPUR - Naim Group has hosted its inaugural 'Aram Ngerami Gawai' (AN-Gawai) event, which is a traditional Sarawak festival.



Naim teams up with NREB, DoE to raise environmental awareness

KUALA LUMPUR - Naim Group has teamed up with the National Rivers and Erosion Board (NREB) and the Department of Environment (DoE) to raise environmental awareness.



Naim permitted to have auxiliary police squad

KUALA LUMPUR - Naim Group has been permitted to have an auxiliary police squad to maintain security at its properties.



The auxiliary police squad will be responsible for maintaining security at Naim Group properties and ensuring the safety of its employees and customers.



STPM high-achievers get Naim Foundation excellence award

STPM high-achievers were honored with the Naim Foundation Excellence Award at a ceremony held at the Naim Foundation headquarters in Kuching. The award recognizes the exceptional academic performance of these students, who have achieved high marks in the STPM examination.

Utusan Sarawak

Kembar Muktamad Era Reformasi

DIJUAL 1.20 BERTOLAK 2023 14.00 SARAWAK DOLLAR 14.00

GLOBAL MUSLIM LEADER OF THE YEAR AWARD



Datuk Amar Abdul Hamed Bin Haji Sepawi

Executive Chairman
Amn Holdings Berhad



THE 14th International Muslim Leader of the Year Award ceremony.

Friday, September 15, 2023

Naim Engineering awarded CIDB's QCLASSIC 2023 Award

Engineering

BEKIN, 15 SEP 2023 - Naim Engineering (NE) has been awarded the 2023 CIDB's QCLASSIC Award for its exceptional performance in quality management. The award is presented annually to recognize the best quality management practices in the construction industry.



NE was awarded the 2023 CIDB's QCLASSIC Award for its exceptional performance in quality management.

NE, a leading engineering and construction firm, has consistently demonstrated a commitment to excellence in quality management. The award is a testament to the company's dedication to providing high-quality services to its clients.

Bintulu awaits arrival of Sarawak Merdeka Ride Convoy

BINTULU - The Sarawak Government awaits the arrival of the Sarawak Merdeka Ride Convoy, which will reach the city from Miri today.

The Sarawak Government is excited to welcome the Sarawak Merdeka Ride Convoy, which is a significant event in the state's history. The convoy is expected to arrive in Bintulu today.

Naim-Maybank alliance first in state property sector

KUCHING - Naim Maybank has announced a strategic alliance with Maybank's property division, marking the first partnership in Sarawak's property development sector.

The alliance aims to enhance the quality of services provided to customers, particularly in the areas of property development and financing. This partnership is expected to bring significant benefits to the state's property sector.

The property division of Naim Maybank has a strong track record in providing high-quality services to its customers. This alliance is a testament to the company's commitment to excellence in property development and financing.



The partnership is a significant milestone for both companies, as it marks the first time they have collaborated in the state's property sector. This alliance is expected to bring significant benefits to the state's property sector.

Naim Maybank has announced a strategic alliance with Maybank's property division.

This partnership is a significant milestone for both companies, as it marks the first time they have collaborated in the state's property sector.



PART 5

Corporate Governance

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board's Roles and Responsibilities

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

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

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

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

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

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

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

Board Meetings

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

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

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

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

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

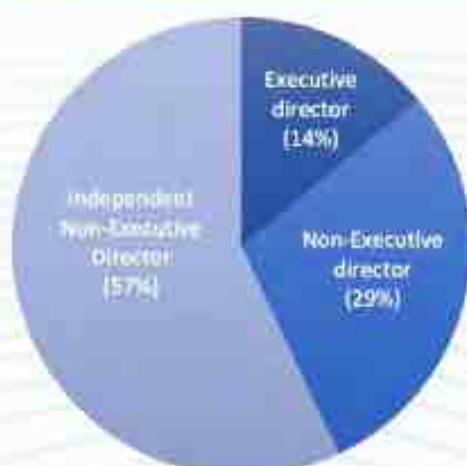
All Directors have full, free and unrestricted access to the Senior Management, Accountants, Internal and External Auditors and the Company Secretary.

Board Composition

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

The current Board's composition is as follows:-

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



Board composition based on category in 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

follows

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

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

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

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

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

Tenure of Independent Director

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

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

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

Board Diversity

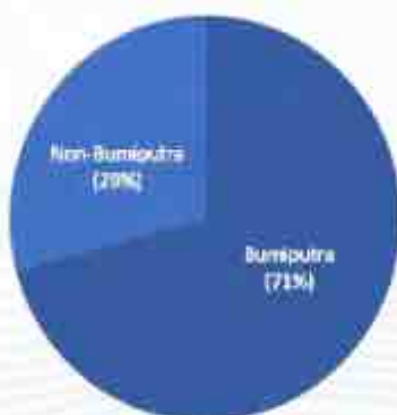
The Board acknowledges the importance of diversity in the Board, including gender, age, ethnicity, experience and skills. Diversity in the Board composition facilitates optimal decision-making by harnessing different insights and perspectives. The current board composition in terms of experience, skills,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

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

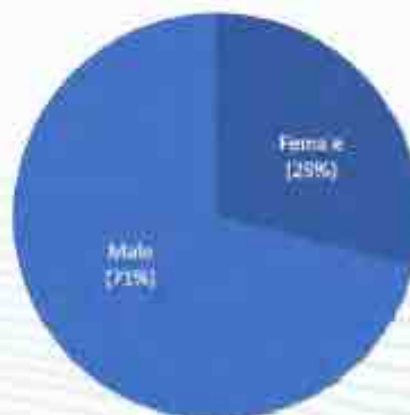
During the year under review, the Board comprised 71% Bumiputra and 29% Non-Bumiputra. The Board believes that diversity leads to the consideration of all facets of an issue and consequently, better decisions and performance.

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

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



Board composition based on ethnicity in 2023



Board composition based on gender in 2023



Senior Management composition based on gender in 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Retirement of Directors

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

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

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

Directors' Training

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

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

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

Nominating Committee

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

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

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

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

Succession Planning

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

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

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

Board Effectiveness

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

Commitment to Integrity Code of Conduct and Business Ethics

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

Whistleblowing Policy

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Anti-Bribery and Corruption Policy

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

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

Disclosure of Interests in Contracts/Conflict of Interest

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

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

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

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

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

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

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

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

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

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

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

Risk Management and Internal Control Framework

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

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

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

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

Communication with Stakeholders

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Conduct of General Meetings

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

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

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

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

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

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

Compliance Statement

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

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

Statement of Directors' Responsibility in preparing the Financial Statements

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

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

Additional Compliance Information

1. Utilisation of Proceeds from the Disposal of Land

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

2. Audit and Non-Audit Fees

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

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

The non-audit fees comprised the following:

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

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

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

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

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

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

AUDIT COMMITTEE REPORT

Members

The Audit Committee comprises the following:-

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

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

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

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

The composition of the Audit Committee is as follows:-

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

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

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

ATTENDANCE OF MEETINGS

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

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

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

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

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

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

1. SUMMARY OF ACTIVITIES

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

1.1 Financial Reporting

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

AUDIT COMMITTEE REPORT (CONTINUED)

1.2 Related Party Transactions

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

1.3 Internal Audit

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

1.4 External Audit

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

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

2. INTERNAL AUDIT FUNCTION

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

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

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

2.1 Authority

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

2.2 Independence

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

2.3 Duties and Responsibilities (continued)

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

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

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

2.4 Internal Audit Functions and Activities

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

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

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

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

3. TRAINING

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

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

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

Responsibility

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

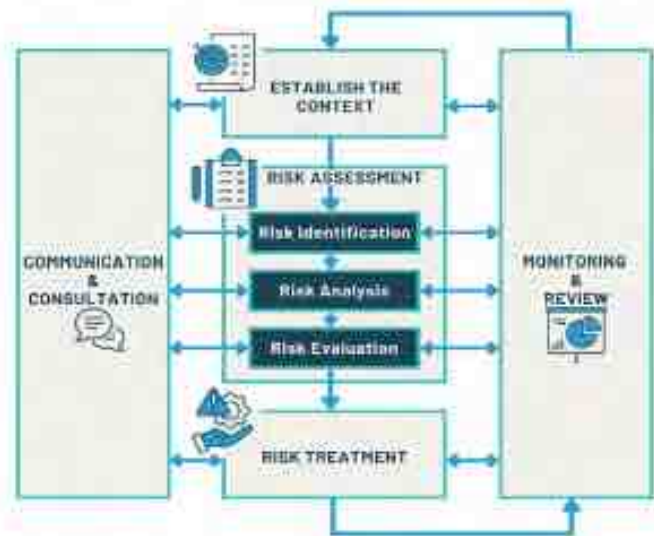
Risk Management Framework

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

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

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

Risk Management Process



Risk Management Process

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

Key Processes of Internal Control

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

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

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

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

Internal Audit

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

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

Assurance to the Board

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

Review of the Statement by External Auditors

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

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

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

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



PART 6

Financial Statements

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

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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

Principal activities

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

Subsidiaries

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

Results

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

Dividend

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

Reserves and provisions

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

Directors of the Company

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

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

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

Directors of the subsidiaries

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

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

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

Directors' interests in shares

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

	Number of ordinary shares			At 31.12.2023
	At 1.1.2023/ date of acquisition	Bought	Sold	
Direct interests				
Datuk Amar Abdul Hamed Bin Haji Sepawi				
- The Company	32,553,427	-	-	32,553,427
- Mawar Education Centre Sdn. Bhd.*	699,999	-	-	699,999
Datuk Hasmi Bin Hasnan				
- The Company	55,730,768	-	-	55,730,768
Shareholdings in which Datuk Amar Abdul Hamed Bin Haji Sepawi has deemed interests				
The Company	73,507,433	-	-	73,507,433
Desa Ilmu Sdn. Bhd.	8,000,000	-	-	8,000,000
NAIM GAMUDA (NAGA) JV SDN. BHD.	7,000,000	-	-	7,000,000
Peranan Makmur Sdn. Bhd.	7,000,000	-	-	7,000,000
Simbol Warisan Sdn. Bhd.	7,500	-	-	7,500
BDA Naim Sdn. Bhd.	400,000	-	-	400,000
Mawar Education Centre Sdn. Bhd.*	800,000	-	-	800,000
Naim Engineering Construction (Fiji) Limited	999,999	-	-	999,999
Naim Quarry (Fiji) Limited	999,999	-	-	999,999
Naim Premix (Fiji) Limited	999,999	-	-	999,999
Lotus Paradigm Sdn. Bhd.	70	-	-	70
Shareholdings in which Datuk Hasmi Bin Hasnan has deemed interests				
The Company	135,259,244	-	-	135,259,244
Desa Ilmu Sdn. Bhd.	8,000,000	-	-	8,000,000
NAIM GAMUDA (NAGA) JV SDN. BHD.	7,000,000	-	-	7,000,000
Peranan Makmur Sdn. Bhd.	7,000,000	-	-	7,000,000
Simbol Warisan Sdn. Bhd.	7,500	-	-	7,500
BDA Naim Sdn. Bhd.	400,000	-	-	400,000
Mawar Education Centre Sdn. Bhd.*	800,000	-	-	800,000
Naim Engineering Construction (Fiji) Limited	999,999	-	-	999,999
Naim Quarry (Fiji) Limited	999,999	-	-	999,999
Naim Premix (Fiji) Limited	999,999	-	-	999,999
Lotus Paradigm Sdn. Bhd.	70	-	-	70

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

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

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

Directors' benefits

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

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

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

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

Issue of shares and debentures

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

Options granted over unissued shares

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

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

Indemnity and insurance costs for Officers and Auditors

a. Directors and officers

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

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

b. Auditors

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

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

Other statutory information

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

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

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

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

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

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

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

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

Auditors

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

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

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

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

.....
Datuk Hasmi Bin Hasnan

Kuching,

Date: 19 April 2024

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

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