

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Results from operating activities (continued)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Results from operating activities is arrived at after charging/(crediting):				
Net change in impairment loss on:				
Financial assets at amortised cost [Note 32.3(a)]	2,483	(36)	-	-
Contract assets [Note 13.2(c)]	-	(2,283)	-	-
Expenses arising from leases: (Note 24.1)				
Expenses relating to:				
- short-term leases	14	21	234	234
- leases of low-value assets	454	357	1	3
Material income				
Dividend income from other investments (Note 11)				
- quoted shares in Malaysia	(2)	(1)	-	-
- unquoted shares in Malaysia	-	(124)	-	-
Dividend income from subsidiaries and associates				
- quoted shares in Malaysia	-	-	(8,412)	(4,206)
Gain on disposal of:				
- property, plant and equipment	(176)	(39)	-	-
- investment property	(1,396)	-	-	-
Reversal of impairment loss on investment in an associate (Note 5)	-	-	(4,761)	-
Reversal of provision for maintenance (Note 22)	(3,472)	-	-	-
Foreign exchange gain				
- unrealised	(248)	(247)	(221)	(238)

Lease expenses

24.1 The Group leases office equipment and premises with contract terms of 5 years or less. These leases are short-term leases and/or leases of low-value assets. The Group has elected not to recognise them as right-of-use assets and the associated lease liabilities for these leases. The lease payments for these short-term leases and low-value assets are recognised as expenses to profit or loss on a straight-line basis over the lease term.

25. Other non-operating expenses

Other non-operating expense comprises losses on deemed disposals amounting to RM205,000 (2022: RM55,000) arising from the dilution in the effective equity interest in an associate (see Note 37).

26. Finance income and costs

Recognised in profit or loss

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income of financial assets calculated using the effective interest method that are at amortised costs:				
- fixed deposits and cash funds	5,223	4,077	600	398
- interest income from deferred payment scheme	2,638	3,530	-	-
- other finance income	649	812	3,770	3,178
	8,510	8,419	4,370	3,576

26. Finance income and costs (continued)*Recognised in profit or loss (continued)*

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<i>Interest expense of financial liabilities that are not at fair value through profit or loss:</i>				
- loans and borrowings	10,990	10,785	3,598	3,108
- other finance costs	123	1,184	3,808	2,571
	<u>11,113</u>	<u>11,969</u>	<u>7,406</u>	<u>5,679</u>

27. Compensations to key management personnel

Compensations paid/payable to key management personnel are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company				
- Fees	450	450	450	450
- Short-term employee benefits	3,493	3,826	3,291	3,340
	<u>3,943</u>	<u>4,276</u>	<u>3,741</u>	<u>3,790</u>
Other key management personnel (including subsidiaries' directors)				
- Fees	60	60	-	-
- Short-term employee benefits	3,219	3,634	142	57
	<u>3,279</u>	<u>3,694</u>	<u>142</u>	<u>57</u>
Total	<u>7,222</u>	<u>7,970</u>	<u>3,883</u>	<u>3,847</u>

Other key management personnel comprise persons, other than the Directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the group entities either directly or indirectly.

The estimated monetary value of benefit-in-kind is RM72,000 (2022: RM44,000).

28. Tax expense

Major components of tax expense/(income) include:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense/(income)				
- current year	7,682	7,426	-	-
- prior years	83	(217)	-	-
	<u>7,765</u>	<u>7,209</u>	<u>-</u>	<u>-</u>
Deferred tax expense/(income) (Note 10)				
- recognition and reversal of temporary differences	64	(926)	-	-
- prior years	44	163	-	-
	<u>108</u>	<u>(763)</u>	<u>-</u>	<u>-</u>
Total tax expense recognised in profit or loss	<u>7,873</u>	<u>6,446</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. Tax expense (continued)

Reconciliation of tax expense

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) for the year	35,313	25,072	5,096	(20,596)
Total tax expense	7,873	6,446	-	-
Profit/(Loss) excluding tax	43,186	31,518	5,096	(20,596)
Share of tax of equity-accounted associates and joint ventures	28,435	17,515	-	-
	<u>71,621</u>	<u>49,033</u>	<u>5,096</u>	<u>(20,596)</u>
Tax calculated using Malaysian tax rate of 24%	17,189	11,768	1,223	(4,943)
Effect of different tax rates in foreign jurisdiction	(9)	(19)	-	-
Non-deductible expenses	20,194	10,072	1,939	5,952
Non-taxable income	(3,792)	(486)	(3,162)	(1,009)
Movements in unrecognised deferred tax assets	4,371	2,680	-	-
Utilisation of tax loss previously not recognised	(1,772)	-	-	-
	<u>36,181</u>	<u>24,015</u>	<u>-</u>	<u>-</u>
Under/(Over-)provision in prior years	127	(54)	-	-
Less: Share of tax of equity-accounted associates and joint ventures	(28,435)	(17,515)	-	-
Total tax expense	<u>7,873</u>	<u>6,446</u>	<u>-</u>	<u>-</u>

29. Earnings per ordinary share - Group

Basic and Diluted earnings per ordinary share

The calculation of basic and diluted earnings per ordinary share was based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after excluding treasury shares bought back in previous years, presented as follows:

	2023	2022
Net profit attributable to ordinary shareholders (RM'000)	35,034	24,809
Weighted average number of ordinary shares, net of treasury shares bought back in previous years ('000)	500,743	500,743
Basic and Diluted earnings per share (sen)	<u>7.00</u>	<u>4.95</u>

30. Dividend

No dividends were paid during the current and previous financial year.

31. Operating segments

The Group has three reportable segments, which are the Group's strategic business units. For each of the strategic business units, the Group Managing Director ("GMD"), being the Chief Operating Decision Maker, reviews internal management reports for resource allocation and decision making at least on a quarterly basis. The following summary describes the operations in each of the Group's existing reporting segments:

- Property development - Development and construction of residential and commercial properties (including sale of vacant land).
- Construction - Construction of buildings, roads, bridges and other infrastructure and engineering works (including oil and gas related construction projects).
- Others - All other business segments with profit contributions less than 10%. This includes trading of buildings and construction materials, provision of sand extraction and land filling services, property investment and management, hotel operation, education as well as quarry operation.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the GMD. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

There are varying levels of integration between the reportable segments. Inter-segment pricing is determined on negotiated terms. Unallocated items mainly comprise corporate and headquarters expenses and other investment income, which are managed on a group basis and are not allocated to any operating segment.

Segment assets and liabilities

The GMD reviews the statements of financial position of subsidiaries for resource allocation and decision making, instead of a summary of consolidated assets and liabilities by segments. As such, information on segment assets and segment liabilities is not presented.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. Operating segments (continued)

	Property development	
	2023	2022
	RM'000	RM'000
Revenue from external customers	71,804	85,618
Inter segment revenue	-	-
Total segment revenue	71,804	85,618
Segment profit/(loss)	6,763	6,520
Share of results (net of tax) of:		
- associates, other than Dayang Enterprise Holdings Bhd. ("DEHB group")	(462)	4,096
- joint ventures	-	-
	6,301	10,616
Unallocated expenses		
Loss on deemed disposal of interests in an associate, Perdana Petroleum Berhad ("PPB")		
Share of results (net of tax) of associates, DEHB group ¹ (in oil and gas segment)		
Tax expense		
Profit for the year		
Other comprehensive income		
Total comprehensive income for the year		
Total comprehensive income attributable to non-controlling interests		
Total comprehensive income attributable to owners of the Company		
Included in the measure of segment profit/(loss) are:		
Depreciation and amortisation		
(including depreciation capitalised in inventories and contract costs)		
Finance income		
Finance costs		
Net changes in impairment loss on financial assets and contract assets		

¹ Share of results of DEHB Group comprised the share of results from two associates, DEHB and PPB

Construction		Others		Inter-segment elimination		Consolidated	
2023	2022	2023	2022	2023	2022	2023	2022
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
220,207	265,352	24,941	17,596	-	-	316,952	368,566
35,570	54,872	3,174	2,794	(38,744)	(57,666)	-	-
<u>255,777</u>	<u>320,224</u>	<u>28,115</u>	<u>20,390</u>	<u>(38,744)</u>	<u>(57,666)</u>	<u>316,952</u>	<u>368,566</u>
4,527	1,551	(6,839)	(8,706)	(6,724)	(3,981)	(2,273)	(4,616)
(4,918)	4,730	-	-	-	-	(5,380)	8,826
61	1,256	-	-	-	-	61	1,256
<u>(330)</u>	<u>7,537</u>	<u>(6,839)</u>	<u>(8,706)</u>	<u>(6,724)</u>	<u>(3,981)</u>	<u>(7,592)</u>	<u>5,466</u>
						(2,240)	(4,832)
						(205)	(55)
						53,223	30,939
						(7,873)	(6,446)
						<u>35,313</u>	<u>25,072</u>
						7,823	9,047
						<u>43,136</u>	<u>34,119</u>
						(279)	(263)
						<u>42,857</u>	<u>33,856</u>
Property development		Construction		Others		Consolidated	
2023	2022	2023	2022	2023	2022	2023	2022
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
4,098	4,605	137	165	9,175	8,042	13,410	12,812
(637)	(812)	(2,638)	(3,530)	-	-	(3,275)	(4,342)
2,319	3,786	2,960	4,191	5,834	3,992	11,113	11,969
422	343	1,999	(2,283)	62	(379)	2,483	(2,319)
<u>4,098</u>	<u>4,605</u>	<u>137</u>	<u>165</u>	<u>9,175</u>	<u>8,042</u>	<u>13,410</u>	<u>12,812</u>
<u>(637)</u>	<u>(812)</u>	<u>(2,638)</u>	<u>(3,530)</u>	<u>-</u>	<u>-</u>	<u>(3,275)</u>	<u>(4,342)</u>
<u>2,319</u>	<u>3,786</u>	<u>2,960</u>	<u>4,191</u>	<u>5,834</u>	<u>3,992</u>	<u>11,113</u>	<u>11,969</u>
<u>422</u>	<u>343</u>	<u>1,999</u>	<u>(2,283)</u>	<u>62</u>	<u>(379)</u>	<u>2,483</u>	<u>(2,319)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. Operating segments (continued)

Major customers

The following are the major customers with revenue equal to or more than 10% of the Group's total revenue individually:

	Revenue		Segment
	2023 RM'000	2022 RM'000	
Customer A	167,383	235,509	Construction

Geographical information

The Group is mainly domiciled in Malaysia. The contribution from the foreign operations based in Fiji is minimal and immaterial to warrant disclosure.

32. Financial instruments

32.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- Amortised cost ("AC")
- Fair value through other comprehensive income ("FVOCI") - equity instrument designated upon initial recognition.

Group	Financial assets				Total RM'000
	Other investment RM'000	Trade and other receivables RM'000	Cash and cash equivalents RM'000	Other financial assets RM'000	
At 31.12.2023					
Carrying amount	3,018	75,973	220,868	6,994	306,853
AC	-	75,973	220,868	6,994	303,835
FVOCI	3,018	-	-	-	3,018
At 31.12.2022					
Carrying amount	3,017	108,065	247,758	15,416	374,256
AC	-	108,065	247,758	15,416	371,239
FVOCI	3,017	-	-	-	3,017

	Financial liabilities			Total RM'000
	Loans and borrowings RM'000	Trade and other payables* RM'000	Provisions RM'000	
At 31.12.2023				
Carrying amount	(196,964)	(252,059)	-	(449,023)
AC	(196,964)	(252,059)	-	(449,023)
At 31.12.2022				
Carrying amount	(232,950)	(248,865)	(3,472)	(485,287)
AC	(232,950)	(248,865)	(3,472)	(485,287)

* Excluding advance payment received and/or deposit received from contract customers.

32. Financial instruments (continued)

32.1 Categories of financial instruments (continued)

Company	Financial assets			Total RM'000
	Trade and other receivables RM'000	Cash and cash equivalents RM'000	Other financial assets RM'000	
At 31.12.2023				
Carrying amount	85,222	22,581	-	107,803
AC	85,222	22,581	-	107,803
At 31.12.2022				
Carrying amount	76,736	29,797	2,824	109,357
AC	76,736	29,797	2,824	109,357

	Financial liabilities			Total RM'000
	Loans and borrowings RM'000	Trade and other payables RM'000		
At 31.12.2023				
Carrying amount	(78,797)	(73,526)		(152,323)
AC	(78,797)	(73,526)		(152,323)
At 31.12.2022				
Carrying amount	(79,888)	(73,773)		(153,661)
AC	(79,888)	(73,773)		(153,661)

32.2 Net gains and losses arising from financial instruments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net gains/(losses) on:				
Financial assets at AC	6,251	8,700	4,591	3,814
Financial liabilities at AC	(11,113)	(11,969)	(7,406)	(5,679)
Equity instruments designated at FVOCI	3	114	-	-
	(4,859)	(3,155)	(2,815)	(1,865)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. Financial instruments (continued)

32.3 Financial risk management

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

a. Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposure to credit risk arises principally from its receivables from customers and deposits in banks. The Company's exposure to credit risk mainly arises from unsecured short term advances to subsidiaries and financial guarantees given to banks for credit facilities granted to certain subsidiaries. There are no significant changes as compared to previous year.

Receivables

Risk management objectives, policies and processes for managing the risk

- Receivables from external parties

The management regularly reviews the credit risk on customers and takes appropriate measures to enhance credit control procedures. At each reporting date, the Group or the Company assesses whether any of its receivables are credit impaired.

The gross carrying amount of credit impaired receivables will be written off, either partially or in full, when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, the receivables that are impaired (either partially or fully) are still subject to debt recovery enforcement activities to recover the amounts due from the customers. There are no significant changes as compared to previous year.

The contract assets [see Note 13.2(c)] have substantially the same risk characteristics as the trade receivables from the same categories of customers. The Group or the Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

There are no significant changes as compared to previous year.

- Intercompany balances

The Company sometimes provides some financial support assistance via unsecured short term advances to some of its subsidiaries. The Company monitors the results of these subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by their carrying amounts in the statements of financial position.

32. Financial instruments (continued)

32.3 Financial risk management (continued)

a. Credit risk (continued)

Receivables (continued)

Exposure to credit risk, credit quality and collateral (continued)

At the end of the reporting period, there are no significant concentrations of credit risk other than the following receivables due from:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
One (2022:two) external party(ies)	25,601	50,508	-	-
One (2022:one) subsidiary	-	-	85,063	76,587
	<u>25,601</u>	<u>50,508</u>	<u>85,063</u>	<u>76,587</u>

The exposure of credit risk for trade and other receivables as at the end of the reporting period by geographic region was:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysia	75,959	108,055	85,222	76,736
Fiji	14	10	-	-
	<u>75,973</u>	<u>108,065</u>	<u>85,222</u>	<u>76,736</u>

Recognition and measurement of impairment loss

The Group monitors each receivable individually and uses ageing analysis to monitor the credit quality of the receivables. Appropriate debts recovery actions are taken to recover overdue debts. These actions include sending out reminder letters and scheduling repayments such as instalment scheme and contra arrangement, which are closely monitored by delegated team before commencing any legal proceedings against the customers.

For sales of properties, as ownership and titles to properties are only transferred to customers upon full settlement of the purchase consideration, the Group regards the credit risk exposure as low. Moreover, most of these trade receivables are supported with end-financing from reputable end-financiers, which have low risk of default.

As construction contracts only involve a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, historical payment trends and other external available information. The Group regards the risk of defaults from these contract customers, which are mostly government related, as low.

For receivables from goods sold and/or services rendered, an allowance matrix is used to measure any expected credit loss ("ECL") for a particular year. The Group analyses and studies prior years' actual credit loss experience, historical payments trends and other available external credit evaluations to derive appropriate loss rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. Financial instruments (continued)

32.3 Financial risk management (continued)

a. Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment loss (continued)

The following tables provides information about the exposure to credit risk and ECLs for trade and other receivables:

Group	Gross RM'000	Loss allowance RM'000	Net RM'000
2023			
Not past due	48,637	-	48,637
Past due 0-30 days	2,625	(1)	2,624
Past due 31-60 days	774	(19)	755
Past due 61-90 days	300	(6)	294
Past due 91-180 days	978	(167)	811
Past due more than 180 days	39,267	(16,415)	22,852
Trade and other receivables	<u>92,581</u>	<u>(16,608)</u>	<u>75,973</u>
2022			
Not past due	71,938	-	71,938
Past due 0-30 days	6,658	(28)	6,630
Past due 31-60 days	2,267	(32)	2,235
Past due 61-90 days	345	(70)	275
Past due 91-180 days	2,267	(344)	1,923
Past due more than 180 days	38,715	(13,651)	25,064
Trade and other receivables	<u>122,190</u>	<u>(14,125)</u>	<u>108,065</u>

The movements in the allowance for impairment loss of trade and other receivables during the financial year are as follows:

Group	Trade receivables RM'000	Other receivables RM'000	Total RM'000
Balance at 1 January 2022	19,917	9,528	29,445
Additions	244	343	587
Reversals	(623)	-	(623)
Write-offs	(15,158)	(126)	(15,284)
Balance at 31 December 2022/1 January 2023	<u>4,380</u>	<u>9,745</u>	<u>14,125</u>
Additions	63	2,420	2,483
Balance at 31 December 2023	<u>4,443</u>	<u>12,165</u>	<u>16,608</u>

32. Financial instruments (continued)

32.3 Financial risk management (continued)

a. Credit risk (continued)

Intercompany balances

Generally, the Company does not specifically monitor the ageing of debts owing by its subsidiaries, which are considered to have low credit risk. As the Company is able to determine the timing of payments of these debts and manage the utilisation of assets, there is no indication that the amounts due from subsidiaries of RM85,222,000 (2022: RM76,709,000) are not recoverable as at the end of the reporting period. The Company considers a subsidiary's debts to be credit impaired when the subsidiary is unlikely to repay its debts to the Company in full. The Company determines the probability of default for these debts using internal information available.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of certain banking facilities extended to certain subsidiaries when required. The Company monitors on an on-going basis the results of and repayments made by the subsidiaries to ensure that they are able to meet their obligations when due.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risks, being the outstanding financial guarantees granted to the subsidiaries as at end of the reporting period is summarised as follows:

<u>Company</u>	<u>2023</u> RM'000	<u>2022</u> RM'000
Bank guarantees	14,003	28,523
Other loans and borrowings outstanding and recognised in financial statements	117,975	152,803
Total	<u>131,978</u>	<u>181,326</u>

The Company reviews and reassesses the credit risk when a subsidiary's financial position deteriorates significantly and makes losses from its operation. The Company considers the financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligation to the bank in full. The Company determines the probability of default of the guaranteed loans individually using internal information available.

There is no indication that any subsidiary would default on the repayments of its loans and borrowings. The financial guarantees have not been recognised as the probability of the subsidiaries defaulting on the credit lines is remote.

Cash and cash equivalents

The cash and cash equivalents are held with licensed banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. These licensed banks have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

b. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

Risk management objectives, policies and processes for managing the risk

The Group maintains a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due and to mitigate the effects of fluctuations in cash flows. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. Financial Instruments (continued)

32.3. Financial risk management (continued)

b. Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities (which are non-derivatives) as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
2023							
Trade and other payables	252,059	-	252,059	234,338	2,959	14,762	-
Loans and borrowings							
- secured term loans	86,475	4.94 - 6.00	98,300	24,290	21,363	47,881	4,766
- unsecured revolving credits	110,000	5.08 - 5.85	111,352	111,352	-	-	-
- hire purchases	489	3.74 - 6.93	518	180	172	166	-
2022							
Trade and other payables	248,865	-	248,865	230,883	3,716	14,266	-
Provisions	3,472	-	3,472	3,472	-	-	-
Loans and borrowings							
- secured term loans	112,303	4.79 - 6.00	129,562	30,387	24,819	50,155	24,201
- unsecured revolving credits	120,000	3.84 - 5.53	121,382	121,382	-	-	-
- hire purchases	647	3.74 - 6.93	698	180	180	338	-
Company							
2023							
Other payables							
- interest bearing	71,183	4.94 - 5.35	71,183	71,183	-	-	-
- non interest-bearing	2,343	-	2,343	2,343	-	-	-
Loans and borrowings							
- secured term loan	38,500	5.11	44,240	7,832	7,519	27,835	1,054
- unsecured revolving credits	40,000	5.45 - 5.82	40,430	40,430	-	-	-
- hire purchases	297	3.85	315	105	105	105	-
Financial guarantees*	-	-	131,978	131,978	-	-	-
2022							
Other payables							
- interest bearing	70,175	3.73 - 4.86	70,175	70,175	-	-	-
- non interest-bearing	3,598	-	3,598	3,598	-	-	-
Loans and borrowings							
- secured term loan	44,500	4.79	52,412	7,918	7,713	21,413	15,368
- unsecured revolving credits	35,000	4.60 - 5.12	35,343	35,343	-	-	-
- hire purchases	388	3.85	419	105	105	209	-
Financial guarantees*	-	-	181,326	181,326	-	-	-

* Being corporate guarantees granted for banking facilities of certain subsidiaries [see Note 32.3(a)], which will only be encashed in the event of default by the subsidiaries. These financial guarantees do not have an impact on group contractual cash flows.

32. Financial Instruments (continued)

32.3. Financial risk management (continued)

c. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices risks that will affect the Group's financial position or cash flows.

i. Currency risk

The Group is occasionally exposed to foreign currency risk on bank balances denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily United States Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

As it is not possible to predict with any certainty, the movements of foreign exchange rates, this risk is managed on an on-going basis. As at the end of the reporting period, the Group does not have any outstanding forward foreign exchange contracts.

Exposure to foreign currency risk

The exposure to foreign currency risk, attributable to a currency which is other than the functional currency of the Group entities, based on the carrying amounts as at the end of the reporting period was:

	2023 RM'000	2022 RM'000
Cash and cash equivalents denominated in USD		
- Group	5,420	4,904
- Company	5,266	4,798

A 10% (2022: 10%) strengthening of the RM against USD at the end of the reporting period would have decreased equity and post-tax profit by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group/Company considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity and Profit or loss	
	2023 RM'000	2022 RM'000
USD		
- Group	(412)	(373)
- Company	(400)	(365)

A 10% (2022: 10%) weakening of RM against USD at the end of the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. Financial instruments (continued)

32.3 Financial risk management (continued)

c. Market risk (continued)

ii. Interest rate risk

The Group's investments in fixed-rate term deposits and fixed-rate loans and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate loans and borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investment in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's policy is to manage its interest rate risk on an on-going basis to ensure that there are no undue exposures thereto. Management exercises a certain element of discretion on whether to borrow at fixed or floating interest rates, depending on the market situation and the outlook of the financial market prevailing then.

The investments in interest-earning assets are mainly short-term in nature and they are not held for speculative purposes but have been mostly placed as term deposits and cash funds.

Exposure to interest rate risk

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on their carrying amounts as at the end of the reporting period was:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<i>Fixed-rates instruments</i>				
- Financial assets	192,673	250,382	18,901	27,764
- Financial liabilities	(144,598)	(165,504)	(40,297)	(35,388)
<i>Floating rates instruments</i>				
- Financial assets	-	-	74,620	69,920
- Financial liabilities	(52,366)	(67,446)	(109,683)	(114,675)

Interest rate sensitivity analysis

a. Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

b. Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period, taking into account the contractual repayments terms of its floating rate instruments, would have increased/ (decreased) equity and post-tax profit or loss by the amounts shown in the ensuing page. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

32. Financial instruments (continued)

32.3 Financial risk management (continued)

c. Market risk (continued)

ii. Interest rate risk

	Equity and Profit or Loss			
	2023		2022	
	100bp increase RM'000	100bp decrease RM'000	100bp increase RM'000	100bp decrease RM'000
Floating rate instruments				
- Group	(1,089)	1,089	(1,639)	1,639
- Company	(832)	832	(1,264)	1,264

iii. Other price risk

Equity price risk arises from the Group's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management monitors and manages the equity investments on individual basis. The exposure to equity price risk is not material and hence, sensitivity analysis is not presented.

32.4 Fair value information

The carrying amounts of cash and bank balances, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	(Level 1) RM'000	(Level 3) RM'000	Total RM'000	(Level 2) RM'000	(Level 3) RM'000	Total RM'000		
2023								
Financial assets								
Other investments	55	2,963	3,018	-	-	-	3,018	3,018
Trade and other receivables	-	-	-	-	25,601	25,601	25,601	25,601
Financial liabilities								
Loans and borrowings								
- unsecured revolving credits	-	-	-	-	110,000	110,000	110,000	110,000
- secured term loans	-	-	-	-	87,087	87,087	87,087	86,475
- hire purchases	-	-	-	489	-	489	489	489

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. Financial instruments (continued)

32.4 Fair value information (continued)

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	(Level 1) RM'000	(Level 3) RM'000	Total RM'000	(Level 2) RM'000	(Level 3) RM'000	Total RM'000		
2022								
Financial assets								
Other investments	54	2,963	3,017	-	-	-	3,017	3,017
Trade and other receivables	-	-	-	-	38,108	38,108	38,108	38,108
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,108</u>	<u>38,108</u>	<u>38,108</u>	<u>38,108</u>
Financial liabilities								
Loans and borrowings								
- unsecured revolving credits	-	-	-	-	120,000	120,000	120,000	120,000
- secured term loans	-	-	-	-	112,580	112,580	112,580	112,303
- hire purchases	-	-	-	647	-	647	647	647
	<u>-</u>	<u>-</u>	<u>-</u>	<u>647</u>	<u>-</u>	<u>647</u>	<u>647</u>	<u>647</u>
Company								
2023								
Financial liabilities								
Loans and borrowings								
- unsecured revolving credits	-	-	-	-	40,000	40,000	40,000	40,000
- secured term loans	-	-	-	-	38,936	38,936	38,936	38,500
- hire purchase	-	-	-	297	-	297	297	297
	<u>-</u>	<u>-</u>	<u>-</u>	<u>297</u>	<u>-</u>	<u>297</u>	<u>297</u>	<u>297</u>
2022								
Financial liabilities								
Loans and borrowings								
- unsecured revolving credits	-	-	-	-	35,000	35,000	35,000	35,000
- secured term loans	-	-	-	-	44,569	44,569	44,569	44,500
- hire purchase	-	-	-	388	-	388	388	388
	<u>-</u>	<u>-</u>	<u>-</u>	<u>388</u>	<u>-</u>	<u>388</u>	<u>388</u>	<u>388</u>

32. Financial instruments (continued)

32.4 Fair value information (continued)

The Group does not have any outstanding financial derivatives as at 31 December 2023.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active market for identical financial assets or financial liabilities that the entity can access at the measurement date.

Fair value of financial assets that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting period.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or financial liabilities, either directly or indirectly.

Fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market interest rates at the end of the reporting period. For hire purchases, the market interest rate is determined by reference to similar lease arrangements.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the current and previous financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets or financial liabilities.

Fair values within Level 3 for financial instruments not carried at fair value, which is determined for disclosures purpose, are derived based on discounted cash flows using unobservable input (i.e. interest rate). The estimated fair value would increase (decrease) when the interest rate was lower (higher).

For financial instruments carried at fair value, the fair value within Level 3 is derived by reference to the net assets of the investee, adjusted for the effect of market value of assets and/or the estimated discounted cash flows of the investee's operations, where applicable.

33. Capital management

The Group's objectives when managing capital is to maintain healthy capital base and safeguard the Group's ability to continue as a going concern, so as to maintain the confidence of various stakeholders in the Group and to sustain the future development of the business.

As at end of reporting period, the Group is in net equity surplus position of RM1,307,538,000 with total loans and borrowings of RM196,964,000, which gives rise to a gearing ratio of approximately 15% and is below the debt to equity ratio of not exceeding 1 time (see Note 20.3).

There were no changes in the Group's strategy and approach on capital management during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. Capital expenditure commitments

	Group	
	2023 RM'000	2022 RM'000
Property, plant and equipment		
- Authorised but not contracted for	20,000	15,000
Investment properties		
- Authorised and contracted for	-	1,200
- Authorised but not contracted for	-	30,000
	20,000	46,200

35. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common controls. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationships with its subsidiaries, associates, joint ventures and key management personnel.

Significant related party transactions

Significant related party transactions, other than compensations paid/payable to key management personnel (see Note 27), are disclosed below:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Subsidiaries				
Management fee income	-	-	(2,550)	(2,428)
Management fee expense	-	-	1,314	1,284
Rental expense on premises	-	-	234	234
Interest income	-	-	(3,768)	(3,178)
Interest expense	-	-	3,798	2,571
	-	-	-	-
Associates				
Construction costs payable	158,737	157,130	-	-
Dividend income	(8,412)	(4,206)	(8,412)	(4,206)
Sales of goods	(160)	(66)	-	-
Rental income on premises	(50)	-	-	-
Rental expense on equipment	39	-	-	-
	149,954	152,858	-	-

35. Related parties (continued)

Significant related party transactions (continued)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Joint venture				
Distribution of profit	-	1,530	-	-
Key management personnel				
Sale of property profit	(3,339)	-	-	-
Acquisition of subsidiary	800	-	-	-

The balances with the subsidiaries, associates and joint ventures are disclosed in Notes 12 and 21 to the financial statements.

The above related party transactions are based on negotiated terms.

36. Changes in investments in subsidiaries

i. Acquisition of a new subsidiary

On 30 November 2023, a direct subsidiary, Naim Academy Sdn. Bhd. ("NACSB") acquired approximately 53.3% of the equity interest in Mawar Education Centre Sdn. Bhd. ("MECSB") for a cash consideration of RM800,000 from a director of the Company. MECSB is involved in the education business, a new operation in which the Group intends to embark on to create more quality township development that are integrated with modern education facilities.

The acquisition price is determined by reference to the identifiable fair value of the net assets of MECSB which approximate their fair value and a goodwill of about RM60,000 is recognised arising from the acquisition.

	Group 2023 RM'000
Net assets acquired	
Property, plant and equipment	101
Inventories	48
Trade and other receivables	138
Other current assets	42
Cash and cash equivalents	823
Trade and other payables	(411)
Other current liabilities	(1)
Total identifiable net assets acquired	740
Goodwill on acquisition (Note 9)	60
Total purchase consideration	800

Net cash inflow arising from acquisition of MECSB

	Group 2023 RM'000
Purchase consideration, settled in cash	(800)
Cash and cash equivalents acquired	1,544
Net cash inflow arising from acquisition	744

The acquisition of MECSB also leads to a recognition of minority interest of RM648,000 on acquisition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. Changes in investments in subsidiaries (continued)

ii. Additional investments arising from new shares issued by existing subsidiaries

On 17 November 2023, the Company subscribed for additional 800,000 new ordinary shares issued by NACSB for a cash consideration of RM800,000.

During the last financial year, the Company subscribed for additional 50,000 new ordinary shares issued by its wholly owned subsidiary, Naim Engineering Sdn. Bhd. ("NESB") for a cash consideration of RM50,000. The share proceeds arising therefrom were subsequently used by NESB to redeem in full 50,000 preference shares previously issued to a minority shareholder. The preference shares were thereupon cancelled.

Later in the last financial year, the Company subscribed for another 40,000,000 new ordinary shares issued by NESB for a total consideration of RM40,000,000, settled by way of cash of RM3,600,000 and capitalisation of debts owing thereto amounting to RM36,400,000.

The above share subscriptions do not have any material impact to the Group as there are no changes in the Group's equity interests in NACSB and NESB.

37. Dilution in equity interest in Perdana Petroleum Berhad ("PPB")

During the current year under review, approximately 2,883,000 (2022: 795,000) redeemable convertible preference shares ("RCPS") in PPB were converted into ordinary shares by the RCPS holders of PPB. Nevertheless, the Group's resultant equity interest in PPB following the conversion of RCPS did not vary much from the 3.47% reported as of 31 December 2022. At the same time, another 24.22% owned associate of the Company, Dayang Enterprise Holdings Bhd. ("DEHB") also recorded a dilution in its ownership interest in PPB, from 63.69% in 2022 to 63.61% in 2023 as a result of the RCPS conversion.

The dilution in the equity interest in PPB arising from the above RCPS conversions, after considering both direct and indirect interests held therein, was accounted for as a loss on deemed disposal amounting to RM205,000 (2022: RM55,000), which was recognised as other non-operating expense in profit or loss (see Note 25).

38. Material litigation

Contract litigation

On 12 November 2020, a wholly owned subsidiary, Naim Engineering Sdn. Bhd. ("NESB") received a Writ of Summons together with a Statement of Claim from a subcontractor in respect of two completed works package projects. The claim against NESB was for damages and/or compensation in the sum of about RM32,935,000, or alternatively a sum of about RM29,595,000, costs of engaging an expert and/or the continuous costs until the completion of the suit, judgement interest and costs.

Following the stay of proceedings in favour of arbitration as agreed by both parties, a Notice of Arbitration dated 16 July 2021 was received on 19 July 2021. On 11 April 2022, NESB agreed to the appointment of a sole arbitrator. The appointed Arbitrator had ordered, *inter-alia*, for the hearing dates to be fixed in July 2024 and August 2024. Pursuant to the directive from the arbitrator, both parties' quantum expert witnesses had submitted their assessment reports on the parties' claims and counter-claims on 12 January 2024 and their rebuttal reports on 22 March 2024. The next due dates for submission of joint statement and supplementary reports by the parties' quantum expert witnesses are scheduled on 3 May 2024 and 31 May 2024 respectively.

The Group is of the view that the claim by the subcontractor is frivolous. As such, the Group does not expect the claim to succeed and is of the view that the claim does not have material financial and/or operational impact to the Group. Notwithstanding, in the event that the claim is allowed by the Arbitrator, the financial impact is limited to what is claimed by the subcontractor in the Statement of Claim. The Group has instructed its solicitor to vigorously contest the claim.

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 106 to 180 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

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

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

.....
Datuk Hasmi Bin Hasnan

Kuching,

Date: 19 April 2024

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Emily Hii San San (MIA CA 24978)**, the officer primarily responsible for the financial management of Naim Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 106 to 180 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
in Kuching in the State of Sarawak
on 19 April 2024.

.....
Emily Hii San San

Before me:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAIM HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Naim Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 106 to 180.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAIM HOLDINGS BERHAD (CONTINUED)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition relating to construction contracts - Group

Refer to Note 1(d), Basis of Preparation and Note 2(n)(i), Accounting policy-Revenue from contracts with customers and Note 23, Revenue

The key audit matter	How the matter was addressed in our audit
<p>The total revenue from construction contracts recognised by the Group was RM220 million for the financial year ended 31 December 2023, representing 69% of total revenue of the Group.</p> <p>Revenue from construction contracts is accounted for based on over time recognition using input method. The stage of completion is determined by reference to the actual contract costs incurred for work performed to-date bear to the total estimated contract costs.</p> <p>Consequently, the recognition of revenue is highly dependent on judgement exercised and estimates made in determining the estimated costs to complete, and the ability to deliver contracts within the contractual time and potential claims and penalties for late deliveries.</p> <p>We focused on this area as a key audit matter due to the degree of judgement involved in the estimation of cost to complete over the contract life. Changes in judgements and the related estimates throughout a contract life can result in material adjustments to revenue and consequently, the profit margin of contracts.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Group's processes, systems and controls implemented, in respect of the budgeting process of estimated costs to complete and monitoring of costs incurred for work performed to date. • We obtained an understanding of the method, key assumptions and underlying data used in the process for estimates made in determining the estimated costs to complete. • We have obtained an understanding of the basis of the key judgements made for the revenue recognition in particular on the number of performance obligations, determining the transaction price, allocation of transaction price to each performance obligation, appropriateness of over time revenue recognition. • We challenged the basis of estimations applied by the Group in regard to the required cost to complete the construction contracts and assessed whether there were biasness in estimating these costs. Our procedures include evaluating the historical accuracy of the Group's estimation process by comparing actual costs with the estimated costs that had previously been estimated, and testing estimated costs, on a sample basis, to sub-contractors' contracts and suppliers' quotations. • We checked, on sample basis, variations and claims arising from the contract revenue and sub-contract costs to correspondences, supplementary agreements or variation orders. • We interviewed the Group and evaluated the construction progress against the contracted completion date and assessed if any penalties were payable arising from expected and actual delay in completion of contracts.

Key Audit Matters (continued)**2. Recognition of revenue from sales of properties - Group**

Refer to Note 1(d), Basis of Preparation, Note 2(n)(i), Accounting policy-Revenue from contracts with customers and Note 23, Revenue

The key audit matter	How the matter was addressed in our audit
<p>The total revenue from sales of properties recognised by the Group is RM71 million for the financial year ended 31 December 2023, representing 23% of total revenue of the Group.</p> <p>Revenue from sales of properties is accounted for either over time or at a point in time recognition, depending on the timing when the controls of properties are passed to customers. The stage of completion is determined by reference to the actual contract costs incurred for work performed to-date bear to the total estimated total property development costs.</p> <p>Consequently, the recognition of revenue is highly dependent on judgement exercised and estimates made in determining the estimated costs to complete, and the ability to deliver properties within the contracted time.</p> <p>We focused on this area as a key audit matter due to the degree of judgement involved in the estimation of cost to complete over the project life. Changes in judgements and the related estimates throughout a property development life can result in material adjustments to revenue and profit margin recognised on uncompleted properties.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Group's processes, systems and controls implemented, in respect of the budgeting process of estimated costs to complete and monitoring of costs incurred for work performed to date. • We obtained an understanding of the method, key assumptions and underlying data used in the process for estimates made in determining the estimated costs to complete. • We obtained an understanding of the basis of the key judgements made for the revenue recognition in particular on the number of performance obligations, determining the transaction price, allocation of transaction price to each performance obligation, appropriateness of whether revenue for each contract is to be recognised over time or at a point in time. • We challenged the basis of estimations applied by the Group in regard to the required cost to complete the contracts and assessed whether there were biasness in estimating these costs. Our procedures include evaluating the historical accuracy of the Group's estimation process by comparing actual costs with the estimated costs that had previously been estimated, testing estimated costs to contracts and suppliers' quotations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAIM HOLDINGS BERHAD (CONTINUED)

Key Audit Matters (continued)

3. Impairment of completed developed properties held for sale - Group

Refer to Note 1(d), Basis of Preparation, Note 2(f), Accounting policy-Inventories and Note 7, Inventories

The key audit matter	How the matter was addressed in our audit
<p>The total completed developed properties held by the Group is RM307 million for the financial year ended 31 December 2023, representing 17% of total assets.</p> <p>We focus on this area as a key audit matter as property overhang units in the property industry remained on the high side despite of government's initiatives to help boost property sales. The risk is now heightened with increasing construction cost, coupled with competitive pricing within the industry, particularly for high rise properties. Subsequent sales of these units are highly dependent on market conditions.</p> <p>Thus, assessment of the valuation of the inventories is critical to ascertain that the carrying amount of these completed properties are stated at the lower of cost and net realisable value as such assessment involved estimates made by the Group and was influence by assumptions concerning future market conditions.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Group's processes and controls implemented in estimating the net realisable value of these inventories. • We obtained an understanding of the method, key assumptions and underlying data used in the assessment on the net realisable value for the completed development properties held for sale. • We challenged the basis of estimations applied by the Group in regard to net realisable value and assessed whether there were biasness as well as the Group's assessment on the effect of estimate uncertainty. Our procedures include checking to subsequent sales or planned selling prices of the respective units, taking into account market conditions and key attributes such as property size, types and location by reference to similar/comparable properties within the proximity.

We have determined that there is no key audit matter in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information other than the Financial Statements and Auditors' Report thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAIM HOLDINGS BERHAD (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 4 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Kuching,

Date: 19 April 2024

Nicholas Chia Wei Chit
Approval Number: 03102/03/2026 J
Chartered Accountant



PART 7

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ANALYSIS OF SHAREHOLDINGS AS AT 29 MARCH 2024

NUMBER OF ISSUED SHARES	:	513,799,322 ORDINARY SHARES
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER ORDINARY SHARE

Size of Holdings	No of Shareholdings	% of Shareholders	No of Shares Held	% of Issued Capital
1 – 99	21	0.37	552	0.00
100 – 1,000	959	17.07	555,510	0.11
1,001 – 10,000	2,813	49.80	15,225,769	3.04
10,001 – 100,000	1,557	30.08	51,408,237	10.27
100,001 – 25,037,165 (*)	264	4.83	183,702,778	36.69
25,037,166 and above (**)	4	0.06	249,850,476	49.89
Total	5,618	100.00	500,743,322#	100.00

Remark:

* Less than 5% of issued shares

** 5% and above of issued shares

The number of 500,743,322 ordinary shares was arrived at after deducting 13,056,000 treasury shares retained by the Company from the original number of issued shares of 513,799,322 ordinary shares of the Company

TOP 30 SHAREHOLDERS

No	Name	No. of Shares Held	% Shareholding
1.	ISLAND HARVESTS SDN BHD	102,373,817	20.44
2.	TAPAK BERINGIN SDN. BHD.	70,272,017	14.03
3.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR HASMI BIN HASNAN (PB)	44,864,692	8.96
4.	HASMI & ASSOCIATES MANAGEMENT SDN BHD	32,339,950	6.46
5.	ABDUL HAMED BIN SEPAWI	23,905,368	4.77
6.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HASMI BIN HASNAN	10,866,076	2.17
7.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT SHARIAH PROGRESS FUND	10,022,100	2.00
8.	ABDUL HAMED BIN SEPAWI	8,648,059	1.92
9.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SIE TONG @ LEE AH TONG (E-PLT)	6,695,400	1.34
10.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	5,341,400	1.07
11.	HWS PROPERTIES SDN BHD	4,312,250	0.86
12.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DG)	2,913,200	0.58
13.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR BONG LEE MIN (MK0082)	2,807,900	0.56
14.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN TAKAFUL BERHAD (MEKAR)	2,200,000	0.44

TOP 30 SHAREHOLDERS

No	Name	No. of Shares Held	% Shareholding
15.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR TEE ZHEN XAO (6000085)	2,068,000	0.41
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AM INV)	2,030,000	0.41
17.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR PLASMA CAPITAL SDN. BHD.	2,000,000	0.40
18.	TAN KOK CHUAN	1,951,500	0.39
19.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	1,945,900	0.39
20.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AHAM ASSET MGT BHD (T)	1,900,000	0.38
21.	FOONG KAH HENG	1,893,900	0.38
22.	LEMBAH RAKYAT SDN. BHD.	1,874,983	0.37
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR TOO BOON SIONG	1,777,200	0.35
24.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (MYBK AM SC E)	1,696,500	0.34
25.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	1,591,300	0.32
26.	AMANAHRAYA TRUSTEES BERHAD AHAM GROWTH FUND	1,514,700	0.30
27.	TAN AI BENG	1,460,000	0.29
28.	CHOY WEE CHIAP	1,400,000	0.28
29.	TAPAK BERINGIN SDN. BHD.	1,360,433	0.27
30.	RHB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR IBRAHIM BIN BAKI	1,359,600	0.27

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct No. of Shares Held		Indirect No. of Shares Held	
		%		%
1. ISLAND HARVESTS SDN. BHD.	102,373,817	20.44	-	-
2. TAPAK BERINGIN SDN. BHD.	71,632,450	14.31	-	-
3. HASMI & ASSOCIATES MANAGEMENT SDN. BHD.	32,339,950	6.46	-	-
4. DATUK HASMI BIN HASNAN	55,730,768	11.13	135,259,244#	27.01
5. DATUK AMAR ABDUL HAMED BIN HAJI SEPAWI	32,553,427	6.50	73,507,433^	14.68

DIRECTORS' DIRECT AND INDIRECT INTEREST IN THE COMPANY

	Direct No. of Shares Held		Indirect No. of Shares Held	
		%		%
1. DATUK AMAR ABDUL HAMED BIN HAJI SEPAWI	32,553,427	6.50	73,507,433^	14.68
2. DATUK HASMI BIN HASNAN	55,730,768	11.13	135,259,244#	27.01
3. DATUK AHMAD BIN ABU BAKAR	-	-	-	-
4. DATIN MARY SA'DIAH BINTI ZAINUDDIN	-	-	-	-
5. CHIN CHEE KONG	-	-	-	-
6. TAN CHUAN DYI	-	-	-	-
7. SULAIHAH BINTI MAIMUNNI	-	-	-	-

NOTE:

[^] Derived interest by virtue of his interest in Tapak Beringin Sdn. Bhd. and Lembah Rakyat Sdn. Bhd. pursuant to Section 84(4) of the Companies Act 2016.

[#] Derived interest by virtue of his interest in Island Harvests Sdn. Bhd., Hasmi & Associates Management Sdn. Bhd. and Lembah Kukul Sdn. Bhd. pursuant to Section 84(4) of the Companies Act 2016.

TOP 10 PROPERTIES

Lot No/Location	Description	Date Of Acquisition/ Lease Expiring Date	Land Area/ (Built up Area) Sq. Meter	Carrying Amount RM'000
PROPERTIES UNDER PROPERTY, PLANT AND EQUIPMENT				
Part of Lot 6180, Block 11 Kuala Baram Land District	Clubhouse	20.07.1995 Expiring 26.05.2114	29,220 (5,385)*	22,955
Part of Lot 4532 Bintulu Town District	Hotel Land and Building	06.11.2008 Expiring 04.07.2111	1,969 (12,662)	38,835
Lot 2905, Block 20 Kemena Land District	Building for Worker's Accommodation	31.12.2016 Expiring 19.05.2112	- (26,397)	15,474
PROPERTIES UNDER INVENTORY - LAND HELD FOR DEVELOPMENT				
Lot 5234, Block 25 Muara Tuang Land District	Land For Development	29.05.2008 Expiring 15.01.2112	1,808,000	26,709
Lot 4286, Block 26 Kemena Land District	Land For Development	14.11.2014 Expiring 13.11.2113	138,050	8,285
Lot 4288, Block 26 Kemena Land District	Land For Development	14.11.2014 Expiring 13.11.2113	114,680	17,204
Lot 2905, Block 20 Kemena Land District	Land For Development	20.05.2013 Expiring 19.05.2112	260,000	15,080
Lot 4533 Bintulu Town District	Land For Development	26.09.2008 Expiring 04.07.2111	54,997	12,697
INVESTMENT PROPERTY				
Lot 2597, Block 8 Muara Tebas Land District	Industrial Land	27.07.2016 Expiring 26.07.2076	200,300	9,815
Lot 3244, Block 11 Kuala Baram Land District	Commercial Land and Retail Building	20.07.1995 Expiring 19.07.2094	34,130 (25,560)	40,768

* excluding outdoor facilities

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of Members of **NAIM HOLDINGS BERHAD** will be held at Sapphire On The Park, Function Hall, 3rd Floor, Jalan Lintang Selatan, Batu Lintang, 93200 Kuching, Sarawak on Thursday, 30 May 2024 at 10:00 a.m. for the following purposes:

ORDINARY BUSINESSES

1. ADOPTION OF FINANCIAL STATEMENTS

To receive and adopt the audited financial statements and reports of Directors and Auditors for the financial year ended 31 December 2023.

[Please refer to Explanatory Note a]

2. APPROVAL OF DIRECTORS' REMUNERATION

a. To approve the payment of Directors' remuneration for the Non-Executive Chairman.

ORDINARY RESOLUTION 1

b. To approve the payment of Directors' remuneration for the Non-Executive Directors.

ORDINARY RESOLUTION 2

3. RE-ELECTION OF DIRECTORS

To re-elect the following Directors who retire in accordance with Clause 85(a) of the constitution of the Company:

Chin Chee Kong
Tan Chuan Dyl

ORDINARY RESOLUTION 3

ORDINARY RESOLUTION 4

4. RE-APPOINTMENT OF AUDITORS

To re-appoint Messrs. KPMG PLT as Auditors and to authorise the Directors to fix their remuneration.

ORDINARY RESOLUTION 5

SPECIAL BUSINESSES

To consider and, if thought fit, to pass the following as Ordinary Resolutions:

5. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT approval be and is hereby given to Datin Mary Sa'diah Binti Zainuddin to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next AGM."

ORDINARY RESOLUTION 6

6. AUTHORITY TO ALLOT AND ISSUE SHARES

"THAT, subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue shares or convertible securities in the Company, from time to time, and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion deem fit, provided that the aggregate number of shares or convertible securities to be issued pursuant to this resolution does not exceed ten percent (10%) of total number of issued shares of the Company (excluding treasury shares) for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of, and quotation for the additional shares convertible securities so issued on Bursa Malaysia Securities Berhad ("Bursa Malaysia") AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

ORDINARY RESOLUTION 7

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

7. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED SHARE BUY-BACK")

"THAT, subject always to the Companies Act 2016 and all other applicable laws, guidelines, rules and regulations, the Company be and are hereby authorised to purchase such number of ordinary shares of the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company, from time to time, through Bursa Malaysia, upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that: -

- i. the aggregate number of ordinary shares to be purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company;
- ii. the amount not exceeding the retained profits of the Company shall be allocated by the Company for the Proposed Share Buy-Back;

AND THAT at the absolute discretion of the Directors of the Company, upon such purchase by the Company of its own shares, the purchased shares shall be cancelled and/or retained as treasury shares and subsequently be cancelled, distributed as dividends or resold on Bursa Malaysia and/or in any other manner as prescribed by the Companies Act 2016.

AND THAT the Directors of the Company be and are hereby empowered to do all acts and enter into all such transactions, agreements and arrangements, and to execute, sign and deliver for and on behalf of the Company, all such documents as the Directors may deem fit and expedient in order to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as the Directors may in their absolute discretion deem fit and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities.

AND THAT such authority conferred by this resolution shall commence immediately and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company following the passing of this ordinary resolution, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting.

ORDINARY RESOLUTION 8

8. PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("NEW SHAREHOLDERS' MANDATE")

"THAT subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("Naim Group") to enter into any of the categories of related party transactions which are recurrent, of a revenue or trading nature and are necessary for the day-to-day operations of Naim Group as outlined in Section 3.2 of the Circular to Shareholders dated 30 April 2024 ("Circular"), with the specific related parties mentioned therein subject further to the followings:

- i. the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders; and
- ii. disclosure is made in the annual report a breakdown of the aggregate value of the transactions conducted pursuant to the New Shareholders' Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements, and amongst others, based on the following information:
 - the type of the recurrent related party transactions made; and
 - the names of the related parties involved in each type of recurrent related party transactions made and their relationship with the Company.

AND THAT such approval will continue to be in force until:

- i. the conclusion of the next annual general meeting ("AGM") of the Company, at which time it will lapse unless by an ordinary resolution passed at the meeting, the authority is renewed;
- ii. the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or

- (iii) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND THAT the Board of Directors of the Company be and is hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the New Shareholders' Mandate."

ORDINARY RESOLUTION 9

9. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

LOW WAI SEE (MAICSA 7051463)
SSM Practising Certificate No. 202008000868
Company Secretary

Kuching, Sarawak
 30 April 2024

NOTES:

1. A member entitled to attend, speak and vote at the same meeting may appoint a proxy to attend, speak and vote on his behalf. A proxy may but need not be a member of the Company.
2. To be valid the Proxy form duly completed must be deposited at the Office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to submit the proxy form electronically via TIRH Online at <https://tirh.online> not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that where a Member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account.
4. Where a member appoints more than one (1) proxy, the appointment is invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointer is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respects of each omnibus account it holds.
7. Only members registered in the Record of Depositors as at 23 May 2024 shall be eligible to attend the meeting or appoint a proxy to attend and vote on his/her behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

Explanatory Notes on Ordinary and Special Businesses

a. Item 1 of the Agenda

The Audited Financial Statements laid at this meeting pursuant to Section 340(1)(a) of the Companies Act 2016 are meant for discussion only. It does not require shareholders' approval, and therefore, not put forward for voting.

b. Ordinary Resolutions 1 and 2 – Directors' Remuneration

Pursuant to Section 230(1) of the Companies Act 2016, ("the Act"), the fees and benefits ("Remuneration") payable to the Directors of the Company will have to be approved by the shareholders of the Company at a general meeting. In this respect, the Board of Directors of the Company hereby seeks the shareholders' approval for the Directors' remuneration in two (2) separate resolutions as follows:-

- Ordinary resolution 1 payment of Directors' remuneration to the Non-Executive Chairman
- Ordinary resolution 2 payment of Directors' remuneration to the Non-Executive Directors

Details of the estimated Directors' Remuneration for Non-Executive Directors for the period from May 2024 to April 2025 are as follows:-

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Description	Non-Executive Chairman May 2023 to April 2024 RM	Non-Executive Director May 2023 to April 2024 RM
Fixed allowance per month	73,230	Not applicable
EPF contribution per month	11,717	Not applicable
Directors' Fee per month	Not applicable	7,500
Additional Directors' Fee per month for Senior Independent Non-Executive director	Not applicable	1,000
Meeting allowance per Board meeting	2,000	2,000
Meeting allowance per Board Committees meeting	1,500	1,500
Other Benefits	Car, driver, petrol, medical coverage, professional & club memberships, travel, communication, D&O [®] Liability Insurance coverage and other claimable benefits	reimbursement for travel expenses (to attend meetings and company functions), communication, professional membership fee, D&O [®] Liability Insurance coverage and other claimable benefits

Notes: [®] - Directors & Officers

The Executive Directors are not entitled to Directors' fees and meeting allowances for attending Board and Board Committee meetings.

c. Ordinary Resolutions 3 and 4 – Re-Election of Directors

Clause 85(a) of the Company's constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at the AGM of the Company. All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

The Directors retiring under Clause 85(a) are as follows:-

i) Chin Chee Kong; and

ii) Tan Chuan Dyi

and being eligible have offered themselves for re-election.

The respective profiles of the above Directors are set out in the Profile of Directors in the Annual report.

d. Ordinary Resolution 5 – Re-appointment of Auditors

The Board has, at its meeting held on 19 April 2024, approved the recommendation of the Audit Committee on the re-appointment of Messrs KPMG PLT as Auditors of the Company. The Board is satisfied that Messrs KPMG PLT has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Securities which was concluded through the assessment carried out by the Audit Committee on the suitability and independence of Messrs. KPMG PLT.

e. Ordinary Resolution 6 – Retention of Independent Non-Executive Directors

The Board has, at its meeting held on 19 April 2024, approved the recommendation of the Audit Committee on the re-appointment of Messrs KPMG PLT as Auditors of the Company. The Board is satisfied that Messrs KPMG PLT has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Securities which was concluded through the assessment carried out by the Audit Committee on the suitability and independence of Messrs. KPMG PLT.

f. Ordinary Resolution 7 – Authority to Allot and Issue Share pursuant to Sections 75 and 76 of the Companies Act 2016

This resolution is proposed pursuant to Sections 75 and 76 of the Companies Act 2016, and if passed, will empower the Directors of the Company to issue shares in the Company up to an amount not exceeding ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being for any possible fund-raising activities for purposes as the Directors consider to be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next AGM.

The renewal of this mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding current and future investment project(s), working capital and/or acquisitions.

The Company did not issue any new shares under the general mandate which was approved at the 21st AGM.

g. Ordinary Resolution 8 – Proposed Renewal of Authority for the Company to Purchase its Own Shares

The Proposed Ordinary Resolution 8, if passed will empower the Directors of the Company to purchase its own shares. The total number of shares purchased shall not exceed 10% of the total number of issued shares of the Company for the time being. This authority will, unless revoked or varied by the Company in general meeting, expires at the next AGM in the Company.

The Share Buy-Back Statement in relation to the Proposed Renewal of Authority for the Company to Purchase of its Own Shares dated 30 April 2024 is enclosed for further information.

h. Ordinary Resolution 9 - Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("New Shareholders' Mandate")

Paragraph 10.09 of the Main Market Listing Requirements states that with regard to related party transactions that are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations ("RRPT"), a public listed company may seek a shareholders' mandate.

The proposed resolution no. 9, if passed, will authorise the Company and each of its subsidiaries to enter into RRPT with the mandated related parties as identified in Section 3.2 of the Circular dated 30 April 2024 ("Circular"), which are necessary for the Group's day-to-day operations, provided that such transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders.

By obtaining the New Shareholders' Mandate, the necessity to convene separate meetings from time to time to seek shareholders' approval as and when such RRPT occurs would not arise. This would reduce substantial administrative time and costs associated with the convening of such meetings without compromising on the corporate objectives of Naim Group or adversely affecting the business opportunities available to Naim Group.

Please refer to the Circular for further information.

ADMINISTRATIVE DETAILS FOR THE TWENTY-SECOND ANNUAL GENERAL MEETING (“22ND AGM”) OF NAIM HOLDINGS BERHAD

Date	:	Thursday, 30 May 2024
Time	:	10:00 a.m.
Venue	:	Sapphire On The Park, Function Hall, 3rd Floor, Jalan Lintang Selatan, Batu Lintang, 93200 Kuching, Sarawak

REGISTRATION ON THE DAY OF THE 22ND AGM

The registration counter will open at 9:00 a.m. on Thursday, 30 May 2024. Shareholders or proxies are requested to produce/show their original MyKAD or Passport (for non-Malaysians) during registration for verification purposes. Please ensure the original MyKAD or Passport is returned to you thereafter.

Please take note that no person will be allowed to register on behalf of another person, even with the original MyKAD or Passport of that person. Upon verification, shareholders or proxies are required to write their names and sign on the Attendance List placed on the registration table.

Shareholders who appoint proxy(ies) to attend and vote on your behalf at the AGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor Investor & Issuing House Services Sdn. Bhd. no later than **Tuesday, 28 May 2024 at 10:00 a.m.** Otherwise, the proxy form shall be treated as invalid.

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:

(i) In hard copy form

In the case of an appointment made in hard copy form, the original proxy form must be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online website at <https://tjih.online>. Kindly refer to the Procedure for Electronic Submission of Proxy Form.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Corporate members who wish to appoint corporate representatives instead of a proxy to attend and vote at the 22nd AGM, must deposit their **original or duly certified** certificate of appointment of corporate representative to Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than **Tuesday, 28 May 2024 at 10:00 a.m.** The certificate of appointment should be executed under its common seal in accordance with the constitution of the corporate member.

Attorneys appointed by power of attorney are required to deposit their power of attorney with Tricor Investor & Issuing House Services Sdn. Bhd. not later than **Tuesday, 28 May 2024 at 10:00 a.m.** to attend and vote at the 22nd AGM.

If a corporate member (through its corporate representative(s) or appointed proxy(ies)) is unable to attend the 22nd AGM, you may appoint the Chairman of the meeting as your proxy and indicate the voting instructions in the proxy form in accordance with the notes and instructions printed therein.

PROCEDURE FOR ELECTRONIC SUBMISSION OF PROXY FORM

The procedures to submit your proxy form electronically via Tricor's TIH Online website are summarised below:

Procedure	Action
i. Steps for Individual Members	
(a) Register as a User with TIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tjh.online. Register as a user under the "e-Services". Select the "Sign Up" button and followed by "Create Account by Individual Holder". Please do refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIH Online, you are not required to register again.
(b) Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. Select the corporate event: "Naim Holdings Berhad 22nd AGM – Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy(s) and insert the required details of your proxy(s) or appoint the Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. Review and confirm your proxy(s) appointment. Print proxy form for your record.
ii. Steps for Corporation or Institutional Members	
(c) Register as a User with TIH Online website	<ul style="list-style-type: none"> Access TIH Online website at https://tjh.online Under e-Services, the authorised or nominated representative of the corporation or institutional member selects "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by e-mail within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the e-mail and re-set your own password.
<p>Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate member electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>	
(d) Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> Login to TIH Online website at https://tjh.online. Select the corporate exercise name: "Naim Holdings Berhad 22nd AGM – Submission of Proxy Form". Agree to the Terms & Conditions and Declaration. Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Submit the duly completed proxy appointment file. Select "Submit" to complete your submission. Print the confirmation report of your submission for your record.

ADMINISTRATIVE DETAILS FOR THE TWENTY-SECOND ANNUAL GENERAL MEETING (“22ND AGM”) OF NAIM HOLDINGS BERHAD (CONTINUED)

GENERAL MEETING RECORD OF DEPOSITORS (“ROD”)

Only a depositor whose name appears on the ROD as at 23 May 2024 shall be entitled to attend, speak and vote at the 22nd AGM or appoint proxies/corporate representatives/attorneys to attend and/or vote on his/her behalf.

POLL VOTING

The voting at the 22nd AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

During the AGM, the Poll Administrator will brief on the voting procedures. The voting session will commence as soon as the Chairman calls for the poll to be opened.

Upon completion of the voting session for the AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration of whether the resolutions are duly passed.

RECORDING OR PHOTOGRAPHY

Unauthorised recordings or photography are strictly prohibited at the AGM.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	:	+603-2783 9299
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@my.tricorglobal.com
Contact Persons	:	Mr. Nazrul Darwin: +603-2783 9246 / Email: nazrul.darwin@my.tricorglobal.com Mr. Hifzul Azad : +603-2783 9284/ Email: mohamad.hifzul@my.tricorglobal.com Ms. Siti Zalina : +603-2783 9247/ Email: siti.zalina@my.tricorglobal.com

(BANKING PAGE EXCLUDED)



NAIM HOLDINGS BERHAD
INCORPORATED IN MALAYSIA

PROXY FORM

Number of shares held:	CDS account no.	Shareholder's Contact No.

I/We _____
(FULL NAME AS PER NRIC IN BLOCK CAPITAL)

IC No./ID No./Company No. _____ (new) _____ (old)

of _____
(FULL ADDRESS)

being a member/members of NAIM HOLDINGS BERHAD ("the Company") hereby appoint:

First Proxy

Full Name	NRIC/Passport No.	Proportion of Shareholdings represented	
		No. of Shares	%

and or failing him/her

Second Proxy

Full Name	NRIC/Passport No.	Proportion of Shareholdings represented	
		No. of Shares	%

Or failing him/her the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company will be held at Sapphire On The Park, Function Hall, 3rd Floor, Jalan Lintang Selatan, Batu Lintang, 93200 Kuching, Sarawak on **Thursday, 30 May 2024 at 10:00 a.m.** or any adjournment thereof, in the manner indicated below:

Resolution No.	Description		
Ordinary Resolution 1	Approval of Directors' fees and remuneration for the Non-Executive Chairman		
Ordinary Resolution 2	Approval of Directors' fees and remuneration for the Non-Executive Directors		
Ordinary Resolution 3	Re-election of Director: Chin Chee Kong		
Ordinary Resolution 4	Re-election of Director: Tan Chuan Dyl		
Ordinary Resolution 5	Re-appointment of Auditors: Messrs KPMG PLT as Auditors and authorising the Directors to fix their remuneration		
Ordinary Resolution 6	Retention of Datin Mary Sa'diah Binti Zairuddin as Independent Director		
Ordinary Resolution 7	Authority to allot and issue shares		
Ordinary Resolution 8	Proposed renewal of authority to purchase own shares		
Ordinary Resolution 9	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

(Please indicate with an "X" in the spaces above how you wish your votes to be casted on the resolution specified in the Notice of Meeting. If no specific direction as the voting is indicated, the proxy/proxies will vote abstain from voting as he/she/they think(s) fit.)

Dated this _____ day of _____ 2024

Signature of Shareholder(s)/Common Seal

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STAMP

Share Registrar
TRICOR INVESTOR & ISSUING
HOUSE SERVICES SDN BHD

Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

2. Fold here / Lipat di sini

NOTES:

1. A member entitled to attend, speak and vote at the same meeting may appoint a proxy to attend, speak and vote on his behalf. A proxy may but need not be a member of the Company.
2. To be valid the Proxy form duly completed must be deposited at the Office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to submit the proxy form electronically via TRH Online at <https://trh.asiatr.com> not less than forty eight (48) hours before the time set for holding the meeting or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that where a Member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
7. Only members registered in the Record of Depositors as at 23 May 2024 shall be eligible to attend the meeting or appoint proxy to attend and vote on its/her behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.

APPENDIX

PERFORMANCE DATA TABLE

Category	Value/Comment (%)	2021
ESG (Governance/Boards)		
ESG (G1): Total amount invested in the community where the listed beneficiaries are identified by the listed issuer	RM	201,000.00
ESG (G2): Total number of beneficiaries of the investment or contribution	Number	88
ESG (Diversity)		
ESG (D1): Percentage of employees by gender and age (year) for each employee category		
Age (Year) by Employee Category		
Senior Management (Under 30)	Percentage	0.00
Senior Management (Between 30-39)	Percentage	40.00
Senior Management (Above 40)	Percentage	0.00
Manager (Under 30)	Percentage	3.00
Manager (Between 30-39)	Percentage	18.00
Manager (Above 40)	Percentage	80.00
Executive (Under 30)	Percentage	38.00
Executive (Between 30-39)	Percentage	60.00
Executive (Above 40)	Percentage	2.00
Non-executive Technical Staff/General Workers (Under 30)	Percentage	38.00
Non-executive Technical Staff/General Workers (Between 30-39)	Percentage	60.00
Non-executive Technical Staff/General Workers (Above 40)	Percentage	2.00
Gender (Year) by Employee Category		
Senior Management (Male)	Percentage	40.00
Senior Management (Female)	Percentage	55.00
Manager (Male)	Percentage	60.00
Manager (Female)	Percentage	47.00
Executive (Male)	Percentage	20.00
Executive (Female)	Percentage	80.00
Non-executive Technical Staff/General Workers (Male)	Percentage	70.00
Non-executive Technical Staff/General Workers (Female)	Percentage	30.00
ESG (D2): Percentage of executive by gender and age group		
Male	Percentage	75.00
Female	Percentage	25.00
Under 30	Percentage	0.00
Between 30-39	Percentage	14.29
Above 40	Percentage	85.71
ESG (Health and Safety)		
ESG (H1): Number of work-related fatalities	Number	0
ESG (H2): Lost time incident rate (LTIR)	Rate	0.00
ESG (H3): Number of employees trained on health and safety standards	Number	300
ESG (Energy Management)		
ESG (E1): Carbon dioxide concentration	Meq/ton	0.00
ESG (Waste)		
ESG (W1): Total volume of water used	Cubic Meter	1,500,000.00
ESG (Labour practices and standards)		
ESG (L1): Total hours of training by employee category		
Senior Management	Hours	300
Manager	Hours	3,750
Executive	Hours	16,800
Non-executive Technical Staff/General Workers	Hours	0.00
ESG (L2): Percentage of employees that are contracted or temporary staff	Percentage	50.00
ESG (L3): Total number of employee contract by employee category		
Senior Management	Number	0
Manager	Number	1,000
Executive	Number	50
Non-executive Technical Staff/General Workers	Number	0
ESG (L4): Number of subsidiaries involved in activities listed in the table	Number	0

Sales (Supply chain management)			
Score 020	Proportion of orders in risk of shortage	Percentage	95.24
Sales (Data privacy and security)			
Score 021	Number of customer-based applications containing breaches of customer privacy and based on customer data	Number	0
Sales (Autonomisation)			
Score 022	Percentage of employees who have mastered training in autonomous key employee category		
	Senior Management	Percentage	100.0
	Manager	Percentage	97.0
	Employee	Percentage	80.0

Score achieved: **Customer autonomy** **IT innovation** **IT innovation** (Percent)

Indicator	Measurement Unit	2023
Score 023	Number of employees (Self-Directed Workers)	9000
Score 024	Percentage of requests answered for customer support (Self)	92.5
Score 025	Overall number of complaints and resolutions	10

FROM WHERE WE BEGAN . . .



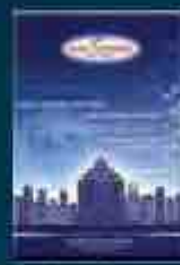
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BUILDING VALUE SUSTAINABLY



NAIM HOLDINGS BERHAD

INCORPORATED IN MALAYSIA

Registered and Head Office

9th Floor Wisma Naim, 2 1/2 Mile, Rock Road,
93200 Kuching, Sarawak, Malaysia

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Kuching | Bintulu | Miri

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-  NAIM Holdings Berhad
-  naim.properties