



## ANNUAL REPORT 2011

“Poised to Score”  
in SCORE



**SCORE: Sarawak Corridor Of Renewable Energy,**  
a more than RM40 billion investment opportunity  
(For more, see page 60-61)

# Awards




**2002**  
CIDB Builders  
Award Building  
Works Category  
Institutional  
Building Project




**2003**  
SCCI Annual  
Corporate Report  
Awards  
Best Annual  
Report Award




**2003**  
The Malaysian  
Construction Industry  
Excellence Awards  
Project Award  
Medium Building  
Category



**2004**  
The Malaysian Construction Industry  
Excellence Awards  
Project Award  
Medium Scale Project  
Engineering Category



**2004**  
The Malaysian  
Construction Industry  
Excellence Awards  
Builder of The Year



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



**2004**  
KPMG  
Shareholder  
Value Awards



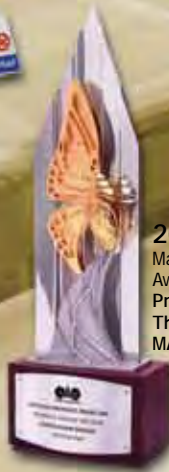
**2004**  
Malaysia Canada  
Business Council  
Business Excellence  
Award Industry  
Excellence for  
Construction Award



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



**2007**  
The Malaysian  
Construction  
Industry  
Excellence  
Awards  
Contractor  
Award (Grade7)



**2008**  
Malaysia Property  
Award  
Property Man of  
The Year by FIABCI  
MALAYSIA



**2009**  
SHEDA 2009  
Top Developer  
In Residential  
Development



**2010**  
Sarawak  
Chief Minister  
Environmental  
Award



# Contents

2	Cautionary Statement Regarding Forward-Looking Statements	17	Review of Operations
3	Vision and Mission Statement	19	Board of Directors
4	Corporate Information	26	Senior Management Team
5	2011 at a Glance	28	Human Resources
6	10-Year Financial Highlights	30	Audit Committee
8	Share Performance	34	Corporate Governance
9	Corporate Structure	42	Board Committees
10	Organisational Structure	46	Statement on Internal Control
11	Corporate Profile	47	Corporate Social Responsibility
12	Message to our Shareholders	48	Activities & Events
		50	Investor Relations Activities
		52	Naim Group in the News
		54	Diary of Corporate Events 2011
		60	Poised to SCORE
		62	Economic Outlook
		64	Financial Statements
		126	Analysis of Shareholdings
		128	Top 10 Properties
		129	Notice of Annual General Meeting
		131	Form of Proxy



**Logo Rationale** The logo type displays the word Naim in green, red and gold colours which reflects the group's strength and capabilities. Green represents growth, sincerity and fairness, red represents strength and prosperity, whilst gold represents excellence and superior quality.

The word Naim is intersected by the apex of a toroid, a ring-like shape possessing exceptional strength, stability and integrity. The conjunction of the golden letter A and the toroid suggests a dazzling sunrise, predicting a shining long-term future for the group.

## Cover Rationale



Our cover design photo features an exciting goal-scoring scene from a top professional football game. This photo represents our CSR commitment to sports including the Football Association of Sarawak and Sarawak Junior Badminton Development Training, in the hope that our support will enable young Sarawakians to scale the highest peaks of Malaysian sports. It also represents our achievement in attaining our past corporate goals, and our unbending will to achieve all of our future goals and targets.

The cover tagline, Poised to Score in SCORE, represents Naim's perfect positioning to take advantage of the Sarawak Corridor of Renewable Energy (SCORE), with over RM40 billion of potential construction projects and housing developments. SCORE is located right on our doorstep, and we have the ideal set of skills and attributes to capitalize on its growth.

## Cautionary Statement Regarding Forward-Looking Statements

This Annual Report contains some forward-looking statements in respect to the Naim Group's financial condition, results of operations and business. These forward-looking statements represent the Naim Group's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Readers are hereby cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. In this respect readers must therefore not rely solely on these statements in making investment decisions regarding the Naim Group. The Board and the Naim Group shall not be responsible for any investment decisions made by the readers in reliance on those forward-looking statements. Forward looking statements speak only as of the date they are made, and it should not be assumed that they have been reviewed or updated in the light of new information or future events that would arise in the interim of the publication of this Annual Report and the time of reading this Annual Report. The Board have however established a Risk Management Committee to mitigate as much as practicably possible the consequences of any uncertainties and contingencies. Further details can be found in the Statement on Corporate Governance on pages 34 to 41.



## Our Vision

To be the leading home builder and contractor in every market in which we operate, and in every aspect of our operations, leading the way in quality, reliability, and value for money.

## Our Mission

To provide the finest products and services to our customers.

To provide increasing value and superior returns for our shareholders.

To empower every member of our staff to develop their potential to the maximum.

To be a role model customer for our suppliers, sub-contractors and service providers.

To contribute meaningfully and positively to the community and the society that nurture us.



# Corporate Information

## Board of Directors

### Chairman

Datuk Abdul Hamed Bin Haji Sepawi

### Managing Director

Datuk Hasmi Bin Hasnan

### Executive Directors

Sulaihah Binti Maimunni

Kueh Hoi Chuang

Abang Hasni Bin Abang Hasnan

### Senior Independent Non-Executive Director

Datuk Haji Hamden Bin Haji Ahmad

### Independent Non-Executive Directors

Dato Ir. Abang Jemat Bin Abang Bujang

Datu (Dr) Haji Abdul Rashid Bin Mohd Azis

Professor Dato' Abang Abdullah Bin Abang Mohamad Alii

### Non-Executive Director

Haji Jeli Bohari Bin Biha @ Jeli Umik

### Company Secretaries

Kho Teck Hock (MIA 5836)

Bong Siu Lian (MAICSA 7002221)

### Registered Corporate Office

9th Floor, Wisma Naim, 2 ½ Mile Rock Road,

93200 Kuching, Sarawak, Malaysia

Tel: 6 082 411667 Fax: 6 082 429869

Website: [www.naim.com.my](http://www.naim.com.my)

## Registrar

Tricor Investor Services Sdn. Bhd.

Level 17, The Gardens, North Tower

Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur

Tel 6 03 22643883

Fax 6 03 22821886

## Stock Exchange Listing

Bursa Malaysia

Listed on 12 September 2003

Sector: Property

Stock Code: 5073

Stock Name: Naim

## Auditors

KPMG

## Solicitors

Alvin Chong & Partners Advocates

## Principal Bankers

CIMB Bank Berhad

HSBC Bank Malaysia Bhd

AmBank Bhd



## 2011 at a Glance

Financial Performance		% Change From 2010
Revenue (RM'000)	411,893	- 32.77
Profit Before Tax (RM'000)	57,158	- 56.71
Net Profit Attributable to Owners of the Company (RM'000)	46,628	- 52.30
Total Assets (RM'000)	1,289,060	+ 22.23
Shareholders' Equity (RM'000)	747,182	+ 3.20
Earnings Per Share (sen)	19.68	- 52.29
NA Per Share (sen)	298.87	+ 3.20
Return On Equity (%)	6.24	- 53.78
Gross Dividend (sen)	8.00	- 20.00
Gross Dividend Yield (%)	4.88	**

\*\* Gross Dividend Yield for 2010 was 2.97%. Effect of % change in yield is not presented.

### Investor Relations Service

The Group maintains a website ([www.naim.com.my](http://www.naim.com.my)) which provides detailed information on the Group's operations and latest developments. For further details, please contact:-

Senior Director, Corporate Services  
 Tel : +6082-411667  
 Fax : +6082-429869  
 E-mail : [ricky.kho@naim.com.my](mailto:ricky.kho@naim.com.my)

### Financial Calendar

Financial Year End		31 Dec 2011
Announcement of Results	1st quarter	26 May 2011
	2nd quarter	25 Aug 2011
	3rd quarter	24 Nov 2011
	4th quarter	29 Feb 2012
Notice of Annual General Meeting		23 May 2011
Annual General Meeting		16 June 2011
First Interim Single-tier Dividend	Declaration	25 Aug 2011
	Book closure	15 Sept 2011
	Ex-date	13 Sept 2011
	Payment	12 Oct 2011
Second Interim Single-tier Dividend	Declaration	29 Feb 2012
	Book closure	19 March 2012
	Ex-date	15 March 2012
	Payment	16 April 2012

## 10-Year Financial Highlights (in RM'000)

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenue	244,098	270,951	343,710	423,094	525,997	646,024	523,717	566,920	612,691	411,893
Profit before taxation	51,554	77,988	114,964	123,128	104,849	126,325	104,304	115,532	132,043	57,158
Net Profit Attributable to Owners of the Company	31,772	48,483	69,495	79,145	66,229	76,274	80,747	84,981	97,750	46,628
Total Assets	222,851	567,301	657,481	710,277	793,841	906,918	955,920	1,057,162	1,054,624	1,289,060
Net Tangible Assets	107,787	380,857	422,607	459,499	487,683	537,955	586,753	652,361	714,376	738,224
Shareholders' Equity	107,818	352,228	400,087	459,499	489,816	539,318	587,651	652,363	724,015	747,182
Total Number of Shares of RM1.00 each ('000)	203,425	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Earnings Per share (sen)	15.62	19.39	27.80	32.00	27.10	31.20	33.32	35.85	41.25	19.68
Gross Dividend Rate (%)	15.24%*	9.00%*	12.00%	12.00%	15.00%	15.00%	13.00%	8.00%	10.00%	8.00%
Net Tangible Assets Per Share (sen)	52.99	152.34	169.04	183.80	195.07	215.18	234.70	260.94	285.75	295.29
Gearing Ratio	0.07	0.006	0.002	0.001	0.003	0.094	0.098	0.216	0.173	0.464

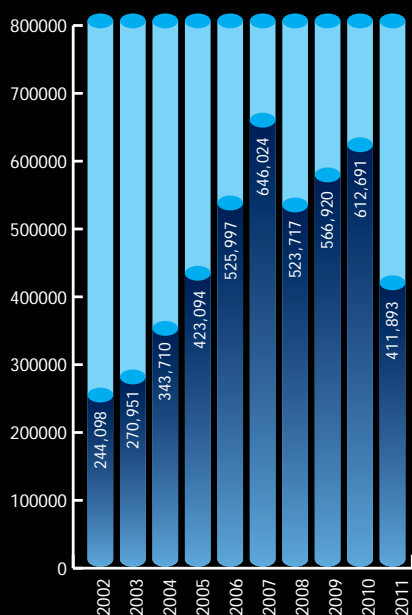
*Note: The financial highlights for the year ended 31 December 2002 are presented on a pro-forma basis (as if Naim Land Sdn Bhd and its subsidiaries were part of the Naim Holdings Group since 1 January 2002), and are for illustrative purposes only.*

\* based on the gross dividend declared and paid by Naim Land Sdn. Bhd. of RM6,000,000 in respect of financial year ended 31 December 2002 and the number of shares assumed in issue of 203,425,000 shares. In 2003 the gross dividend paid was RM22,500,000 based on the number of shares in issue, i.e. 250,000,000 shares.

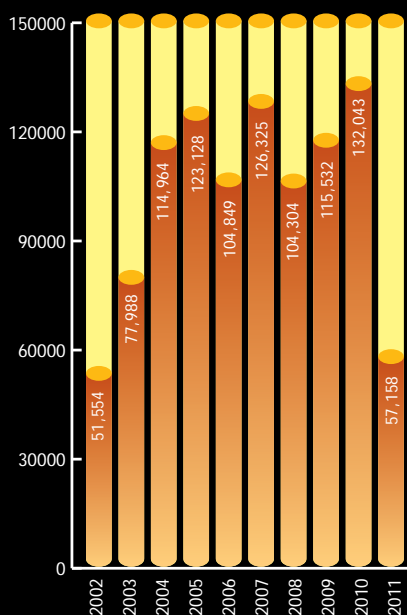
From 2004 onwards, gross dividends paid refer to dividends paid by Naim Holdings Berhad for each financial year.



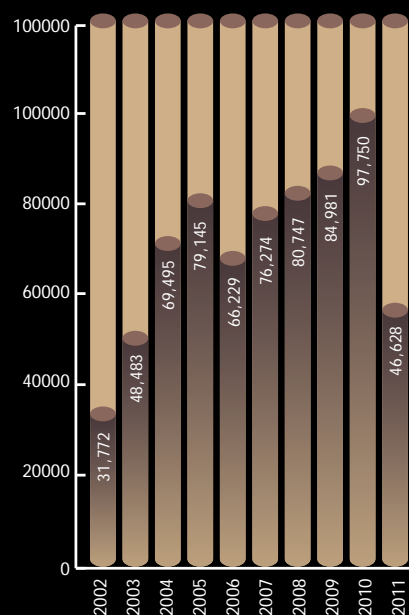
REVENUE (RM'000)



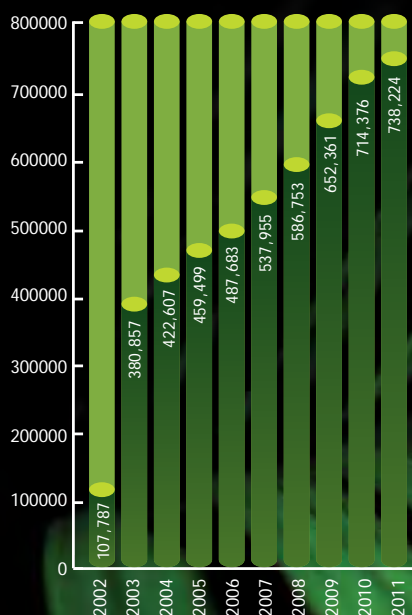
PROFIT BEFORE TAX (RM'000)



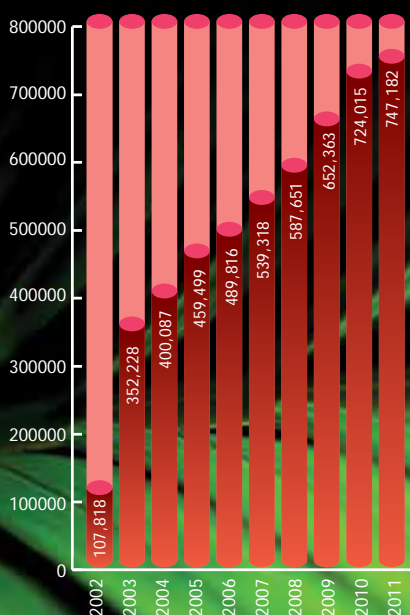
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



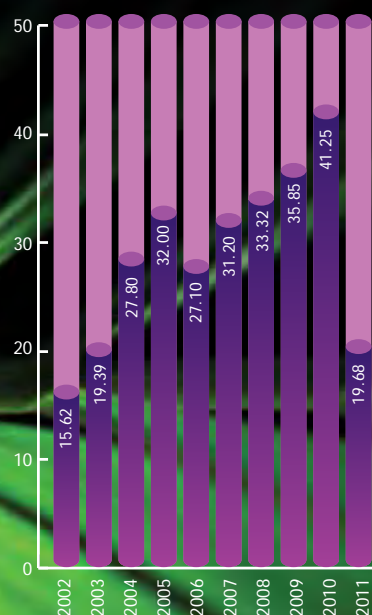
NET TANGIBLE ASSETS (RM'000)



SHAREHOLDERS' EQUITY (RM'000)

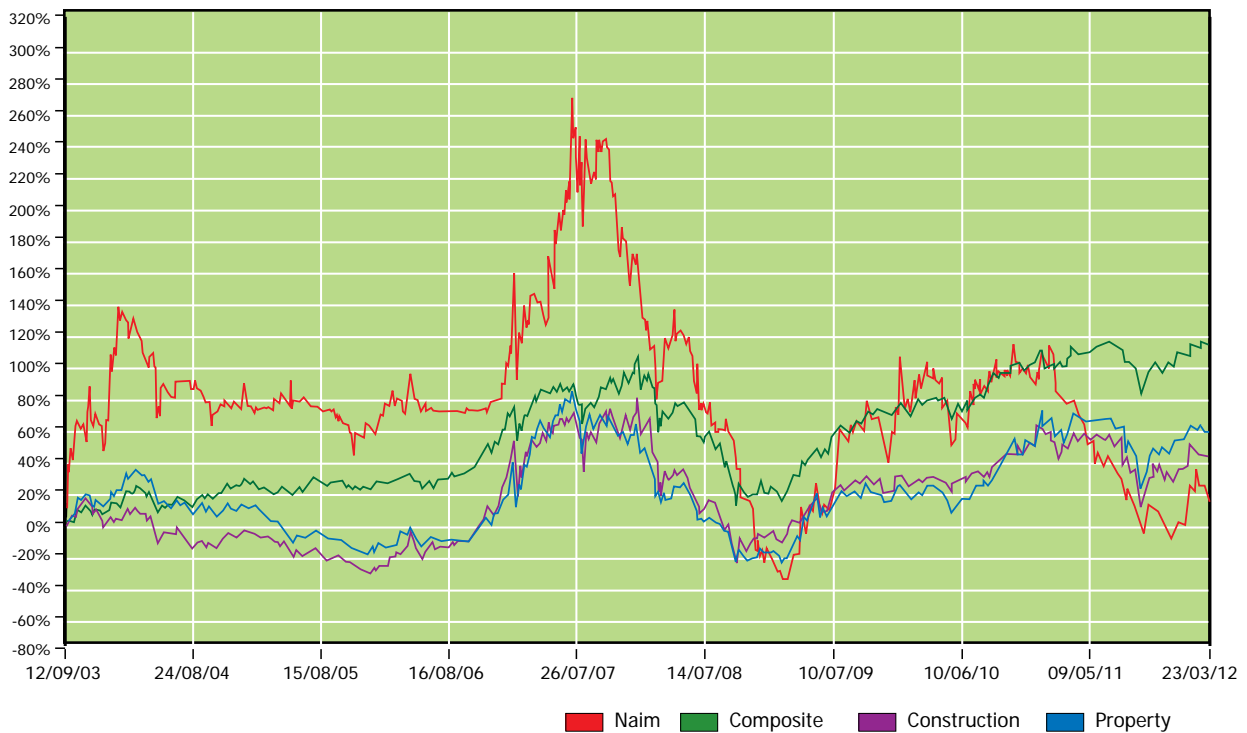
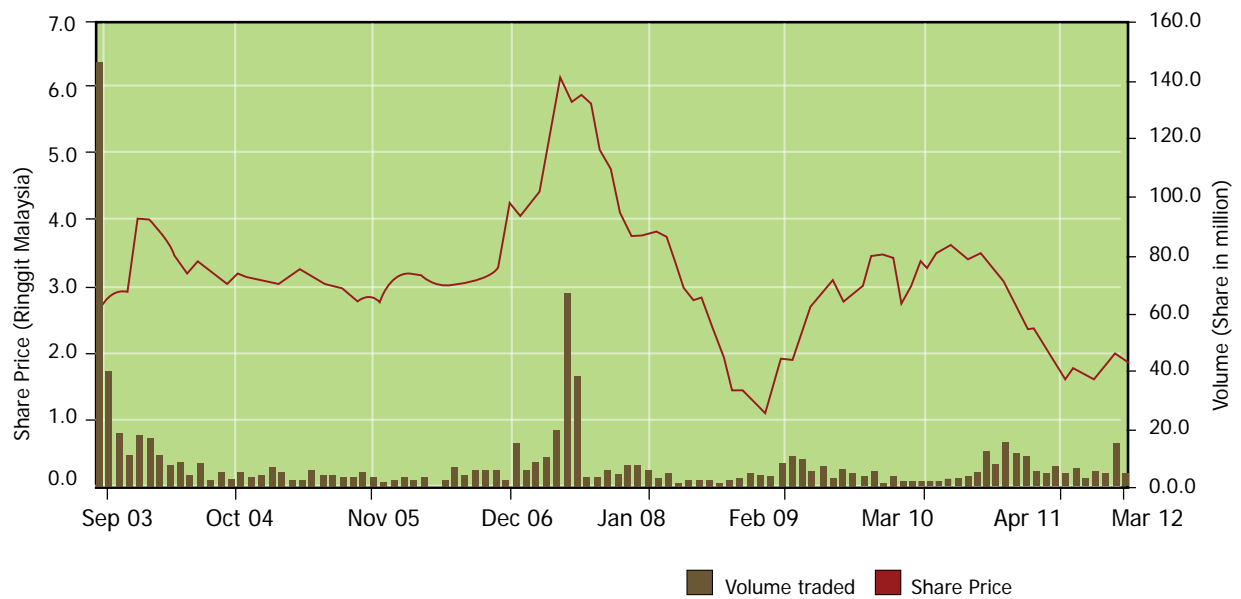


EARNINGS PER SHARE (sen)



# Share Performance

**NAIM HOLDINGS BERHAD Share Performance Chart  
from 12 September 2003 to 23 March 2012**



# Corporate Structure (at date of Annual Report)



## PROPERTY

Naim Land Sdn Bhd

### PROPERTY DEVELOPMENT

Total Reliability Sdn Bhd  
Khidmat Mantap Sdn Bhd  
Desa Ilmu Sdn Bhd  
Naim Commercial Sdn Bhd

### PROPERTY INVESTMENT

Yakin Pelita Sdn Bhd  
Naim Realty Sdn Bhd  
Peranan Makmur Sdn Bhd  
Samalaju Property Development Sdn Bhd

## ENGINEERING/CONSTRUCTION

Naim Engineering Sdn Bhd

Naim Binaan Sdn Bhd

### MANUFACTURING

Naim Premix Sdn Bhd  
TR Concrete Sdn Bhd  
TR Bricks Sdn Bhd  
TR Smart Piles Sdn Bhd

### TRADING / SERVICES

Naim Supply & Logistic Sdn Bhd  
Naim Equipment Sdn Bhd

### QUARRY OPERATIONS

Naim Cendera Lapan Sdn Bhd  
Jelas Kemuncak Resources Sdn Bhd  
Simbol Warisan Sdn Bhd

### OVERSEAS INVESTMENT

Naim Overseas Sdn Bhd

### FIJI COMPANIES

Naim Engineering Construction (Fiji) Limited  
Naim Quarry (Fiji) Limited  
Naim Premix (Fiji) Limited  
Naim Vanua Levu (Fiji) Limited

### BRUNEI COMPANY

Naimcendera Engineering & Construction  
Sendirian Berhad

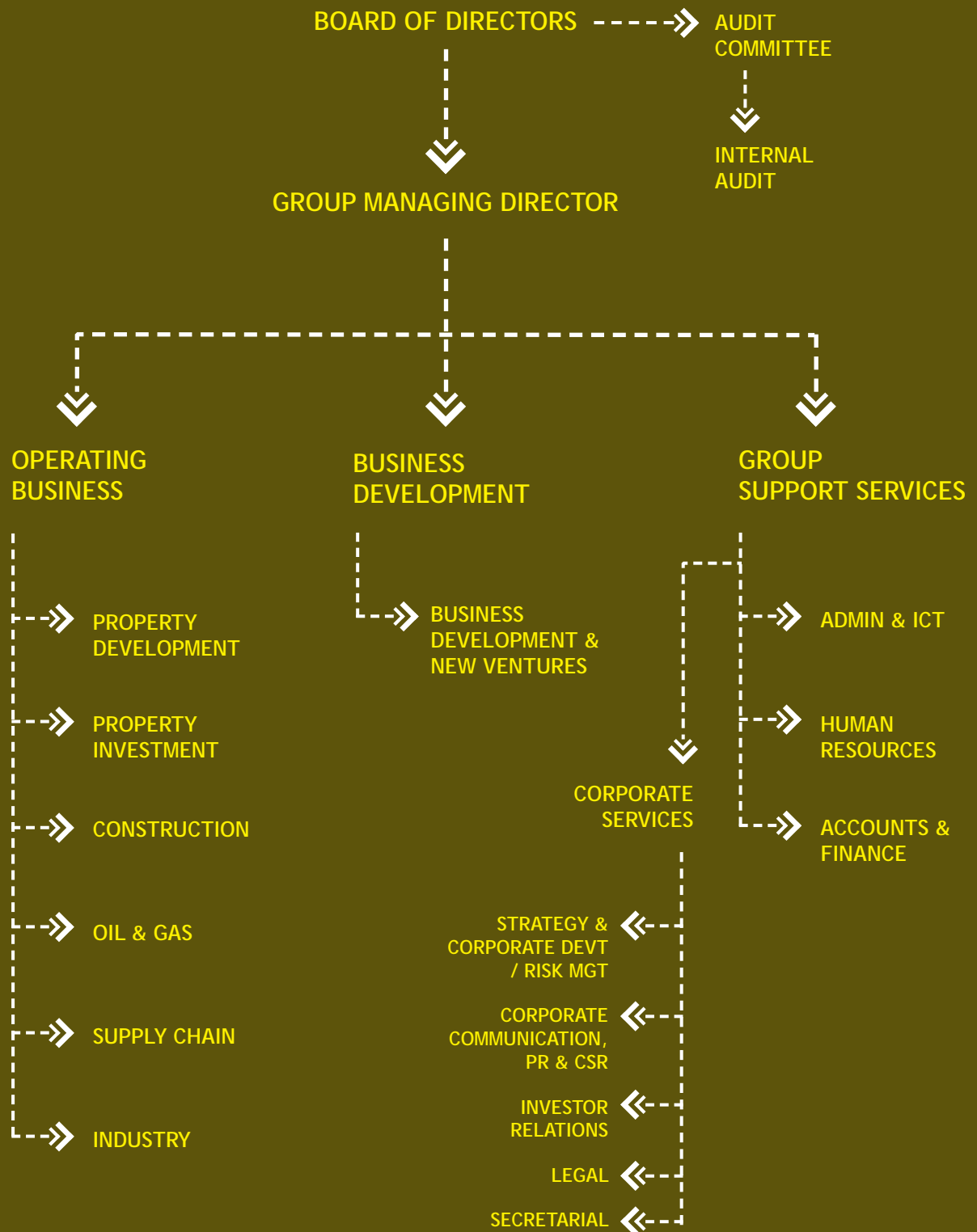
## OIL & GAS

Dayang Enterprise Holdings Bhd.

## FIFTEEN OTHER DORMANT COMPANIES



# Organisational Structure



# Corporate Profile



Naim Holdings Berhad is an investment holding company. Its two main subsidiaries are Naim Land Sdn. Bhd. (NLSB) and Naim Engineering Sdn. Bhd. (NESB) which are primarily involved in property development and construction activities.

It focuses its business efforts on three principal areas: integrated property developments combining residential, commercial and industrial properties with infrastructure and public amenities; contracting of construction, civil engineering, oil and gas and infrastructure projects; and oil and gas services through its investment in Dayang Enterprise Holdings Bhd.

Naim's flagship property developments are Bandar Baru Permyjaya in Miri, Desa Ilmu in Kota Samarahan, and the up-market Riveria satellite township in Kuching's southern corridor. They are reinforced by a number of smaller residential and commercial developments in Sarawak's major population centres.

Naim is also a Class A Contractor with ISO 9001 certification and has recently emerged as one of Malaysia's largest Bumiputera contractors. Including implementing NLSB's own development projects, it has carried out more than RM5 billion worth of works. It focuses on excellent quality and timely delivery, a philosophy that has earned Naim a host of industry awards.

Naim Holdings Berhad was listed on the Main Board of Bursa Malaysia Berhad on 12 September 2003.



# Message to our Shareholders

On behalf of the Board of Directors it gives us great pleasure to present your Company's Annual Report for the year ended 31 December 2011, our 16th full year of operation.

Note: For ease of reading, all financial sums and other quantities shown in this message are rounded up or down to three or occasionally two significant figures. Precise sums are shown in the financial report on page 64 onwards.





## OPENING STATEMENT

**2011 was a difficult year for our Group.** Both our revenues and profits were down compared to 2010. **This is only the second time in our 16-year history that the Group has performed below expectations.** **We are confident that these results were only a temporary setback, effected by a variety of factors, some of which are outside our spheres of control and/or influence.** These included, the slowdown of Federal Government funding for major infrastructure projects in Sarawak, and the nationwide decline in construction margins. Nevertheless, the Sarawak property market has remained relatively buoyant, and our performance in this area, while not as good as we had expected, was largely dampened by legacy effects from previous years. We are optimistic that our property performance will rebound favourably in 2012.

## FINANCIAL PERFORMANCE

### Overall Results

The Group recorded a drop in revenue of 33% from RM613 million in 2010 to RM412 million for the period under review. Profit before tax was down by 56.7% at RM57.2 million, compared to RM132 million for 2010, and profit attributable to shareholders was down by 52.3% to RM46.6 million compared to RM97.8 million for 2010. Therefore the financial results for 2011 are considerably lower than those for 2010, with basic earnings down by 52.3% to 19.68 sen per ordinary share compared to 41.25 sen in 2010.

### Contributions to Results

Contributions to overall revenue of RM412 million were as follows: Property Division 28%; Construction Division 63%; Others Division 9%. Apart from revenue, other contributions to profit included a share of results of our associate amounting to RM32.7 million, compared to RM26.4 million in 2010, and share of results of joint venture of RM12.8 million, up from only RM62,000 in the previous year.

### Dividends

Since its listing, the Naim Group has never pursued a dividend policy. Nevertheless, we have been paying dividends as follows:-

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Gross Dividend rate	9%	12%	12%	15%	15%	13%	8%	10%	8%	102%
Total dividend payout (in million)	RM22.5	RM30.0	RM30.0	RM37.5	RM37.5	RM32.5	RM20.0	RM25.0	RM20.0	RM255



During the year under review, a total of two interim single-tier dividends (totalling 8.0 sen per share tax exempt) were declared and paid and they represent a distribution to Shareholders of 41% of the Group's profits for the year ended 31 December 2011. **The dividend yield is 4.88% based on the year-end share price of RM1.64** and in the Board's opinion offers adequate short term financial returns to our investors whilst maintaining reasonable cash reserves for future growth, expansion of the land bank, expansion and upgrading of plant, and other investments outlined in Prospects (Page 15 to 16).

# Message to our Shareholders

Since its listing in 2003, the Naim Group has paid a total of RM255 million in gross dividends, more than its paid-up capital of RM250 million.

## Review of Financial Performance

### Property Division

The Property Division's contribution to revenue was down RM45 million from RM163 million in 2010 to RM117 million in 2011. This was due principally to lower sales of property in the previous year, resulting in a lower quantum of progressive billings recognized. However, during 2011 property sales increased by RM42 million to RM184 million, so the resulting higher revenues will contribute positively to group profits over the next 24 months. We also experienced delays in approvals for projects from the relevant authorities, especially where we introduced alternative designs to cater for changing market conditions. We believe we have now resolved the approval process problems and expect to obtain prompt approvals for future applications.

### Construction Division

The Construction Division's contribution was down RM160 million from RM419 million in 2010 to RM259 million in 2011. This was due to substantial completion of high-margin projects ahead of schedule in 2010, as well as lower stage of completion on certain on-going projects due to adverse weather conditions and design modifications for some contracts. Other contributing factors were: lack of major new contracts secured; a slowdown in contract allocation

by Government agencies; and increased competition and increased costs impacting overall margins. On a more positive note, the Group secured an overseas contract worth RM12 million, for which works are at the initial stage.

### Other Division

The Other Division's contribution was up RM4 million from RM31 million in 2010 to RM35 million in 2011. One of the contributors is from the rental of properties completed during 2011, including our newly completed Permy Mall in Miri with net lettable area of about 153,000 sq. ft, which is over 90% tenanted with GIANT as our anchor tenant. This segment managed to generate a modest profit of RM700,000 for 2011, a turnaround from the loss of RM 2 million reported in 2010.

### Associate Company

#### - Dayang Enterprise Holdings Bhd.

Dayang Enterprise Holdings Bhd. performed very well throughout 2011, registering a profit after tax of RM83 million, an increase of 23% compared to 2010. With its on-going contracts exceeding RM1.4 billion to last at least until 2016, we expect this investment to contribute positively to our group results in the near future.

### Other Oil and Gas Project

During 2010 we ventured into oil and gas construction via an alliance contract with Samsung and Petronas to construct the Sabah Onshore Gas Terminal. This



project contributed positively to our Group's results during the year and has achieved 60% completion as at 31 March 2012.

## PROSPECTS

### Economic Situation

2011 was a turbulent year, which witnessed the devastating earthquake in Japan, the financial crisis in the United States, and the Eurozone sovereign debt crisis. The Financial Times Stock Exchange (FTSE) hit an annual low of 4944.4 in October when the Eurozone debt crisis triggered a global stock market sell-off. This Economic uncertainty continues into year 2012. The ongoing Eurozone crisis, and the question as to whether it can be brought under control, will dictate the direction of the world economy in 2012. Although the Malaysian economy has frequently shown great resilience in the face of global economic problems, this resilience should not be taken for granted, and therefore 2012 is anticipated to be a challenging year.

We believe the results achieved during 2011 do not foreshadow a trend, despite the many challenges ahead, and while we remain cautious we feel that our group is very well positioned to resume its successful growth over the medium and long terms, for a variety of reasons outlined below.

### Property

The property sector still poses many challenges, with increased competition, higher construction costs and stricter bank lending limits. Nevertheless, we have now finalised plans to aggressively launch new products which precisely fit market needs. We are poised to make inroads into Bintulu, Sarawak's fastest growing property market, with our new Bintulu City Centre development at the site of the former airport. The first phase is expected to be launched by Q42012. In Sabah, an office has been set up in Kota Kinabalu to enable our expansion into the state, and we will continue to launch new products in the Kuching and Miri markets during the coming year. For the longer term, we expect great things of the Bintulu City Centre project and our Batu Lintang development in the centre of Kuching. Our vast land bank, with an estimated potential total GDV of some RM9 billion, is perfectly located to leverage on the development of the Sarawak Corridor of Renewable Energy (SCORE - see feature on page 60-61).

### Construction

Short term earnings growth should be adequately sustained by our existing order book. For the short-to-medium term, we have submitted tenders for a number of sizeable projects, and are already shortlisted for a number of them. We also expect more government funds to become available for infrastructure development in Sarawak after the upcoming General Election, which must be





held by early 2013. We are also seeking further opportunities overseas, encouraged by the success of our road construction projects in Fiji, for which we have received the warmest compliments from that country's Government.

For the longer term, we have our eyes firmly on SCORE, with approximately RM40 billion of investments, some of which will be translated into construction contracts and material supplies over the next decade. We are uniquely well positioned as a local contractor who has always delivered on or ahead of time, to the quality expected by our clients and within budget.

#### **Other**

Our successful venture into retail property, Permy Mall, has already exceeded our expectations, and therefore, spurred by this successful venture, we are currently making plans for similar projects in Miri, Bintulu and Kuching.

#### **Associate Company**

Our associate, Dayang Enterprise Holdings Bhd., has over RM1.4 billion of on-going contracts lasting to at least 2016, and thus we are confident of Dayang's positive contribution to our performance in the near future.

#### **Oil and Gas**

Sabah Oil & Gas Terminal (SOGT), our alliance Joint Venture with Samsung and Petronas, still has 40% to run, with our profit share effectively fixed over the contract's duration, so we expect a major contribution over the next two years. We are also hopeful that this project will provide us with a strong foothold in this specialised but highly lucrative sector.

### **CORPORATE AFFAIRS**

#### **Corporate Governance**

As an acknowledged leader in the field, we have continued to pursue the highest standards of corporate governance in every area of our activities.

#### **Human Resources**

During 2011 we successfully implemented Key Performance Indicators (KPI) throughout the group, a major milestone in our Corporate Transformation Plan for which we have allocated some RM50 million. We have also embarked on a number initiatives to reform our Human Resource management processes

in order to fully leverage our human capital to drive performance and change towards achieving our longer term ambitions and sustainable growth.

#### **Corporate Social Responsibility**

We will continue to strive to be an ethical and responsible corporate citizen and have strengthened our efforts in a number of key areas as testimony to our enduring commitments to our corporate social responsibilities.

### **ANTICIPATED RESULTS**

Based on the number of planned activities, initiatives and positive market conditions outlined above, and barring any unforeseen circumstances, the Group is confident of achieving favourable results for 2012 and beyond.

### **ACKNOWLEDGEMENTS**

We would like to convey our sincerest thanks to our fellow directors and all the employees of Naim Group and our associate company for their hard work, commitment and professionalism. We would also like to thank all the Ministries, Departments, Statutory Bodies and Regulatory Agencies who have offered us their cooperation and support during 2011. Heartfelt thanks are also due to our joint venture partners, sub-contractors, consultants, professional advisors and service providers. However and as always, the warmest thanks of all are due to you, our fellow shareholders. We sincerely hope that you will continue to give us the opportunity to reward your strong faith in our abilities.

Thank you

**Datuk Abdul Hamed Bin Sepawi**  
Chairman

**Datuk Hasmi Bin Hasnan**  
Managing Director

# Review of Operations

## CONSTRUCTION DIVISION

### Completed Projects

During the year, the Construction Division successfully completed two projects in Sarawak; the **Selangau - Matadeng Road** and the **ASSAR Senari Industrial Complex Jetty for Oil & Gas**. During Q1 2012 we also completed our first overseas project, the upgrading of Kings Road from Waito to Wailotua, Republic of Fiji.

The 52km **Selangau - Matadeng Road** links Sibu and Bintulu to Mukah, which is the centre of the Sarawak Corridor of Renewable Energy (SCORE). The road will provide fast and direct access to one of Sarawak's fastest growing regions and release the economic potential of Sarawak's coastal heartland.

The **ASSAR Senari Industrial Complex Jetty for Oil & Gas** is located in Tanjung Manis, Sarawak. It is part of the Central Oil Distribution Terminal (CODT) and will distribute oil from Petronas and Shell to the central region of Sarawak, including SCORE.

### Flying the Malaysian Flag High

The **Upgrading Works for Kings Road from Waito to Wailotua** have brought an important stretch of Fiji's main traffic artery up to international standards of road quality and safety. As our first international project, we are delighted that this project proceeded smoothly and was completed ahead of



schedule. However, we are not the only ones who are delighted; the Right Honourable Minister of Works, Transport and Public Utilities, Mr. Timoci L. Natuva, has kindly written to us confirming that he is very satisfied with Naim's performance, quality and eye for detail, and that his government will use this project as the benchmark for future works in Fiji.

### Ongoing Projects

The **Bau-Semadang Road Project**, which comprises a 12.4km access road into the mountainous hinterland to Kpg Puruh Semadang/ Kpg Puruh Garung in the Padawan District, Kuching, as well as concrete bridges over Sg. Krokong, Sg. Raden and Sg. Sarawak Kiri, proceeded according to schedule. When completed in September 2012, the road will provide easy vehicular access to the Bengoh resettlement scheme.

Another project associated with the Bengoh Dam, the construction of the **Bengoh Resettlement Scheme**, is on schedule and expected to complete by mid-2012. The project will benefit the residents affected by the construction of the Bengoh Dam, and provide them with housing and agricultural plots, as well as infrastructure facilities including community halls, chapels, access roads, water supply system, telecommunications and electrical services.

Other ongoing projects include the **Sarawak Islamic Complex, Kuching**, and the **Fiji National Highway Rehabilitation Project**, both of which should complete during the year.

### Future Projects

We are continuously seeking further business for the medium and long term, and during the year we were shortlisted as one of the 28 individual and JV companies eligible to bid for various elevated civil works, stations and depot packages under the multi-billion ringgit **Klang Valley Mass Rapid Transit (KVMRT) Project**. Our tender for the first stage, which involves the elevated civil works package, was submitted in the fourth quarter of 2011.





## PROPERTY DIVISION

### Property Sales

As mentioned in the Message to Shareholders (see page 13), lower property sales in 2010 led to substantially reduced revenue and profit from the Property Division in 2011. Nevertheless, we carried out a number of successful launches in **Kota Samarahan (Kuching)** and **Miri** during the year and sold 549 units of residential and commercial property for a total value of RM184 million, our best sales performance since 2007. Over 70% of sales took place in the second half of the year as we held back a number of product launches to take advantage of improving buyer sentiment.

### New Property Developments

Our proposed mixed development at **Batu Lintang, Kuching**, has now passed the planning approval stage and we will begin marketing the project soon. The **Bintulu Old Airport** project is slated to create a new City Centre for Sarawak's fastest growing town, with a GDV exceeding RM1 billion. We are planning to launch the first phase of the project, by the end of 2012. A number of other projects are still undergoing planning or awaiting official approval. Our strategic land bank currently stands at over 2,600 acres located in and around Sarawak's three fastest growing urban centres, namely Kuching, Bintulu and Miri. We are looking at further expanding

this land bank through direct purchase of suitable land, and through joint ventures with a number of potential partners. With this land bank, the future of the property development and investment look assured.

## PROPERTY INVESTMENT DIVISION

**Permy Mall**, our first property investment project, was launched in December 2011. Thanks to its strategic location, strong anchor tenant (Giant Hypermarket) and ideal mix of tenantable units, it has become a resounding success. The mall is now over 90% tenanted, a better start-up performance than any other mall developed recently in Sarawak, and is yielding a gross return on investment of 8%. **Permy Mall's** success has encouraged us to expand our retail property investments, and we are targeting further malls in Miri, Bintulu and Kuching, leveraging on the strategic locations of our housing and commercial developments.

## OIL & GAS DIVISION

The Oil and Gas Division's first major project, the **Sabah Oil & Gas Terminal (SOGT)** is an Alliance Contract with Samsung of Korea and Petronas. The project achieved 60% completion by 31 March 2012. As well as the revenue derived from SOGT, we have also gained valuable experience and exposure in this highly competitive yet valuable sector.

## ASSOCIATE COMPANY

Dayang Enterprise Holdings Bhd. (Dayang) enjoyed an excellent year, recording a record profit after tax of RM83 million. All business segments, which include offshore topside maintenance, hook-up and commissioning, chartering of marine vessels and minor fabrication, recorded improved performance. However, the Health & Safety performance was truly world-class; 25 million man hours without loss of work time to injury since 2004. Dayang also expanded its order book to over RM1.4 billion, with contracts running to 2016. In January 2012, Dayang also launched its seventh vessel, the maintenance workboat *MV Dayang Topaz*, and also secured a RM80 million contract for *MV Dayang Zamrud* from Brunei Shell.





## Board of Directors

### Chairman

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

Datuk Abdul Hamed Bin Haji Sepawi, aged 63, was appointed as Chairman of Naim Holdings Berhad on 25th July 2003. Prior to the Naim Group's listing he was Non-Executive Chairman of Naim Land Sdn. Bhd., since 12 October 1995.

He received his early education at St. Columba's School, Miri and Malay College, Kuala Kangsar. He graduated with a BSc (Hons) from University of Malaya in 1971, pursued undergraduate studies in forestry at the Australia National University from 1974 to 1975, and later obtained an MSc in Forest Products from Oregon State University, USA.

Whilst remaining active in the timber and plantation industries, Datuk Abdul Hamed developed his career around his keen personal interest in the construction sector, which was first acquired through school vacation jobs in Miri. For more than 30 years, he has been active as an investor, a manager and a director in companies carrying out civil works, offshore engineering, construction, housing and property development.

He was a member of the National Economic Consultative Council II, and is currently the Executive Chairman of Ta Ann Holdings Berhad, and Chairman of Sarawak Plantation Berhad and Smartag Solutions Berhad, companies listed on Bursa Malaysia.

He is also the Chairman of non-listed company, Sarawak Energy Berhad.



## Board of Directors

### Managing Director

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

Datuk Hasmi Bin Hasnan, aged 59, is the founder of Naim Land Sdn. Bhd., a wholly-owned subsidiary of Naim Holdings Berhad. He was appointed Managing Director of Naim Holdings Berhad on 25th July 2003. He graduated with a BSc in Estate Management from the London South Bank University, UK in 1978. He is a Senior Certified Valuer with International Real Estate Institute, USA and a member of FIABCI.

He began his career in 1979 as a valuer in the Land and Survey Department of Sarawak. Since 1982, he has been involved in a wide range of businesses, including valuation, project management, property development and management, construction, timber, manufacturing, trading and publishing.

In June 1993 he became the Managing Director of Naim Land Sdn. Bhd. and has since been the main driving force behind the company's growth and expansion.

He was awarded the Property Man of the Year for 2008 by the International Real Estate Federation (FIABCI) in Kuala Lumpur.

He is a Chairman of a listed company, Dayang Enterprise Holdings Bhd, and a director of a non-listed company, Naim Incorporated Berhad.





**Executive Director**  
**Sulaihah Binti Maimunni**

Ms Sulaihah Maimunni, aged 55 was appointed Executive Director of Naim Holdings Berhad on 1 February 2010.

A civil engineering graduate from Swansea University, United Kingdom, Ms Sulaihah has more than 27 years of engineering and project management, and is one of the highest profile women in the regional construction sector. She started her career with consulting firm, Minconsult Sdn Bhd, and then moved to UEM Group, where she rose through management ranks to become Executive Director/Chief Executive Officer of UEM Construction Sdn. Bhd. She also spent two years as Managing Director of Sarawak Hidro Sdn Bhd, developer of the Bakun Hydro project, on secondment from UEM. Along with her career achievements, Ms. Sulaihah has vast overseas experience in countries like Vietnam, Indonesia, Qatar, UAE and India.

She joined the Naim Group in October 2009 and since has been holding the position of Senior Director at the Managing Director's Office undertaking several management and technical functions.

She is also Director of Dayang Enterprise Holdings Bhd., a company listed on Bursa Malaysia.

**Executive Director**  
**Kueh Hoi Chuang**

Mr. Kueh Hoi Chuang, aged 56, was appointed Executive Director of Naim Holdings Berhad on 25th July 2003. He holds a Bachelor of Arts degree from the University of Guelph, Canada, and is a member of the Institute of Approved Company Secretaries.

Mr Kueh has been involved in the property and construction industry ever since his graduation in 1983. He was initially employed by Custodev Sdn. Bhd., where he specialized in property management, development and construction. He joined wholly owned subsidiary Naim Land Sdn. Bhd. in 1993 and rapidly rose through the ranks to his current position as the Naim Group Head of Property Division. Throughout his 19 years service with Naim he has achieved a commendable property sales volume and is responsible for the successful development of the Group's flagship projects at Bandar Baru Permyjaya in Miri and Desa Ilmu and Riveria in Kota Samarahan.

He is also currently a director of Naim Incorporated Berhad, a non-listed public company.





## Board of Directors

### Executive Director

#### **Abang Hasni Bin Abang Hasnan**

Encik Abang Hasni Bin Abang Hasnan, aged 61, was appointed Executive Director of Naim Holdings Berhad on 25th July 2003. He received his early education in Government Secondary School, Kanowit and later pursued studies in carpentry and joinery and obtained a Certificate from City & Guilds of London Institute. In 1972 he attended a technical course in wood processing and mechanical and engineering equipment at British Columbia Institute of Technology, Canada.

From 1967 to 1983 he worked as an Instructor to the Forest Department, Kuching. From 1983 to 1988 he joined Equatorial Timber Moulding Sdn. Bhd. as Assistant Factory Manager. Thereafter he was employed as Production, Research & Development Manager by Gegasan Sdn. Bhd., a company involved in timber related business. In January 1997 he joined Naim Land Sdn. Bhd. as Executive Director incharge of QA/QC and HSE for the Group.

### Senior Independent Non-Executive Director

#### **Datuk Haji Hamden Bin Haji Ahmad**

Datuk Haji Hamden Bin Haji Ahmad, aged 64, was appointed Independent Non-Executive Director on 25th July 2003. He is a Chartered Accountant and obtained his membership of the Association of Chartered and Certified Accountants (ACCA) from the London School of Accountancy, United Kingdom in 1979. He is a Fellow of ACCA.

He started his career as a Chief Accountant attached to Sarawak Land Development Board, Sarawak from 1978 to 1982. He later set up his own accounting firm, Hamden Kiu dan Rakan Rakan in 1983. He holds directorships in several private limited companies. He was the former Assistant Minister of Youth Affairs of the Ministry of Social Development and Urbanisation and former Assistant Minister of the Ministry of Urban Development and Tourism.

He is the Managing Director of Sarawak Plantation Berhad and a Director of BLD Plantation Berhad, companies listed on Bursa Malaysia.



**Independent Non-Executive Director**

**Dato Ir. Abang Jemat Abang Bujang**

Dato Ir. Abang Jemat Abang Bujang, aged 59, was appointed Independent Non-Executive Director on 25th July 2003 and he was redesignated as Non-Executive Director on 14 March 2005. On 21 March 2011 he was reinstated as Independent Non-Executive Director. He holds a Bachelor of Engineering (Electrical) from Newcastle University, New South Wales, Australia. He is a registered Professional Engineer with Board of Engineers, Malaysia and also a member of the Institute of Engineer, Malaysia. He was awarded the Pingat Perkhidmatan Bakti (PPB) in 1997.

He joined Telekom Sarawak as a Telecommunication Engineer from 1979 to 1986 and assumed the post of Director of Telecom Department Sarawak from 1987 to 1990. He was the General Manager of Syarikat Telekom Malaysia Sarawak Region from 1995 to 1998. Subsequently from 1999 to 2000, he served as Chief Executive Officer of TM Cellular Sdn Bhd, a wholly owned subsidiary company of Syarikat Telekom Malaysia. He is currently the Managing Director and Chief Executive Officer of Sacofa Sdn. Bhd.

**Independent Non-Executive Director**

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

Datu (Dr) Haji Abdul Rashid Bin Mohd Azis, aged 66, was appointed Independent Non-Executive Director on 16th February 2005. He was awarded a degree of Doctor (honoris causa) by Swinburne University of Technology Australia in 2008 in recognition of his eminent contribution to the state of Sarawak. He graduated with a Master in Business Administration from Brunel University, UK. He also holds a Diploma in Management Science (Finance), Institut Tadbiran Negara Malaysia (INTAN); Certificate of Executive Programme AIM and Senior Executive Fellows Programme, Harvard University, USA.

He joined the Sarawak Administrative Service in 1965. He worked in Government Service for 41 years and has held various senior posts in Government Departments and Statutory Bodies until he retired from service in December 2005.

Datu (Dr) Haji Abdul Rashid Bin Mohd Azis is currently the Deputy Chairman of Yayasan Sarawak and he is also the Board member of Sarawak Economic Development Corporation (SEDC).

He was director in Sarawak Electricity Supply Corporation (SESCO); Sarawak Widows & Orphans Pension Fund (WOPF); alternate member to State Secretary Sarawak in Employees' Provident Fund (EPF) Board; Aseambankers (M) Berhad; Tradewinds

(Malaysia) Berhad and member of Majlis Islam, Sarawak.

He is currently the Chairman of the Charitable Trust, Bandar Sri Aman Mosque; and member of Yayasan Budaya Melayu Sarawak Charitable Trust. He is also a Council and Board Member of Swinburne University of Technology Sarawak Campus.





## Board of Directors

### Non-Executive Director

#### **Haji Jeli Bohari Bin Biha @ Jeli Umik**

Tuan Haji Jeli Bohari Bin Biha @ Jeli Umik, aged 61, was appointed Independent Non-Executive Director of Naim Holdings Berhad on 28 April 2011. He was redesignated as Non-Executive Director on 24 November 2011.

He graduated with a Bachelor in Social Science (Hons) in 1982 from the University of Science Malaysia, Pulau Pinang and a MBA (with Distinction) from University of Hull, England, in 1995.

He started his career as a secondary school teacher in Kuching from 1972 to 1975. In year 1975 he joined Sarawak Shell Berhad as Editor and Information Officer and rose through the ranks, to be General Manager of Human Resource and member of Board of Directors of Sarawak Shell Berhad/Sabah Shell Petroleum Co Ltd and Shell Timur.

Throughout his 30-year career in Shell, he had been on short to medium-term assignments holding senior positions at various Shell operating companies around the world including U.K., USA and Thailand.

In 2002 he held various portfolios in the Chief Minister's Office, Kuching as Director, State Human Resource Planning and as Director of Human Resource Development & Quality until his retirement in August 2008.

He is currently Board member of Yayasan Sarawak and holds directorships in several private limited companies.



### Independent Non-Executive Director

#### **Professor Dato' Abang Abdullah Bin Abang Mohamad Alli**

Professor Dato' Abang Abdullah bin Abang Mohamad Alli, aged 59, was appointed Independent Non-Executive Director on 15 May 2007.

Professor Dato' Abang Abdullah graduated with a Bachelor degree in Civil Engineering from the University of Brighton and a Master degree in Structural Engineering from the University of Manchester. He is a Registered Professional Engineer (PEng) with the Board of Engineers, Malaysia, a Chartered Engineer (CEng) with the Engineering Council, United Kingdom and an Honorary Fellow of the ASEAN Federation of Engineering Organisations (HonFAFEO). He is a Fellow of the Institution of Engineers, Malaysia (FIEM), Institution of Civil Engineers, United Kingdom (FICE), International Ferrocement Society (FIFS), Academy of Sciences, Malaysia (FASc), ASEAN Academy of Engineering & Technology (FAAET). He is currently the President of the Malaysian Society for Engineering and Technology (MSET). He is a Past President of the Federation of Engineering Institution of Islamic Countries (FEIIC) and the Institution of Engineers, Malaysia (IEM). He has been appointed as Honorary Member (Academician) of the Kazakhstan Engineering Academy.

Professor Dato' Abang Abdullah began his career as a lecturer at Universiti Putra Malaysia in 1976,





## Board of Directors

promoted to Associate Professor in 1982 and full Professor in 1987. He was upgraded to Senior Professor (Special Grade B) in 1995 and in 2008 to Senior Professor (Special Grade A). At the same time he was made Deputy Dean, Faculty of Engineering in 1981 and Dean in 1982. He was Chairman of the Malaysian Council of Engineering Deans and served as a Design Engineer in Malaysian International Consultants and Perunding Bakti Sdn Bhd. He has served as a Board Member of Malaysian Highway Authority (LLM) and Board of Engineers, Malaysia (BEM).

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

In addition, he has written a book on Industrialised Buildings Systems (IBS) and has been involved on various research work on housing and construction technology, specifically in the areas of low cost materials of construction, interlocking load bearing hollow block building system (Putra Block), which has been granted US, UK, Swiss and Malaysian patents, industrialised building systems and affordable quality housing. Professor Dato' Abang Abdullah and his research team won a gold medal for the Putra Block at the International Exhibition of Inventions and Innovations, Geneva, Switzerland on 4th April 2001. He was also awarded CIDB R&D Award for research on the Putra Block Building System. In 2008, he was awarded the Dato' Paduka Mahkota Selangor (DPMS) by HRH Sultan of Selangor.

Please refer to page 127 for Directors' securities holdings in the Company.

Save for Abang Hasni Bin Abang Hasnan who is the brother of Datuk Hasmi Bin Hasnan, there are no other family relationship between the Directors and/or major shareholders of the Company.

All Directors are Malaysians.

None of the Directors have been convicted for any offences.

Please refer to page 35 for Directors attendance at board meetings held during the financial year.