

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad has not perused the Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as it is an exempted document pursuant to the provisions of Guidance Note 22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad before its issuance.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**GAGASAN NADI CER GAS**  
BERHAD (1238966-U)

**GAGASAN NADI CER GAS BERHAD**  
Registration No. 201701024800 (1238966-U)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR  
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING  
NATURE**

The resolution in respect of the above proposal will be tabled at the Third Annual General Meeting ("AGM") of the Company which will be held at Ballroom III, Tropicana Gold & Country Resort, Jalan Kelab Tropicana, Pinggiran Golf Saujana, Tropicana, 47410 Petaling Jaya, Selangor on Tuesday, 15 September 2020 at 10.00 a.m.. Notice of the Third AGM of the Company together with the Form of Proxy are set out in the Annual Report 2019 of the Company despatched together with this Circular.

The Form of Proxy must be lodged at the Share Registrar's Office situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not later than 48 hours before the time set for holding the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Sunday, 13 September 2020 at 10.00 a.m.

Date and time of AGM : Tuesday, 15 September 2020 at 10.00 a.m.

This Circular is dated 30 June 2020

## DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:-

- “Act”** : The Companies Act 2016, as may be amended from time to time and any re-enactment thereof.
- “AGM”** : Annual General Meeting.
- “Associate”** : in relation to any person (referred to as “said Person”) means a person who falls under any one of the following categories:
- (a) a family member of the said Person;
  - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person or a family member of the said Person is the sole beneficiary;
  - (c) a person, or where the person is a body corporate, the body corporate or its directors, who is/ are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
  - (d) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
  - (e) a body corporate in which the director, shareholder or a family member of the said Person is entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or;
  - (f) a body corporate which is a related corporation of the said Person.
- “Board”** : The Board of Directors of Gagasan.
- “Bursa Securities” or “the Exchange”** : Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)).
- “Circular”** : This circular to shareholders of the Company dated 30 June 2020
- “Dato’ Sri Subahan”** : Dato’ Sri Subahan Bin Kamal
- “Datuk Wan Kassim”** : Datuk Wan Kassim Bin Ahmed
- “Director(s)”** : Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or chief executive of Gagasan Group.
- “Firalex”** : Firalex Sdn Bhd (Registration No. 198601002692 (152851-X))
- “Gagasan” or “the Company”** : Gagasan Nadi Cergas Berhad (Registration No. 201701024800 (1238966-U)).

## DEFINITIONS (CONT'D)

<b>“Gagasan Group” or “the Group”</b>	:	Gagasan and its subsidiary companies
<b>“Hj Wan Azman”</b>	:	Hj. Wan Azman Bin Wan Kamal
<b>“Interested Director(s)”</b>	:	Directors who are deemed to be Related Parties and are interested in the Proposed Mandate.
<b>“Interested Major Shareholder(s)”</b>	:	Major Shareholders who are deemed to be Related Parties and are interested in the Proposed Mandate.
<b>“Interested Person(s) Connected”</b>	:	Persons Connected who are deemed to be Related Parties and are interested in the Proposed Mandate.
<b>“Listing Requirements”</b>	:	ACE Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time.
<b>“LPD”</b>	:	8 June 2020, being the latest practicable date prior to the printing of this Circular.
<b>“Major Shareholder”</b>	:	<p>A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares is:-</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.</p> <p>For the purpose of the Proposed Mandate, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act. It also includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a Major Shareholder of Gagasan Group.</p>
<b>“MOU”</b>	:	Memorandum of Understanding
<b>“Nadi Cergas”</b>	:	Nadi Cergas Sdn Bhd (Registration No. 199201011746 (243249-U))
<b>“ND Mutiara Realities”</b>	:	ND Mutiara Realities Sdn Bhd (Registration No. 200701014269 (772275-X)).

## DEFINITIONS (CONT'D)

- “Partner”** : in relation to any person (referred to as “said Person”), means such person who falls within any one of the following categories:
- (a) a person with whom the said Person, is in or proposes to enter into partnership with. “Partnership” for this purpose refers to a “partnership” as defined in section 3 of the Partnership Act 1961 or “limited liability partnership” as defined in section 2 of the Limited Liability Partnerships Act 2012, as the case may be; or
  - (b) a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not.
- “Person Connected”** : in relation to any person (referred to as “said Person”) means such person who falls under any one of the following categories:
- (a) a family member of the said Person;
  - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
  - (c) a partner of the said Person;
  - (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/ are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
  - (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
  - (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
  - (g) a body corporate which is a related corporation of the said Person.
- “Proposed Mandate”** : The proposed renewal of the shareholders’ mandate for Gagasan Group to enter into RRPTs with the Related Parties.
- “PPAM”** : Perumahan Penjawat Awam Malaysia (Malaysia Housing for Civil Servants) (formerly known as Perumahan Penjawat Awam 1Malaysia (“PPA1M”))
- “PPA1M Tanjung Chat Project”** : Refers to the construction of 330 units of affordable apartments in Tanjung Chat, Kelantan for the PPA1M programme. The proposed development by ND Mutiara Realities, under the PPA1M programme in Tanjung Chat, Kelantan had been terminated via Unit PPAM’s letter dated 13 July 2018.

## DEFINITIONS (CONT'D)

<b>“PR1MA”</b>	:	1Malaysia People’s Housing
<b>“PR1MA Homes Pasir Mas (Phase 1) Project”</b>	:	Refers to the design and construction of residential buildings (including single-storey terrace, double-storey terrace, and semi-detached houses), shop offices, community hall, amenities and related facilities in Lubok Jong, Pasir Mas in Kelantan.
<b>“RRPTs”</b>	:	Related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations and are entered/ to be entered into by Gagasan Group with the Related Parties in the ordinary course of business which involves the interest, direct or indirect, of the Related Parties.
<b>“Related Party(ies)”</b>	:	Any Director or Major Shareholder of Gagasan Group or person(s) connected to such Director or Major Shareholder as defined under Chapters 1 and 10 of the Listing Requirements.
<b>“RM” and “sen”</b>	:	Ringgit Malaysia and sen respectively
<b>“Tanjung Chat MOU”</b>	:	Refers to the MOU dated 20 September 2016, supplemental MOU dated 1 November 2016 and supplemental letter dated 8 November 2016 entered into between Nadi Cergas, ND Mutiara Realities, and Nik Mohd Kazim Bin Nik Din and Mohd Yusran Zamany Bin Yusoff, the then existing shareholders of ND Mutiara Realities, to set out the basis of collaboration in relation to the PPA1M Tanjung Chat Project.
<b>“Unit PPAM”</b>	:	Unit Perumahan Penjawat Awam Malaysia, Jabatan Perumahan Negara, Ministry of Housing and Local Government, Malaysia

Words incorporate the singular shall, where applicable, include the plural and vice versa and words incorporate the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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**GAGASAN NADI CERGAS**  
BERHAD [1238966-U]

(Incorporated in Malaysia)

**Registered Office:-**  
Unit 30-01, Level 30, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8 Jalan Kerinchi  
59200 Kuala Lumpur

30 June 2020

**Board of Directors:-**

Ir. Dr. Hj. Muhamad Fuad Bin Abdullah (*Independent Non-Executive Chairman*)  
Hj. Wan Azman Bin Wan Kamal (*Group Managing Director*)  
Dato' Sri Subahan Bin Kamal (*Executive Director*)  
Mr Chng Boon Huat (*Independent Non-Executive Director*)  
Pn. Siti Naaishah Binti Hambali (*Independent Non-Executive Director*)

**To : Our Shareholders**

Dear Sir/ Madam,

**PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

---

**1. INTRODUCTION**

On 22 June 2020, the Company announced that it proposes to seek the approval of its shareholders for the Proposed Mandate at the forthcoming AGM of the Company. The existing authority for Shareholders' Mandate which was approved by the shareholders at an AGM held on 29 May 2019, shall in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming Third AGM, unless renewal is obtained from the shareholders of Gagasan at the said AGM. The Notice of the Third AGM of Gagasan and the Proxy Form are enclosed in our Annual Report 2019 despatched together with this Circular.

The purpose of this Circular is to provide you with the relevant information on the Proposed Mandate, to set out the recommendation by the Board and to seek your approval for the ordinary resolution relating to the Proposed Mandate to be tabled as Special Business at the forthcoming AGM.

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION IN RELATION TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING AGM.**

## **2. DETAILS OF THE PROPOSED MANDATE**

### **2.1 Provisions under the Listing Requirements**

Pursuant to Rule 10.09(2) and Guidance Note 8 of the Listing Requirements, a listed corporation may seek a shareholders' mandate for RRPTs subject to the following:

- i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under Rule 10.09(1) of the Listing Requirements;
- iii) the issuance of a circular to shareholders by the listed corporation incorporating the information as may be prescribed by the Exchange. The draft circular relating to obtaining shareholders' mandate for new RRPTs must be submitted to the Exchange for perusal together with a checklist showing compliance with such information;
- iv) in a meeting to obtain a shareholders' mandate, the Interested Director and Interested Major Shareholder and where it involves the interest of a Person Connected with a Director and/or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the RRPTs. An Interested Director or Interested Major Shareholder must also ensure that Persons Connected with them abstain from voting on the resolution approving the RRPTs; and
- v) the listed corporation immediately announces to the Exchange when the actual value of RRPTs entered into by the listed corporation, exceeds the estimated value of the RRPTs disclosed in the Circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement.

Where a shareholders' mandate pursuant to Rule 10.09(2) of the Listing Requirements has been procured, the provisions of Rule 10.08 of the Listing Requirements shall not apply.

Accordingly, Gagasan is proposing to seek its shareholders' approval for the Proposed Mandate pursuant to and in compliance with the conditions stated in Rule 10.09(2) and Guidance Note 8 of the Listing Requirements, to enable the Group to enter into the RRPTs with the Related Parties.

### **2.2 Validity Period of the Proposed Mandate**

The Proposed Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution to be proposed at the forthcoming AGM and will continue to be in force until:



- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed by the shareholders of the Company in a general meeting, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

### 2.3 Details of Gagasan Group

Gagasan was incorporated in Malaysia under the Act on 17 July 2017 as a private limited company under the name of Gagasan Nadi Cergas Sdn Bhd. Subsequently on 16 August 2017, the Company was converted to a public limited company under the name of Gagasan Nadi Cergas Berhad.

Gagasan's principal activity is investment holding. The Group's principal business activities include:

- building construction of non-residential and residential buildings;
- provision of facility management services of student hostels and related facilities;
- operations of a district cooling system for the supply of chilled water; and
- property development.

The Proposed Mandate will apply to the following subsidiary of Gagasan:-

<b>Subsidiary Companies</b>	<b>Equity Interest</b>	<b>Principal Activities</b>
Nadi Cergas	100%	Property development, construction of buildings, infrastructures and related activities.

### 2.4 Information on the RRPTs

It is anticipated that the Group would, in the ordinary course of business, enter into RRPTs which are detailed in the table below.

In view of the time-sensitive, confidential and frequent nature of such RRPTs, the Board is seeking shareholders' approval for the Proposed Mandate for the Group to enter into transaction in the normal course of business with the classes of Related Parties set out in the table provided that such transactions are entered into at arms' length and on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

The estimated values of the RRPTs as set out in the table below are for the period from the conclusion of the forthcoming AGM of the Company until the conclusion of the next AGM of the Company based on Gagasan Group's budgeted figures for the respective period and may be subject to

changes. The aggregate or actual values of these transactions may/ may not exceed the estimated amounts over the said period.

The said transactions are necessary for Gagasan Group's day-to-day operations, are in the ordinary course of business, are undertaken on transaction prices and terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of Gagasan.

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The nature of the RRPTs of which approval is being sought under the Proposed Mandate are as below:

No.	Transacting Parties within Gagasan Group	Transacting Related Parties	Nature of Relationships	Nature of RRPTs	Estimated aggregate value as disclosed in the circular to shareholders dated 30 April 2019 (RM)	Actual Value transacted from 30 April 2019 up to LPD (RM) <sup>(1)</sup>	Estimated Value from the Date of the Third AGM to the next AGM of the Company (RM)
i)	Nadi Cergas	Firalex	Wan Nor Ilianee, daughter of HJ Wan Azman, Group Managing Director and Major Shareholder of the Company, is a director and shareholder (with 60% shareholding) of Firalex.	Progress billing income for building construction and infrastructure work carried out by Nadi Cergas for PR1MA Homes Pasir Mas Project (Phases 1 & 2).	50,000,000.00	8,958,951.00	50,000,000.00

Note:

(1) None of the Actual Value of the Recurrent Related Party Transactions under the Existing Mandate has exceeded the Estimated Value by 10% or more.

## **2.5 Details of Amount Due by Related Parties**

There is no amount due by the Related Parties which has exceeded the credit term as at the end of financial year ended 31 December 2019 as all progress billings are paid on time and within the agreed stipulated credit term.

## **2.6 Guidelines and Review Procedures for RRPTs**

The Board of Gagasan will ensure that the RRPTs are conducted on normal commercial terms and transaction prices consistent with the Group's usual business practices and policies, which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

In doing so, we have established the following guidelines and procedures:

- (i) a list of Related Parties is established and circulated annually to the head of finance, who shall monitor and ensure that all RRPTs to be entered into by the Group are reported to the Audit Committee;
- (ii) the Gagasan Group shall put in place adequate procedures and processes for monitoring, tracking and identifying RRPTs in a timely and orderly manner, and the adequacy and appropriateness of the procedures and processes are reviewed on an annual basis or whenever the need arises;
- (iii) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to or/and from the Related Parties are fair and reasonable and comparable to those offered to or/and from the public for the same or substantially similar type of products/services and/or quantities;
- (iv) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), management will ensure the RRPTs will only be entered into with the Related Party(ies) after taking into account the pricing, level of services, quality of products and other related factors to ensure that the RRPTs are not detrimental to the Group;
- (v) the annual internal audit plan shall incorporate a review of all RRPTs entered into pursuant to the shareholders' mandate to ensure that the relevant approvals have been obtained and, the guidelines and review procedures in respect of such transactions are adhered to. The external auditors will also review the RRPTs as part of the audit programme;

- (vi) the Audit Committee shall review the guidelines and procedures and ensure that the guidelines and procedures are adequate to ensure that the RRPTs are/will be:
  - (a) on terms and transaction prices not more favourable to a Related Party than those generally available to and/or from the public;
  - (b) not to the detriment of the minority shareholders; and
  - (c) at arm's length and on normal commercial terms having taken into account, inter-alia, pricing, quality of the products and services, track records, experience and financial position of the supplier or vendor, speed of delivery, quality of aftersales support service and maintenance and etc.
- (vii) the Audit Committee on a quarterly basis will review all RRPTs and the Audit Committee may, at its discretion, adopt new procedures and amend the existing procedures which are no longer appropriate or adequate;
- (viii) any member of the Audit Committee may, as he deems fit, request for additional information pertaining to the transaction including from independent sources or advisers;
- (ix) where any Director has an interest, direct or indirect, in any RRPTs, such Director or his alternate shall abstain from deliberation and voting on the resolution. Where any member of the Audit Committee is interested in any RRPTs, that member shall abstain from deliberation and voting on any decisions to be taken by the Audit Committee with respect to such transaction; and
- (x) disclosure will be made in the annual report of the Company of the aggregate value of transactions conducted pursuant to the Proposed Mandate during the financial year with a breakdown of the aggregate value of the RRPTs based on the type, names of the Related Parties involved and their relationships with the Company. Disclosure will also be made in the annual reports of the subsequent financial year during which the period the shareholders' mandate remains in force.

## **2.7 Threshold for Approval**

The Company has in place and applies a Limit of Authority under which the threshold for approval of RRPTs within the Group has been set. However, all RRPTs are subject to review by the Audit Committee and approval of the Board. Where any Director or member of the Audit Committee has any direct/ indirect interest in any RRPTs, such Director or member of the Audit Committee shall abstain from deliberation and voting on the matter.

If it is determined that the guidelines and/ or procedures stated in Section 2.6 of this Circular are inadequate, the Company will obtain a fresh shareholders' mandate to ensure that:

- i) RRPTs will be conducted at arms' length and based on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public; and

- ii) Such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the shareholders.

## **2.8 Statement by the Audit Committee**

The Audit Committee, having reviewed the procedures, is of the view that the procedures are sufficient to ensure that the RRPTs are conducted on arm's length basis, on transaction prices and terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

In addition, the Audit Committee is of the opinion that Gagasan Group has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner. The Audit Committee's review of procedures and processes will be conducted annually or such frequency as the Audit Committee considers appropriate having regard to the value and frequency of the RRPT(s).

## **2.9 Rationale and Benefits for the Proposed Mandate**

The RRPTs entered or to be entered into from time to time by Gagasan Group are in the ordinary course of business. They are recurring transactions of a revenue or trading nature which provides business opportunities and increase the order book of the Group and are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case to case basis before entering into such transactions. As such, the Company is seeking its shareholders' approval for the Proposed Mandate pursuant to Rule 10.09(2) of the Listing Requirements to allow the Group to enter into the RRPTs.

The Proposed Mandate is crucial to ensure continuing day-to-day operations of the Group. By obtaining the renewal on an annual basis, this will reduce substantial administrative time and expenses associated with the convening of general meetings from time to time to seek shareholders' approval of each transaction while still maintaining the objective of keeping shareholders informed of the extent of the RRPTs occurring within the Group.

Gagasan Group has a long-standing business relationship and there exist a strong relationship between the Group and the Related Parties. The Directors are of the view that the close working relationship of Gagasan Group and the various Related Parties has over the years benefited the Group in making it more competitive in the industry.

It should also be emphasized that the Related Parties are not under any obligation to enter into transactions with the Group and vice versa. Ultimately all business transactions are entered into with the intention of profiting from market situations within normal trade practices. Therefore, external market prices and conditions are important factors that determine transaction prices between the Group and the Related Parties. However, close relationship between the Group and the Related Parties has instilled confidence for the Group to undertake the projects for better monitoring to ensure quality and completion time for the said projects to the Related Parties.

## 2.10 Effects of the Proposed Mandate

The Proposed Mandate will not have any effect on the earnings, net assets, issued share capital and substantial shareholders' shareholdings of Gagasan Group.

### 3. APPROVAL REQUIRED

The Proposed Mandate is subject to the approval of the shareholders of Gagasan at the forthcoming Third AGM.

### 4. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the other Directors, Major Shareholders and/ or Persons Connected to the Directors and Major Shareholders have any interest, direct or indirect, in the Proposed Mandate.

The direct and indirect interests of the Interested Directors/ Major Shareholders/ Persons Connected to them as at LPD in the issued and paid-up share capital of the Company are as follows:

Interested Director/ Major Shareholder/ Person Connected	Direct Interest		Indirect Interest	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%
Hj Wan Azman	501,916,663	66.65	-	-
Datuk Wan Kassim	-	-	-	-
Wan Nor Ilianee	-	-	-	-

The Interested Director, namely Hj Wan Azman, has abstained and will continue to abstain from all Board deliberations and voting in respect of the Proposed Mandate. Further, he will abstain from voting in respect of his direct and/ or indirect interests on the resolution approving the Proposed Mandate at the forthcoming AGM. He has also undertaken to ensure that Persons Connected to him, if any, have abstained from voting on the resolution pertaining to the Proposed Mandate in respect of their direct and/ or indirect shareholdings in Gagasan at the forthcoming Third AGM.

### 5. DIRECTORS' RECOMMENDATION

Having considered the rationale of the Proposed Mandate and after due deliberation, the Board, except for the Interested Directors, who has abstained and will abstain from all Board's deliberations, recommendations and voting on the Proposed Mandate, is of the opinion that the Proposed Mandate is fair, reasonable and in the best interest of the Group and is not detrimental to the minority shareholders.

Accordingly, the Board (save for the above-mentioned Interested Directors) recommended that you vote in favour of the resolution pertaining to the Proposed Mandate.

**6. AGM**

The ordinary resolution to approve the Proposed Mandate is set out in the Notice of the Third AGM contained in Gagasan's Annual Report 2019.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy, which is attached in the Annual Report 2019 of Gagasan, in accordance with the instruction therein as soon as possible, so as to arrive at the Registered Office of the Company not less than forty-eight (48) hours before the time for holding the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

**7. FURTHER INFORMATION**

Shareholders are advised to refer to the Appendix A for further information.

Yours faithfully,  
For and on behalf of the Board  
**GAGASAN NADI CERGAS BERHAD**

**IR. DR. HJ. MUHAMAD FUAD BIN ABDULLAH**  
Independent Non-Executive Chairman

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## **APPENDIX A - FURTHER INFORMATION**

### **1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors and that they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in the Circular misleading.

### **2. MATERIAL LITIGATION**

Gagasan Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board of Gagasan is not aware of any proceedings pending or threatened against the Company and/ or its subsidiaries or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position and/ or business of Gagasan Group.

### **3. MATERIAL CONTRACTS**

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by Gagasan Group within the past two (2) years immediately preceding the date of this Circular:

- (i) a supplemental letter entered into between the parties to the Tanjung Chat MOU on 23 November 2018 to confirm their agreement and mutual understanding to clarify and vary some of the terms of the Tanjung Chat MOU in order to continue the development as a private development project as well as to revise the consideration for ND Mutiara Realities to appoint Nadi Cergas as the main contractor for the development and construction of the PPA1M Tanjung Chat Project from RM6.0 million RM2.072 million. The project specifications of the private development project are pending finalization.
- (ii) the Underwriting Agreement dated 28 November 2018, further details of which are set out in the Company's Prospectus dated 13 December 2018.
- (iii) a Share Sale Agreement dated 29 October 2019 between Gagasan Nadi Cergas Berhad and Seri Delima Anggun Sdn Bhd and P.A.E Builders Sdn Bhd for the proposed acquisition of 4,500,000 ordinary shares of Konsortium PAE Sepakat Sdn Bhd for a purchase consideration of RM158,000,000 to be fully satisfied in cash.

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company situated at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur during normal business hours from Mondays to Fridays (except Public Holidays) for the period commencing from the date of this Circular up to and including the date of the AGM:

- (i) the Constitution of Gagasan;
- (ii) the audited financial statements of the Group for the past two (2) financial period/ year ended 31 December 2018 and 31 December 2019; and
- (iii) the material contracts referred to in Section 3 above.

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