NAIM HOLDINGS BERHAD *(585467-M)*

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the fourth quarter and twelve months ended 31 December 2015
(The figures have not been audited)

		CURRENT QUARTER		CUMULATIVE QUARTER	
		3 months ended 31 December		*12 months ended 31 December*	
		2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Revenue		196,976	186,632	594,393	656,484
Cost of sales		(198,178)	(176,684)	(549,979)	(531,407)
Gross profit		(1,202)	9,948	44,414	125,077
Other operating income		3,577	39,329	16,205	52,279
Selling and promotional expenses		(4,667)	(3,362)	(14,122)	(11,549)
Administration expenses		(16,351)	(33,019)	(42,434)	(73,927)
Other expenses		-	(12,538)	-	(12,545)
Results from operating activities		(18,643)	358	4,063	79,335
Other non-operating income		-	34,913	-	96,705
Finance income		2,233	2,702	8,236	7,661
Finance costs		(8,471)	(3,036)	(19,393)	(17,205)
Net finance costs		(6,238)	(334)	(11,157)	(9,544)
Share of results (net of tax) of equity-accounted:					
- associates		3,373	8,155	50,269	59,195
- joint ventures		1,167	(2,724)	1,469	2,027
(Loss)/Profit before tax	Note 20	(20,341)	40,368	44,644	227,718
Tax expense	Note 19	(2,199)	16,740	(9,371)	(7,099)
(Loss)/Profit for the period/year		(22,540)	57,108	35,273	220,619
Other comprehensive (loss)/income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(349)	(659)	(3,308)	(142)
Realisation of reserves to profit or loss		(6,593)	-	(6,593)	-
Share of other comprehensive loss/(income) of an associate		25,698	995	30,107	830
Other comprehensive (loss)/income for the period/year		18,756	336	20,206	688
Total comprehensive income for the period/year		(3,784)	57,444	55,479	221,307
(Loss)/Profit attributable to:					
Owners of the Company		(23,212)	56,480	34,332	220,337
Non-controlling interests		672	628	941	282
(Loss)/Profit for the period/year		(22,540)	57,108	35,273	220,619
Total comprehensive income/(loss) attributable to:					
Owners of the Company		(4,456)	56,816	54,538	221,025
Non-controlling interests		672	628	941	282
Total comprehensive (loss)/income for the period/year		(3,784)	57,444	55,479	221,307
Basic/Diluted earnings per ordinary share attributable to owners of the Company (sen)	Note 9	(9.80)	23.84	14.49	92.99

The notes set out on pages 5 to 25 form an integral part of, and should be read in conjunction with, these condensed consolidated interim financial statements.
The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

NAIM HOLDINGS BERHAD *(585467-M)*

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the fourth quarter and twelve months ended 31 December 2015

(The figures have not been audited)

		Unaudited 31 December 2015 RM'000	Audited 31 December 2014 RM'000
ASSETS			
Property, plant and equipment		43,305	43,001
Prepaid lease payments		2,398	2,427
Interests in associates		394,287	329,176
Interests in joint ventures		3,724	17,085
Land held for property development		404,339	404,876
Investment properties		113,623	66,447
Intangible assets		6,237	6,917
Deferred tax assets		23,545	20,626
Other investments		2,974	2,974
Trade and other receivables		89,953	65,875
Total non-current assets		**1,084,385**	**959,404**
Inventories		28,595	24,172
Property development costs		461,338	367,922
Trade and other receivables		455,570	320,615
Deposits and prepayments		30,501	7,637
Current tax recoverable		8,834	11,304
Cash and cash equivalents		52,952	160,969
		1,037,790	892,619
Assets classified as held for sale		638	10,940
Total current assets		**1,038,428**	**903,559**
Total assets		**2,122,813**	**1,862,963**
EQUITY			
Share capital		250,000	250,000
Share premium		86,092	86,092
Treasury shares		(34,748)	(34,748)
Reserves		1,005,935	959,684
Total equity attributable to owners of the Company		**1,307,279**	**1,261,028**
Non-controlling interests		15,105	13,770
Total equity		**1,322,384**	**1,274,798**
LIABILITIES			
Loans and borrowings	Note 8	109,747	121,982
Deferred tax liabilities		26,563	27,069
Total non-current liabilities		**136,310**	**149,051**
Loans and borrowings	Note 8	296,283	136,263
Trade and other payables		366,266	290,815
Current tax payable		1,570	5,487
		664,119	432,565
Liabilities classified as held for sale		-	6,549
Total current liabilities		**664,119**	**439,114**
Total liabilities		**800,429**	**588,165**
Total equity and liabilities		**2,122,813**	**1,862,963**
Net assets per ordinary share attributable to owners of the Company (RM)		**5.23**	**5.04**

The notes set out on pages 5 to 25 form an integral part of, and should be read in conjunction with, these condensed consolidated interim financial statements.

The consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the fourth quarter and twelve months ended 31 December 2015
(The figures have not been audited)

	Note	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Treasury shares RM'000	Other reserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Total equity attributable to owners of the Company										
		Non-Distributable							Distributable			
For the 12 months ended 31 December 2014 (Audited)												
At 1 January 2014		250,000	86,092	26,283	1,074	-	(34,748)	34	711,144	1,039,879	24,200	1,064,079
Foreign currency translation differences for foreign operations		-	-	-	(142)	-	-	-	-	(142)	-	(142)
Realisation of reserves to profit or loss		-	-	51	(175)	-	-	(6)	-	(130)	-	(130)
Share of other comprehensive income/(loss) of an associate		-	-	-	972	-	-	(12)	-	960	-	960
Total other comprehensive income for the year		-	-	51	655	-	-	(18)	-	688	-	688
Profit for the year		-	-	-	-	-	-	-	220,337	220,337	282	220,619
Total comprehensive income for the year		-	-	51	655	-	-	(18)	220,337	221,025	282	221,307
Changes in ownership interests in a subsidiary		-	-	-	-	-	-	-	124	124	(124)	-
Transfer of capital reserve to retained earnings		-	-	(26,334)	-	-	-	-	26,334	-	-	-
Disposal of a subsidiary		-	-	-	-	-	-	-	-	-	(10,738)	(10,738)
Transaction with non-controlling interests												
- *Issue of shares by a subsidiary*		-	-	-	-	-	-	-	-	-	150	150
At 31 December 2014		250,000	86,092	-	1,729	-	(34,748)	16	957,939	1,261,028	13,770	1,274,798
For the 12 months ended 31 December 2015 (Unaudited)												
At 1 January 2015		250,000	86,092	-	1,729	-	(34,748)	16	957,939	1,261,028	13,770	1,274,798
Foreign currency translation differences for foreign operations		-	-	-	(3,308)	-	-	-	-	(3,308)	-	(3,308)
Realisation of reserves to profit or loss		-	-	-	(6,554)	-	-	(39)	-	(6,593)	-	(6,593)
Share of other comprehensive (loss)/income of an associate		-	-	-	29,722	-	-	385	-	30,107	-	30,107
Total other comprehensive profit for the year		-	-	-	19,860	-	-	346	-	20,206	-	20,206
Profit for the year		-	-	-	-	-	-	-	34,332	34,332	941	35,273
Total comprehensive income for the year		-	-	-	19,860	-	-	346	34,332	54,538	941	55,479
Changes in ownership interests in a subisidiary		-	-	-	-	-	-	-	6	6	(6)	-
Transactions with owners of the Company												
- *Dividends*	Note 10	-	-	-	-	-	-	-	(8,293)	(8,293)	-	(8,293)
Transaction with non-controlling interests												
- *Issue of shares by a subsidiary*		-	-	-	-	-	-	-	-	-	400	400
At 31 December 2015		250,000	86,092	-	21,589	-	(34,748)	362	983,984	1,307,279	15,105	1,322,384

The notes set out on pages 5 to 25 form an integral part of, and should be read in conjunction with, these condensed consolidated interim financial statements.
The consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

NAIM HOLDINGS BERHAD *(585467-M)*

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

CONSOLIDATED STATEMENT OF CASH FLOWS

For the fourth quarter and twelve months ended 31 December 2015

(The figures have not been audited)

		Unaudited 31 December 2015 RM'000	Audited 31 December 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		44,644	227,718
Adjustments for:			
Amortisation of:			
- intangible asset		680	682
- investment properties		1,280	1,095
- prepaid lease payments		28	28
Depreciation of property, plant and equipment		7,261	11,039
Dividend income		-	(3)
Finance income		(8,236)	(7,661)
Finance costs		19,393	17,205
Gain on disposal of:			
- property, plant and equipment		(1,521)	(4,761)
- investment properties		-	(25,485)
- associate		-	(97,038)
- subsidiary		-	1,706
Property, plant and equipment written off		630	222
Share of results of equity accounted:			
- associates		(50,269)	(59,195)
- joint ventures		(1,469)	(2,027)
Unrealised foreign exchange gain		(5,639)	(798)
Operating profit before changes in working capital		6,782	62,727
Changes in working capital :			
Inventories		(8,479)	5,114
Land held for property development		537	(4)
Property development costs		(106,330)	(158,053)
Trade and other receivables, deposits and prepayments		(172,383)	(45,686)
Trade and other payables		73,065	57,387
Cash used in operations		(206,808)	(78,515)
Net income taxes paid		(13,911)	(36,110)
Net cash used in operating activities		(220,719)	(114,625)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of:			
- property, plant and equipment		(8,816)	(9,398)
- investment property		(31,060)	(1,737)
Proceeds from disposal of :			
- property, plant and equipment		3,493	9,203
- an associate		-	82,072
- subsidiary		-	4,420
Decrease in deposits pledged to licensed banks		41	551
Distribution of profit received from joint ventures		15,300	31,199
Dividends received from an associate		8,922	17,848
Interest received		648	3,478
Net cash (used in)/from investing activities		(11,472)	137,636
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from/(repayment of) other loans and borrowings		147,738	(94,233)
Repayment of finance lease liabilities		(15)	(37)
Proceeds from issuance of shares to non-controlling interest		400	150
Dividends paid to:			
- owners of the Company	Note 10	(8,293)	(7,108)
Other interest paid		(17,034)	(9,227)
Coupon expense paid		-	(10,608)
Net cash from/(used in) financing activities		122,796	(121,063)
Net decrease in cash and cash equivalents		(109,395)	(98,052)
Effects of exchange rate changes on cash and cash equivalents		579	579
Cash and cash equivalents at beginning of year		161,377	258,850
CASH AND CASH EQUIVALENTS AT END OF YEAR		**52,561**	**161,377**
Representing by:			
Deposits with licensed banks with maturities less than 3 months, net of deposits pledged		29,303	79,284
Short term cash funds		-	10,000
Cash in hand and at banks		23,258	72,093
Total cash and cash equivalents as shown in statement of cash flows		52,561	161,377

The notes set out on pages 5 to 25 form an integral part of, and should be read in conjunction with, these condensed consolidated interim financial statements.
The consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Naim Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The condensed consolidated interim financial statements of the Group as at and for the twelve months ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in associates and joint ventures.

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with the requirements of FRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements do not include all of the information required for a complete annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2014.

The annual financial statements of the Group as at and for the year ended 31 December 2014 are available upon request from the Company's registered office at 9th floor, Wisma Naim, 2 ½ Miles, Rock Road, 93200 Kuching, Sarawak, Malaysia.

The Group has applied the Financial Reporting Standards (FRSs) as its financial reporting framework in preparing the condensed consolidated interim financial statements for the current year under review.

2. Significant accounting policies

Given that certain Group entities are transitioning entities (being entities subject to the application of IC Interpretation 15, *Agreements for the Construction of Real Estate* and the entity that consolidates or equity accounts or proportionately consolidates the first-mentioned entities), the Group is currently exempted from adopting the Malaysian Financial Reporting Standards ("MFRS") Framework until 1 January 2018 as mandated by the Malaysian Accounting Standards Board ("MASB").

As a result, the Group (including the transitioning entities) will continue to apply FRS as their financial reporting framework to prepare their financial statements for three consecutive annual periods ending 31 December 2015 to 31 December 2017.

The accounting policies adopted by the Group in preparing the condensed consolidated interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2014.

2. Significant accounting policies (continued)

During the current year under review, the Group has adopted the following revised accounting standards and amendments which are effective for annual periods beginning on and before 1 January 2015:

- Amendment to FRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendment to FRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendment to FRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendment to FRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendment to FRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendment to FRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendment to FRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendment to FRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

The initial application of the abovementioned standards and amendments does not have any material financial impacts on the financial statements of the Group.

2.1 Standards, amendments and interpretations yet to be effective

The Group has not applied the following new/revised FRSs accounting standards and amendments that have been issued by the MASB but are neither yet effective nor early adopted by the Group:

- ***Effective for annual periods beginning on or after 1 January 2016***

  Amendment to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
  Amendments to FRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
  Amendments to FRS 10, *Consolidated Financial Statements,* FRS 12, *Disclosure of Interests in Other Entities* and FRS 128, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*
  Amendments to FRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*
  FRS 14, *Regulatory Deferral Accounts*
  Amendment to FRS 101, *Presentation of Financial Statements - Disclosure Initiative*
  Amendments to FRS 116, *Property, Plant and Equipment* and FRS 138, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation*

2.1 Standards, amendments and interpretations yet to be effective (continued)

- ***Effective for annual periods beginning on or after 1 January 2016*** (continued)

Amendment to FRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
Amendment to FRS 127, *Separate Financial Statements - Equity Method in Separate Financial Statements*
Amendment to FRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

- ***Effective for a date yet to be confirmed***

Amendments to FRS 10, *Consolidated Financial Statements* and FRS 128*, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

2.2 Migration to new accounting framework

The Group's financial statements for the annual period beginning on 1 January 2018 and the subsequent annual periods will be prepared in accordance with the MFRSs issued by the MASB and International Financial Reporting Standards.

In the interim, two new MFRS standards namely MFRS 15, *Revenue from Contracts with Customers* and MFRS 9, *Financial Instruments (2014)* will be effective for adoption for annual periods beginning 1 January 2018.

The Group is currently assessing the financial impact that may arise from the migration to MFRS, including the adoption of MFRS 1, MFRS 15 and MFRS 9.

3. Seasonality or cyclicality of operations

The business operations of the Group are not materially affected by any seasonal or cyclicality fluctuations during the year under review.

4. Estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the areas of estimation uncertainty were the same as those disclosed in the annual financial statements as at and for the year ended 31 December 2014.

5. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current year under review.

There was no share buy-back during the year under review. The number of ordinary shares repurchased in earlier periods retained as treasury shares as at 31 December 2015 is 13,056,000 shares.

6. Property, plant and equipment - *acquisitions and disposals*

During the current year, the Group acquired property, plant and equipment costing about RM8.8 million (31.12.2014: RM9.4 million), of which RM0.06 million (31.12.2014: Nil) was in the form of finance lease assets.

Property, plant and equipment with a carrying amount of about RM2.6 million (31.12.2014: RM5.4 million) were disposed of and/or written off during the year under review.

7. Changes in the composition of the Group

i) Additional investments arising from new shares issued by existing subsidiaries

In January 2015, Bina Hartamas Sdn. Bhd. ("BHSB") which was previously a 100% owned subsidiary, issued 999,998 new ordinary shares of RM1.00 each, out of which 599,998 shares were issued to Naim Land Sdn. Bhd. ("NLSB") and 400,000 shares to third parties. The resultant equity interest held by NLSB in BHSB decreased from 100% to 60%.

This change in the ownership interest was accounted for as an equity transaction between the Group and non-controlling interests. The change in the Group's share of the net assets in BHSB, which was immaterial, was adjusted against the Group's reserves.

In June 2015, Naim Assets Sdn. Bhd. subscribed for additional 99,998 ordinary shares of RM1.00 each in Naim Hotel Sdn. Bhd. ("NHSB") (formerly known as Bright Sungreen Sdn. Bhd.), settled in cash.

The new subscription in NHSB does not have any impact to the Group as there is no change in the Group's equity interest in NHSB.

7. Changes in the composition of the Group (continued)

ii) Deregistration of foreign subsidiaries

In January and March 2015 respectively, two foreign subsidiaries, namely Naimcendera Engineering & Construction Sendirian Berhad and Naim Vanua Levu (Fiji) Limited, had been struck off from the respective Registers of Companies. The strike off of these subsidiaries (deemed as disposal to the Group) has no material impact to the Group due to their dormancy.

iii) Acquisition of new subsidiary

On 13 July 2015, a direct subsidiary, Naim Engineering Sdn. Bhd. subscribed for the entire equity interest of Equaflow Sdn. Bhd. (a newly incorporated company), comprising 2 ordinary shares of RM1.00 each, for a cash consideration of RM2. The acquisition has no material impact on the Group's assets and liabilities due to dormancy of the new subsidiary.

8. Loans and borrowings

			31 December 2015 RM'000	**31 December 2014 RM'000**
Non-current				
Secured	-	Term loans	109,720	121,982
	-	Finance lease	27	-
			109,747	121,982
Current				
Unsecured	-	Revolving credit	284,000	130,000
Secured	-	Term loans	12,262	6,263
	-	Finance lease	21	-
			296,283	136,263
Total			406,030	258,245

9. Earnings per ordinary share ("EPS")

Basic/Diluted EPS

The calculation of the basic/diluted EPS was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

	12 months ended 31 December	
	2015	2014
Profit attributable to owners of the Company (RM'000)	34,332	220,337
Weighted average number of ordinary shares, net of treasury shares bought back in previous years ('000)	236,944	236,944
Basic/Diluted EPS (sen)	14.49	92.99

10. Dividend

The following dividend was paid by the Company during the current year under review:

Type of dividend	Sen per share	For the year end	Payment date	RM'000
First interim single-tier tax exempt	3.50	31 December 2014	24 April 2015	8,293

11. Operating segments

The Group has three reportable segments, which are the Group's strategic business units. For each of the strategic business unit, the Group Managing Director (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	- Manufacture and sale of buildings and construction materials, provision of sand extraction and land filling services, property investment as well as quarry operation.

Performance is measured based on segment profit before tax as included in the internal management reports. 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 Group Managing Director reviews the statements of financial position of subsidiaries for resources 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.

11. Operating segments (continued)

	Property development		Construction		Others		Inter-segment elimination		Consolidated	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
For the 12 months ended 31 December										
Revenue from external customers	156,375	247,157	398,722	353,368	39,296	55,959	-	-	594,393	656,484
Inter segment revenue	-	-	-	-	12,937	52,762	(12,937)	(52,762)	-	-
Total segment revenue	156,375	247,157	398,722	353,368	52,233	108,721	(12,937)	(52,762)	594,393	656,484
	=======	=======	=======	=======	=======	=======	=======	=======	=======	=======
Segment profit/(loss)	12,551	75,940	(12,621)	(27,106)	522	(363)	(780)	1,035	(328)	49,506
Gain arising from land exchange exercise	-	25,485	-	-	-	-	-	-	-	25,485
Share of results (net of tax) of:										
- associates, other than Dayang Enterprise Holdings Bhd. ("DEHB")	-	-	(859)	4,451	-	35	-	-	(859)	4,486
- joint ventures	-	-	1,469	2,027	-	-	-	-	1,469	2,027
	12,551	101,425	(12,011)	(20,628)	522	(328)	(780)	1,035	282	81,504
	=======	=======	=======	=======	=======	=======	=======	=======		
Unallocated (expense)/income									(6,766)	(5,532)
Gain on disposal of interests in an associate									-	97,038
Share of results (net of tax) of an associate, DEHB (in oil and gas segment)									51,128	54,708
Tax expense									(9,371)	(7,099)
Profit for the year									35,273	220,619
Other comprehensive profit, net of tax									20,206	688
Total comprehensive income for the year									55,479	221,307
Non-controlling interests									(941)	(282)
Total comprehensive income attributable to the owners of the Company									54,538	221,025
									=======	=======

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

12. Subsequent events

In January 2016, the Group acquired the remaining equity interest of 40% in Bina Hartamas Sdn. Bhd. ("BHSB") which it did not own from minority shareholders for a consideration of RM400,000. The Group's effective equity interest held in BHSB was increased from 60% to 100%. The acquisition did not have material impact to the Group due to dormancy of the said subsidiary.

Save as disclosed, there are no material events subsequent to the end of the period reported on, that has not been reflected in the condensed consolidated interim financial statements for the said period, made up to the date of this quarterly report.

13. Contingencies

There were no contingent liabilities in respect of the Group that had arisen since 31 December 2014 till the date of this quarterly report.

14. Capital expenditure commitments

	31 December 2015 RM'000	**31 December 2014 RM'000**
Authorised but not contracted for		
Property, plant and equipment	41,721	18,136
	=======	=======

15. Financial risk management

The Group's financial risk management objectives, policies and processes and risk profiles are consistent with those disclosed in the annual financial statements as at and for the year ended 31 December 2014.

16. Related parties

i) Transactions with key management personnel

Compensations payable/paid to key management personnel during the year under review are as follows:

	12 months ended 31 December 2015 RM'000	12 months ended 31 December 2014 RM'000
Directors of the Company	8,494	9,644
Other key management personnel	6,305	6,298
	14,799	15,942

ii) Other related party transactions

	Transaction value 12 months ended 31 December 2015 RM'000	Transaction value 12 months ended 31 December 2014 RM'000	Balance outstanding as at 31 December 2015 RM'000	Balance outstanding as at 31 December 2014 RM'000
Transaction with associates				
Construction contract cost	26,507	21,865	(796)	(7,401)
Sale of property, plant and equipment	-	(262)	(2,090)	-
Dividend income receivable	(8,922)	(17,845)	-	-
Purchase of construction raw materials	-	5,742	-	(1,316)
Rental expense on machinery	3,544	8,677	(765)	(646)
Sale of construction materials	(1,835)	-	1,152	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

17. Review of Group performance

The Group recorded lower revenue of RM594.4 million for the year under review, as compared to RM656.5 million reported in 2014, due to lower contributions from all divisions.

At the same time, the Group profit before tax for the year was RM44.6 million against RM227.7 million achieved in 2014. Substantial deterioration in the Group profit, by more than 7 times from that achieved in 2014, was mainly attributed to the following factors:

- Additional provision of about RM12 million (2014: RM22 million) for expected loss on certain difficult and challenging projects. This anticipated loss provision was arrived at after taking into account the work progress achieved up to 31 December 2015, actual spending to-date and the expected costs to complete the projects.

  Intensive efforts, time and resources have been put into completing and delivering the projects within the target timeline to avoid any further costly delay to these projects. These include close partnership with the clients on site progress planning and execution, strict monitoring of procurement timing and delivery to site, transfer of experienced project teams as well as continuous on-site training and monitoring on safety and healthy compliance.

  However, the loss provision may be mitigated by some possible substantial claims (including extension of time), as advised by the international claim consultants engaged by the Group after assessing various grounds for the claims. No provision has been made in the accounts in respect of these claims. We believe that any successful claims at a later date would improve or even reverse the current loss situation for the projects.

- Lower units of properties sold, in line with the slowdown in the property market. Total new sales achieved for 2015 are about RM104 million, compared against RM194 million in 2014.

- Downwards adjustments in the contract sums of certain construction projects at their completion due to some anticipated negative variation orders from clients due to reduction/omission of certain scope of works by the clients and unutilised provisional sums.

- Slower progress of works from certain property and construction projects that had substantially been completed during 2014, leading to lower contributions in the year 2015.

17. Review of Group performance (continued)

A point to take note is included in the profit before tax for the year ended 31 December 2014 of RM227.7 million were a substantial gain of RM96.7 million arising from the disposal of a partial equity interest in an associate as well as a one off non-cash accounting gain of RM25.5 million arising a land exchange for future development during 2014.

Detailed review of the performance and prospects of each operating segment (as shown in Note 11) are discussed in Section 17.1.

17.1 Review of performance of operating segments and current year prospects

a) Property

Current 12-month vs corresponding preceding 12-month review (2015 vs 2014)	For the current year under review, Property segment achieved revenue of RM156.4 million, being 37% lower than the RM247.2 million in 2014. At the same time, Property profit also declined from RM75.9 million in 2014 to RM12.6 million in 2015. The decrease was partly due to lower contributions from substantially completed development projects. The Group also reported lower new sales of about RM104 million, compared to that achieved in 2014 of about RM194 million, leading to a drop in the segment revenue and profit.
Current 3-month vs immediate preceding 3-month review (December 2015 vs September 2015)	Compared to the immediate preceding quarter (July to September 2015), Property revenue increased from RM28.5 million to RM38.0 million. The segment registered higher loss from RM19,000 in the immediate preceding quarter to RM1.3 million in the current quarter. The higher loss was mainly attributable to lower progress of works achieved during the current quarter and higher rebates/discounts given to property buyers in view of the slow down and weaker condition property market in Sarawak.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

17. Review of Group performance (continued)

17.1 Review of performance of operating segments and current year prospects (continued)

***a) Property* (continued)**

Prospects (continued)

The property market continues to experience slow down and remain challenging due to factors such as rising costs of doing business, increased competition, tighter monetary policy and weaker buyers' sentiment as well as the effect of various property cooling measures initiated by the government since 2013 etc.

In the coming year, we will continue to focus on our existing three main flagship/integrated developments in Miri, Bintulu and Kuching by putting in aggressive marketing efforts to sell off the remaining products.

We have adopted a cautious attitude/approach especially on product launches and product types, to be more selective and sensitive to the buyers' demand and market conditions. We believe that continuous in-depth study and monitoring of the market's buying sentiments will facilitate and tailor better product development to suit the market. Arising from this in-depth study, plans are also in the pipeline to launch more medium and affordable products in the price range between RM300,000 to RM500,000.

In short, product planning and pricing as well as tightening of costs control (including appropriate right sizing and cost cutting) are amongst the key measures being implemented in order to sustain the performance in our Property segment in near term.

Bandar Baru Permyjaya – Steady contributor to Naim

Proposed Bintulu Paragon – future contributor to Naim

Proposed Kuching Paragon – future contributor to Naim

QUARTERLY REPORT - FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

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Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

17. Review of Group performance (continued)

17.1 Review of performance of operating segments and current year prospects (continued)

b) Construction (continued)

Current 12-month vs corresponding preceding 12-month review (2015 vs 2014)	Construction segment recorded higher revenue of RM398.7 million, against RM353.4 million achieved in 2014. At the same time, the Segment also showed an improvement in its performance, reporting lower loss, from RM27.1 million in 2014 to RM12.6 million in 2015. The improvement was mainly due to increased work progress of projects, recovery of costs from construction clients and write back of certain liquidated and ascertained damages (LAD) provided in previous years. In addition, the Segment also made additional provision of about RM12 million for expected loss, on top of the RM22 million loss provision provided during preceding year 2014, for the completion of some difficult and challenging projects. The loss provision was made based on our best estimate at this stage after taking into account the work progress achieved, actual spending to-date and expected costs to complete the projects. Nevertheless, the loss provision may be mitigated by some possible substantial claims (including extension of time), as advised by the international claim consultants engaged by the Group after assessing various grounds for the claims. No provision has been made in the accounts in respect of these claims. We believe that any successful claims at a later date would improve or even reverse the current loss situation for the projects.

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

17. Review of Group performance (continued)

17.1 Review of performance of operating segments and current year prospects (continued)

b) *Construction* (continued)

Current 3-month vs immediate preceding 3-month review (December 2015 vs September 2015)

Compared to the immediate preceding quarter, the Construction revenue increased from RM92.4 million to RM149.4 million, mainly attributable to increased work progress. The Segment however reported a loss of RM21.2 million, against a profit of RM9.3 million reported in July to September 2015, mainly due to:

- Additional provision of about RM12 million for expected loss on certain difficult and challenging projects as explained in the preceding page;
- Downwards adjustments in the contract sums of certain infrastructure projects at their completion, due to some anticipated negative variation orders from clients arising from the reduction/omission of certain scope of works and unutilized provisional sums; and
- Write back of some liquidated and ascertained damages (LAD) of about RM3.8 million previously provided in anticipation of the granting of extension of time by clients.

LNG Train 9 with JGC

Prospects

Various proactive efforts and measures have been put in place to improve efficiency and to closely monitor operational costs. Meanwhile, strict monitoring of the progress of projects is implemented to ensure they are on schedule. Apart from that, we are also continuously educating the project team that they are empowered and responsible to implement, manage and account each of the projects to ensure it is completed and delivered within budget and on schedule.

We will continue to improve existing risk management system and process, and embark on tightening of internal controls for this segment. Appropriate right sizing and cost cutting are to be carried out as part of the process to better manage the costs.

17. Review of Group performance (continued)

17.1 Review of performance of operating segments and current year prospects (continued)

b) Construction (continued)

Prospects

With continuous efforts and resources invested to further improve our project deliverables, we remain cautiously optimistic to complete some existing outstanding order book of RM 1 billion at decent margin and within scheduled timeline. Meanwhile, we have participated in a number of sizeable construction tenders, including that for Pan Borneo Mega Highway projects and we are cautiously optimistic to secure some contracts to replenish our order book.

c) Other segment

Current 12-month vs corresponding preceding 12-month review (2015 vs 2014)

During the current year, Other segment reported a revenue of RM39.3 million (January to December 2014: RM56.0 million). At the same time, the Segment profit increased to RM0.5 million in the current year, against a loss of RM0.4 million in 2014. The improvement was mainly due to higher trading and premix sales achieved with improved margin.

Current 3-month vs immediate preceding 3-month review (December 2015 vs September 2015)

Other segment recorded a decrease in revenue from RM11.3 million in the immediate preceding quarter to RM9.6 million in the current quarter. However, the Segment reported a profit of RM0.6 million (July to September 2015: RM 1.5 million), mainly contributed by the trading and premix sales and disposal gain as explained above.

Prospects

In the near term, we will continue to improve the quarry and premix operations by putting various measures to market and sell the products to achieve economies of scale and improve their performance. In addition, the rolling out of Pan Borneo Highway is expected to have positive impact to these operations.

The property investment and trading operations will continue to contribute positively to the Group results.

Permy Mall, Miri – recurring income

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

17. Review of Group performance (continued)

17.1 Review of performance of operating segments and current year prospects (continued)

***c) Other segment* (continued)**

Prospects

Permy Mall, Miri – recurring income

In addition to retail property, we will be embarking on other types of commercial properties for example hotel in Bintulu Paragon for recurring income.

We also look into possible plans to divest non-performing business including plant and machineries (in any) in order to realise some funds and to reduce further losses

17.2 Review of performance of major associate

DEHB – major contributor to group profit

Our associate, Dayang Enterprise Holdings Bhd. ("DEHB"), registered a profit after tax attributable to owners of about RM171.6 million for the twelve months ended 31 December 2015, a decrease of 5% over the RM180.1 million achieved in 2014. Included in the profit after tax attributable to owners of RM171.6 million was an extraordinary gain of about RM108.9 million arising from remeasurement of the investment in Perdana Petroleum Berhad (PPB) by DEHB upon the acquisition of a controlling stake in PPB.

Based on the share price of DEHB of RM1.31 as at 26 February 2016 (closing price), the estimated market value of the Group's investment in DEHB, based on current shareholding of 29.06%, is approximately RM334 million.

17. Review of Group performance (continued)

17.2 Review of performance of major associate (continued)

Certain substantial newly acquired subsidiaries of DEHB were subjected to a tax audit recently by the Inland Revenue Board (IRB). The subsidiaries of the associate are currently responding to the queries raised by IRB vide its letter dated 19 October 2015 and are unable to quantify the additional tax that may be payable, if any. Should the tax audit be concluded before DEHB and our Group's financial statements for the year ended 31 December 2015 were signed, the additional tax arising from the tax audit, being an adjusting event, will be incorporated into the respective financial statements, if material. The share of results (after-tax) of equity-accounted associates as disclosed in this interim report could subsequently be affected and adjusted as appropriate in our Group's audited financial statements for the year ended 31 December 2015.

18. Profit guarantee

The Group did not issue any profit guarantee.

19. Tax expense

	12 months ended 31 December	
	2015	**2014**
	RM'000	**RM'000**
Current tax expense		
- current year	13,311	32,517
- prior years	(1,245)	908
	12,066	33,425
Deferred tax expense		
- current year	(2,390)	(24,168)
- prior years	(305)	(2,158)
	(2,695)	(26,326)
Total tax expense	9,371	7,099
Share of tax of associates and joint ventures	11,020	14,546
	20,391	21,645
Profit excluding tax	44,644	227,718
Share of tax of associates and joint ventures	11,020	14,546
	55,664	242,264
Effective tax rate (%)	36.6	8.9

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

19. Tax expense (continued)

The Group's effective tax rate for the current year under review is higher than the prima facie tax rate of 25%, mainly due to higher non-deductible expenses as well as the effect of closure of certain projects and loss making projects.

The Group's effective tax rate for the corresponding period of 2014 was lower than the prima facie tax rate, mainly due to substantial capital gain (non-taxable) arising from the disposal of a partial interest in an associate.

20. Profit before tax

	12 months ended 31 December 2015 RM'000	12 months ended 31 December 2014 RM'000
Profit before tax is arrived at after (crediting)/charging:		
Gain on disposal of:		
- property, plant and equipment	(1,521)	(4,761)
- investment properties	-	(25,485)
- associate	-	(97,038)
- subsidiary	-	1,706
Interest income from fixed deposits and cash funds	(551)	(4,907)
Other interest income	(7,685)	(2,754)
Amortisation of:		
- intangible assets	680	682
- investment property	1,280	1,095
- prepaid lease payments	28	28
Depreciation of property, plant and equipment	7,261	11,039
(Write back of)/Provision for liquidated and ascertained damages	(3,775)	12,538
Allowance for impairment loss on doubtful receivables	1,001	20,847
Foreign exchange (gain)/loss		
- unrealised	(5,639)	(798)
- realised	(3,294)	651
Interest expense on loans and borrowings	17,034	17,205
Property, plant and equipment written off	630	222

Save as disclosed, there were neither impairment of assets, provision for and write-off of inventories, gain or loss arising from disposal of financial derivatives or other exceptional items for the year under review.

21. Derivative financial instruments

The Group does not have any outstanding financial derivatives as at 31 December 2015.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

22. Status of corporate proposals

On 14 April 2015, the Company announced its proposal to establish and implement a Long Term Incentive Plan ("LTIP") of up to 10% of its issued and paid-up capital (excluding treasury shares) for eligible employees and directors of the Group who fulfill the eligibility criteria. The proposed LTIP comprises restricted share plan and performance share plan and shall be in force for a period of 10 years commencing from the effective date of implementation, which is yet to be determined.

As at to-date, the Company has obtained all necessary approvals from Bursa Securities and the shareholders for the LTIP. So far, no grant of LTIP has been made to the eligible employee.

Saved as disclosed above, there are no other corporate proposals announced at the date of this quarterly report.

23. Material litigation

On 10 January 2012, Naim Land Sdn. Bhd. ("NLSB") received a Writ of Summons and Statement of Claim from a contractor seeking for, inter alia, a refund of liquidated and ascertained damages of RM55,849 and additional cost allegedly incurred by the contractor for additional work in the sum of RM963,411 arising from the execution and completion of the site clearance and earthworks for a housing project in Kuching. Full trial was completed on 26 July 2013. On 21 January 2014, the High Court decided in favour of the contractor. NLSB appealed against the High Court's decision. On 19 August 2015, the Court of Appeal dismissed NLSB's appeal with cost of RM10,000.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

24. Breakdown of realised and unrealised profits or losses

	31 December 2015 RM'000	31 December 2014 RM'000
Total retained earnings of the Company and its subsidiaries		
- realised	848,945	876,272
- unrealised	28,435	20,744
	877,380	897,016
Share of retained earnings from:		
- associates	194,010	130,443
- joint ventures	3,724	15,285
	1,075,114	1,042,744
Less: Consolidation adjustments	(91,130)	(84,805)
Total group retained earnings as per consolidated statement of changes in equity	983,984	957,939

The determination of realised and unrealised profits or losses is based on Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

25. Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2014 was not qualified.

26. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 February 2016.