GAGASAN NADI CERGAS
BERHAD 201701024800(1238966-U)

A BUILDER WITH TENACITY

ANNUAL REPORT 2023

>> COVER RATIONALE

*Our theme, '**a builder with tenacity**', reflects our resilience in overcoming challenges, evident in every aspect of our operations. We deliver excellence in our property developments and construction projects, shaping communities and leaving a lasting impact on the built environment.*

7th Online Meeting Platform

TIIH Online websites at
https://tiih.online or
https://tiih.com.my

Annual General Meeting

Thursday | 6 June 2024 | 10.00 am

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>> CORPORATE INFORMATION

>> BOARD OF DIRECTORS

Ir. Dr. Muhamad Fuad Bin Abdullah
Independent Non-Executive Chairman

Hj Wan Azman Bin Wan Kamal
Group Managing Director

Dato' Sri Subahan Bin Kamal
Executive Director

Professor Emerita Siti Naaishah Hambali
Independent Non-Executive Director

Chng Boon Huat
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chng Boon Huat - Chairman

Ir. Dr. Muhamad Fuad Bin Abdullah

Professor Emerita Siti Naaishah Hambali

REMUNERATION COMMITTEE

Professor Emerita Siti Naaishah Hambali - Chairman

Ir. Dr. Muhamad Fuad Bin Abdullah

Chng Boon Huat

NOMINATION COMMITTEE

Ir. Dr. Muhamad Fuad Bin Abdullah - Chairman

Professor Emerita Siti Naaishah Hambali

Chng Boon Huat

COMPANY SECRETARIES

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(MIA 16876)

Ong Wai Leng
(SSM PC No. 202208000633)
(MAICSA 7065544)

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STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Bursa Malaysia : NADIBHD / 0206
Bloomberg Code : GNCB MK
Reuters Code : GAGA.KL

>> CORPORATE PROFILE

Listed on the ACE Market of Bursa Malaysia Securities Berhad, Gagasan Nadi Cergas Berhad ("Gagasan Nadi Cergas" or "the Group") offers an integrated four-pronged spectrum of businesses to propel the Group's momentum.

CONSTRUCTION

Incorporated in 1999 by an experienced team of industry veterans, Nadi Cergas Sdn Bhd ("Nadi Cergas") commenced business as a contractor of building construction works. In over two decades, Gagasan Nadi Cergas has carved a distinct reputation for building and delivering quality developments.

Our ability to undertake integrated design-and-build projects allows us to manage projects from initial concept to completion, thus ensuring quality at every step of the way.

In line with our constant pursuit of excellence, we spare neither effort nor cost in embracing trailblazing technologies, deploying advanced machinery, and acquiring industry benchmark technical expertise. This is seen through our use in latest technologies such as Industrialised Building System ("IBS") and Building Information Modeling ("BIM"). Leveraging on our team of qualified engineers and BIM and IBS expertise, we seek to propel ourselves to be a leading construction group providing competitive services that enhance stakeholders' values.

Nadi Cergas holds a Grade G7 license approved by the Construction Industry Development Board ("CIDB") Malaysia and Pusat Khidmat Kontraktor ("PKK") which permits the Group to bid, secure and undertake construction projects for an unlimited amount including bumiputera-allocated projects. Moreover, Nadi Cergas has the Code B29 certification under CIDB, which allows the Group to undertake construction of public hospitals and healthcare facilities.

Within a span of two decades, we have secured more than RM3 billion worth of projects and built a vast array of iconic and sizable developments, including various academic institutions, public institutional buildings, and public housing projects across Malaysia.

Our stellar track record has enabled us to establish enduring business relationships built on trust and allowed us to venture into synergistic segments.

CONCESSION AND FACILITY MANAGEMENT

True to our ethos of being an end-to-end service provider, Gagasan Nadi Cergas not only undertakes project development from start to finish, but also provides post-completion facility management services.

Through Sasaran Etika Sdn Bhd and Naluri Etika Sdn Bhd, we manage the entire spectrum of construction services and concessions development under the Private Finance Initiative ("PFI") model as part of the Public-Private Partnership ("PPP") programme. This encompasses financing, designing, constructing, and project delivery.

Our role as concessionaire also includes the provision of facility management services via Nadi Cergas Urus Harta Sdn Bhd, which executes general maintenance works, electrical works, landscaping and housekeeping services.

Recognising the need to ensure the operational viability of developments we have constructed; we aim to find ways to build a sustainable revenue base for each project.

UTILITY SERVICES

Our innovation in spearheading sustainability and eco-conscious construction extends to optimising efficiency in utilities management.

Our utility arm under Naditech Utilities Sdn Bhd is a proven designer, builder and operator of District Cooling Systems ("DCS") and Electricity Distribution System ("EDS").

Through the utilisation of Thermal Energy Storage ("TES"), our DCS distributes cooling energy in the form of chilled water from a central source to multiple buildings through a network of underground pipes for use in space and process cooling. This innovative solution aids building owners to improve space utilisation and optimise overall electricity usage.

In 2018, Gagasan Nadi Cergas secured a license from the Energy Commission to distribute electricity independently, thus, bestowing the Group as one of the elite utility service providers in the nation. With a steadfast commitment for a sustainable future, our team aims to play our part to achieve this goal by delivering and operating a 21st century EDS by adopting the state-of-the-art smart metering system.

PROPERTY DEVELOPMENT

Backed by our track record and prowess in construction, it was a natural progression for Nadi Cergas to extend our wings into the property development sector.

Equipped with our core specialisation of design-and-build expertise, we ventured into property development through Nadi Cergas Development Sdn Bhd.

Our property development activities are supported not only by our principal competency of building construction, but also with a full scope of in-house expertise, such as development planning, architectural and engineering design, quantity surveying, procurement, and project management.

This has led us to undertake various notable projects nationwide, including helping to complement and support the national agenda by providing affordable housing for the "rakyat".

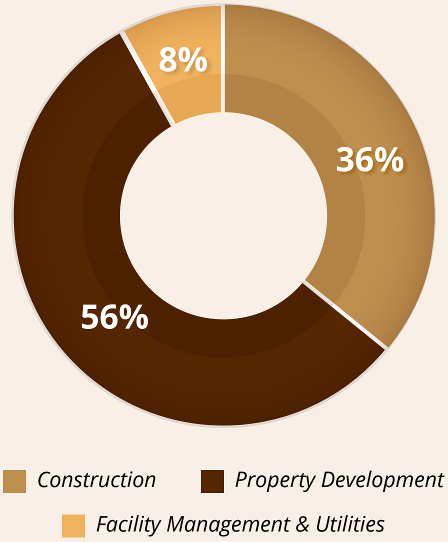
>> FINANCIAL HIGHLIGHTS

REVENUE

RM**318.3**m

FY2022: RM233.5m

FY2023 Revenue By Segment



OPERATING PROFIT

RM**31.1**m

FY2022: RM21.6m

SHAREHOLDERS’ EQUITY

RM**444.6**m

FY2022: RM442.1m

TOTAL ASSETS

RM**883.0**m

FY2022: RM983.9m

>> KEY PERFORMANCE INDICATORS

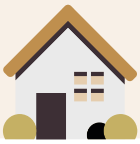
CONSTRUCTION

Order Book:

RM **513.0** million

FY2023 New Wins:

RM **75.7** million



PROPERTY DEVELOPMENT

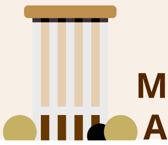
Segment Revenue

RM **177.7** million

FY2022: RM101.7 m

4

Major Projects in Greater KL



FACILITY MANAGEMENT AND UTILITIES

Segment Revenue

RM **26.5** million

FY2022: RM20.5m

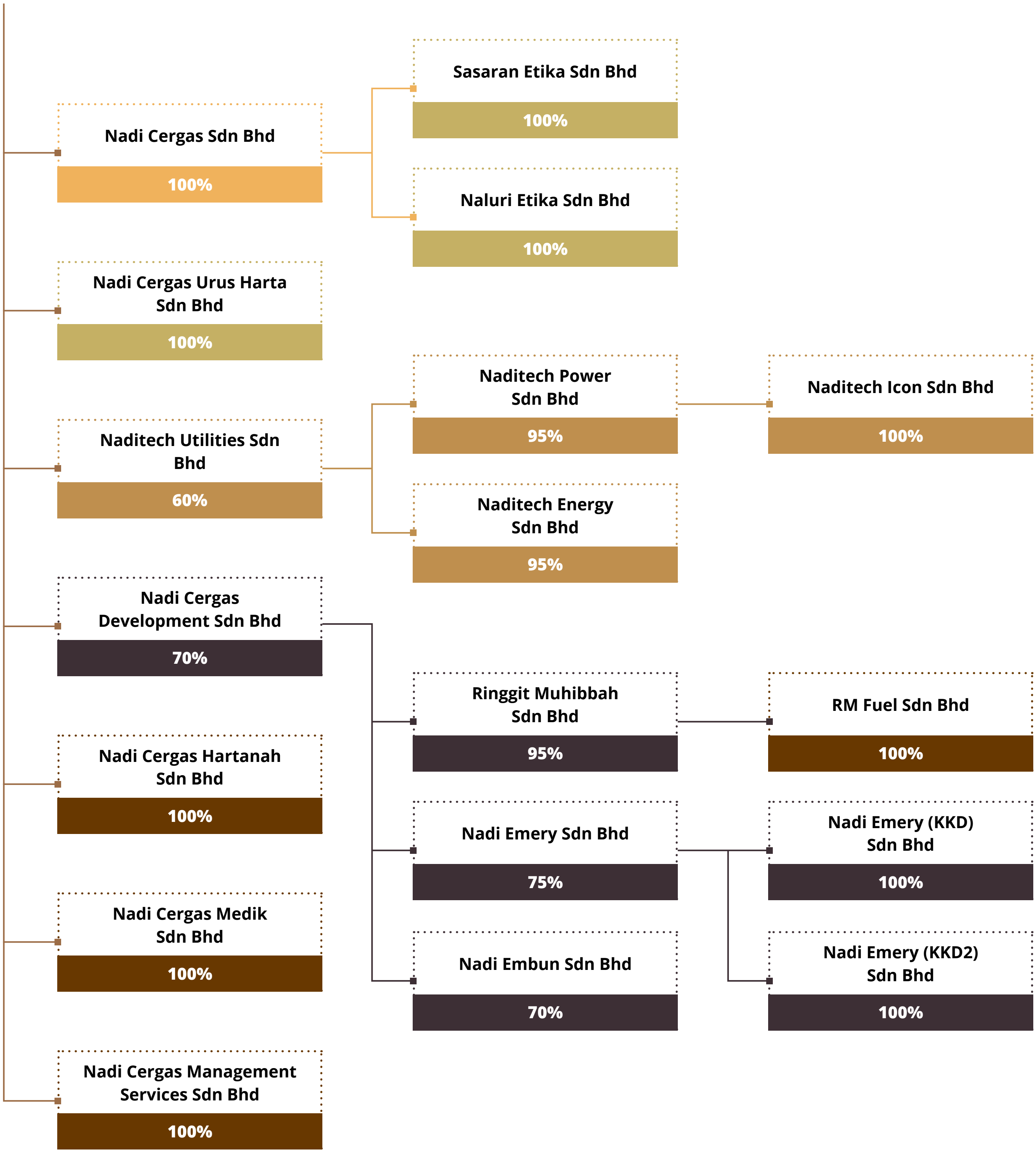
5-YEAR GROUP FINANCIAL HIGHLIGHTS

Financial Summary	2019	2020	2021	2022	2023
For the Financial Year Ended 31 December (RM'000)					
Revenue	289,631	206,902	199,256	233,517	**318,349**
Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA")	52,714	31,833	35,297	23,981	**33,307**
Operating Profit	50,365	29,369	32,968	21,620	**31,120**
Profit before Tax ("PBT")	34,880	14,813	17,855	6,048	**17,805**
Profit/(Loss) Attributable to Shareholders	25,284	11,813	3,460	(3,378)	**2,433**
As At 31 December (RM'000)					
Shareholders' Funds	441,259	445,810	445,505	442,127	**444,560**
Share Capital	136,444	136,444	136,444	136,444	**136,444**
Reserves (Net of Treasury Shares at Cost)	304,815	309,366	309,061	305,683	**308,116**
Total Assets	926,866	921,318	975,306	983,869	**882,974**
Total Current Assets	267,678	303,087	359,041	417,663	**323,024**
Total Borrowings	322,051	298,580	315,216	316,714	**197,997**
Cash and Bank Balances and Fixed Deposits with Licensed Banks	123,573	109,470	104,733	94,254	**115,775**
Per Share*					
Basic Earnings/(Loss) per Share (sen)	3.40	1.57	0.46	(0.45)	**0.32**
Net Tangible Assets per Share (sen)	58.60	59.20	59.16	58.72	**59.04**
Returns (%)					
Return on Average Shareholders' Equity (%)	6.2	2.7	0.8	(0.8)	**0.5**
Return on Average Total Assets (%)	2.8	1.3	0.4	(0.3)	**0.3**
Financial Analysis					
Operating Margin (%)	17.4%	14.2%	16.5%	9.3%	**9.8%**
PBT Margin (%)	12.0%	7.2%	9.0%	2.6%	**5.6%**
Net Margin (%)	8.7%	5.7%	1.7%	(1.4%)	**0.8%**
Net Debt to equity (Times)	0.52	0.52	0.53	0.55	**0.23**

**Based on share base of 753 million shares*

>> CORPORATE STRUCTURE

GAGASAN NADI CERGAS
BERHAD 201701024800(1238966-U)



- 🟧 Construction segment
- 🟨 Concession and facility management segment
- 🟫 Utilities segment
- ⬛ Property development segment
- 🟫 Others

>> CHAIRMAN'S STATEMENT

Dear Esteemed Shareholders,

Salam and Peace!

The construction sector in Malaysia continued to be beset by problems in 2023. The ongoing tensions, first in Eastern Europe and then in the Middle East, led to supply chain disruptions that escalated the prices of construction-related raw materials.

Many construction companies saw a negative impact on their bottom line because of the higher cost of raw materials. The situation was further compounded by intense competition in the construction industry.

Gagasan Nadi Cergas Bhd was not spared from the industry's challenges, as its construction segment saw a softer performance in the financial year ended 31 December 2023 ("FY2023") compared to the financial year ended 31 December 2022 ("FY2022"). However, the robustness of our property development segment made up for more than the contraction in our construction segment.

Hence, for FY2023, the Group achieved a net profit of RM2.4 million compared to a loss of RM3.4 million in FY2022. The turnover increased 36.3% to RM318.3 million in FY2023 from RM233.5 million in the previous year.

It is my distinct privilege to present to you the Annual Report and Audited Financial Statements for FY2023.

OPERATIONS REVIEW

The Group's commendable financial performance and its return to the black were mainly attributable to the success of the property development segment following the completion of both the Antara Residence serviced apartments in Putrajaya, and the Selindung Ulu Yam affordable housing project in Selangor, with take-up rates of 82% and 100% respectively.

The management's timely ability to diversify Gagasan Nadi Cergas' portfolio and avoid overdependence on one sector had insulated the Group against market volatility and enabled its return to profitability in FY2023.

The turbulence in construction-related raw materials continued to be a challenge in 2023, albeit to a lesser extent than in 2022, and the Group had put in place prudent measures that had impacted positively the business as the external environment grew more erratic.

During FY2023, we made progress on the Idaman Bukit Jelutong affordable homes project in Shah Alam, with 1,072 Sale and Purchase Agreements signed for a total of 1,260 units of semi-furnished apartments being built, underscoring the resilient demand for affordable housing in Malaysia.

The Group also secured a RM75.7 million contract from Paramount Property Construction Sdn Bhd to construct Phase 1 of Atera, a strategically located high-rise serviced apartment project in Seksyen 51A, Petaling Jaya. This award reflects confidence in Gagasan Nadi Cergas as a builder of quality.

Atera encompasses an impressive structure featuring a 47-floor tower, which will house 756 units of affordable serviced apartments, along with four business lots and a six-floor podium car park.

Going into the financial year ending 31 December 2024, the Group has secured its second undertaking with Kwasa Land Sdn Bhd through a letter of award to build 4,183 affordable homes in Kwasa Damansara with a gross development value ("GDV") of RM1.0 billion. We are confident that the new Kwasa Damansara township will serve as a catalyst for economic growth in the northern Klang Valley. It is also ideally placed to fulfil the needs of young professionals and families in an integrated urban environment.

Altogether, as at 31 December 2023, the Group's construction order book stood at RM513 million while the value of our ongoing property development projects was RM3.6 billion in GDV.

DIVIDENDS

The Board of Directors has elected not to issue any dividends for FY2023 due to headwinds facing the construction industry. The Board proposed a prudent approach to having sufficient funds to weather the possible challenges of the current year.

PROSPECTS

Going forward, Malaysia's economy is expected to grow by 4.5% to 5.0% in 2024, driven by stronger external demand and improved domestic spending, compared to the modest 3.7% expansion in 2023. The Works Ministry predicts 5% to 6% growth in Malaysia's construction sector in 2024, creating opportunities for the Group in the construction industry.

While the volatility in the construction industry is expected to continue into 2024, we will address this by closely monitoring raw material prices while engaging proactively with clients and suppliers.

On a positive note, the property development segment is expected to contribute significantly to the Group's financial performance in 2024 due to the ongoing progress of Idaman Bukit Jelutong and the upcoming launch of Idaman Kwasa Damansara.

Going forward, we realise the importance of foreign labour in the property and construction sectors, and we will continue to liaise with relevant agencies in order to meet our supply of labour and ensure that our operations are not affected.

ACKNOWLEDGEMENT

I wish to extend my sincere appreciation to my fellow board members for their leadership, wisdom, and insightful advice; and to the management team for their enduring dedication. I also want to express my gratitude to every single one of our staff members for their unwavering commitment to carrying out the Group's objectives. Together, let us steer Gagasan Nadi Cergas into the next chapter of growth, solidifying our standing as a "Builder with Tenacity".

Many thanks to all our Esteemed Shareholders for standing by us in these difficult times.

Sincerely,

Ir. Dr. Muhamad Fuad Bin Abdullah
Independent Non-Executive Chairman

>> MANAGEMENT DISCUSSION AND ANALYSIS

Hj Wan Azman Bin Wan Kamal
Group Managing Director

BUSINESS OVERVIEW

Gagasan Nadi Cergas Berhad ("The Group", "Gagasan Nadi Cergas") is a construction-based group operating across four segments, namely Construction, Property Development, Concession and Facilities Management, and Utility Services.

CONSTRUCTION

Nadi Cergas Sdn Bhd, a wholly owned subsidiary of the Group, is the construction arm of Gagasan Nadi Cergas. As a Grade G7 contractor accredited with the Contractor Service Centre ("PKK") and the Construction Industry Development Board ("CIDB"), the company participates in both open and Bumiputera-allocated projects of all sizes. Nadi Cergas Sdn Bhd is also licensed to construct public healthcare facilities in Malaysia, backed by its Code B29 certification by CIDB.

The Group's proven track record in the Malaysian construction industry spans more than 20 years, having delivered landmark projects such as the 4th Military Camp of the General Operations Force, the Malaysian Institute of Aviation Technology building in Subang, German-Malaysian Institute campus in Bangi, Maktab Rendah Sains MARA campuses in Bagan Datuk and Dungun, and the state-of-the-art Serdang Hospital Cardiology Centre in Serdang.

The Group maintains a competitive advantage by deploying several advanced construction solutions, namely the Design and Build Model, the Industrialised Building System, and Building Information Modelling. Using the Design and Build Model, Gagasan Nadi Cergas, as a main contractor, streamlines the construction process by being assigned both the tasks of designing and constructing, so as to mitigate risks and reduce construction duration. The Industrialised Building System uses prefabricated components and on-site installments for faster completion, while Building Information Modeling is a three-dimensional modelling system for the detection of flaws and the reduction of waste in building materials.

PROPERTY DEVELOPMENT

Gagasan Nadi Cergas launched its property development segment in 2017 through a joint venture with the ASEAN Football Federation to develop its headquarters and the Antara Residence serviced apartments, both located in Putrajaya.

The segment then launched Phase 1 of the Selindung Ulu Yam affordable township, in Selangor, in 2019 in collaboration with Perumahan Penjawat Awam Malaysia ("PPAM") and Rumah Selangorku housing programme.

The Group is also undertaking large-scale Idaman affordable housing projects in Bukit Jelutong, Elmina and Kwasa Damansara in concert with the Selangor State Government.

CONCESSION AND FACILITY MANAGEMENT

Gagasan Nadi Cergas operates facility management concessions for student accommodation facilities at the International Islamic University Malaysia ("IIUM") in Kuantan and the Universiti Teknikal Malaysia Melaka ("UTeM") in Melaka. The Group has a mandate to provide hostel maintenance and management services for IIUM and UTeM until 2034 and 2037, respectively.

UTILITY SERVICES

The Group manages a concession for the Electricity Distribution System ("EDS") for the Datum Jelatek Mall in Kuala Lumpur. The 30-year concession began in 2021. The Group also operates a District Cooling System ("DCS") for the same mall. The concession, also for a 30-year period, began in 2022.

FINANCIAL OVERVIEW

CONSOLIDATED INCOME STATEMENT

Group revenue increased 36.3% to RM318.3 million in the financial year ended 31 December 2023 ("FY2023") from RM233.5 million in the financial year ended 31 December 2022 ("FY2022"), mainly attributed to the successful completion of the Antara Residence services apartments in Putrajaya and the Selindung Ulu Yam affordable township in Selangor, with take up rates of 82% and 100% respectively.

In tandem with the significant jump in revenue, profit before tax surged to RM17.8 million in FY2023 from RM6.0 million previously.

The Group posted a net profit attributable to shareholders of RM2.4 million in FY2023 compared to a net loss attributable to shareholders of RM3.4 million in FY2022.

The earnings per share stood at 0.32 sen in FY2023 compared to a deficit of 0.45 sen in FY2022.

SEGMENTAL FINANCIAL PERFORMANCE

> **Construction**

The construction segment is the Group's biggest revenue maker, generating RM114.1 million in revenue in FY2023, a marginal increase from RM111.3 million in FY2022.

After taking impairment losses into account, the construction segment incurred a heavier loss before tax of RM3.7 million compared to a net loss before tax of RM0.07 million recorded in FY2022.

> **Facility Management and Utility Services**

The facility management and utilities segments continue to provide the Group with regular recurring income.

The two segments jointly brought in RM26.5 million in revenue in FY2023, compared to RM20.5 million in FY2022. Utility services revenue doubled to RM10.7 million in FY2023 from RM4.8 million in FY2022.

After considering income of RM23.8 million from the facility management segment's net accretion of fair value, the segment posted a profit before tax of RM20.6 million in FY2023 relative to RM18.6 million last year.

> **Property Development**

The property development segment was the group's best-performing segment, achieving RM177.7 million in revenue in FY2023 from RM101.7 million in the previous year. The strong performance comes on the back of the completion and strong take-up rates of the Antara Residence and Selindung Ulu Yam developments, in addition to the steady progress of the Idaman Bukit Jelutong project.

The segment's profit before tax was RM14.6 million in FY2023, a substantial increase from the RM6.3 million recorded in the previous year.

STATEMENT OF FINANCIAL POSITION

> **Group Assets**

The Group's total assets declined to RM883.0 million in FY2023 from RM983.9 million in the previous year, mainly due to a decline in contract assets and inventories.

> **Liquidity and Capital Resources**

The Group's total borrowings decreased to RM198.0 million as at 31 December 2023 from RM316.7 million in the previous year. The Group's cash and bank balances and fixed deposits increased to RM115.8 million in FY2023 from RM94.3 million in FY2022.

The Group's total equity attributed to shareholders increased marginally to RM444.6 million in FY2023 from RM442.1 million in the previous year. The Group's net gearing level decreased to 0.18 times in FY2023 from 0.50 times in FY2022.

> **Capital Expenditure**

The Group spent a minimal amount of RM2.7 million on capital expenditure in FY2023 on plant and equipment.

DIVIDEND

The Group maintains an established dividend policy, but the Board of Directors has decided not to issue any dividends for FY2023 due to headwinds facing the construction industry.

SEGMENTAL REVIEW

> **Construction Segment**

The construction industry in Malaysia expanded by 8.4% in 2023, on par with the previous year's growth rate of 8.8%. However, the industry continues to be beset by volatility in the prices of construction-related raw materials caused by the Russia-Ukraine War and the conflict in the Red Sea. Furthermore, the industry in Malaysia has been adversely affected by a shortage of approximately 300,000 workers in 2023.

Notwithstanding the challenges, the segment scored a major win in June 2023 when Nadi Cergas Sdn Bhd was awarded a Letter of Award from Paramount Property Construction Sdn Bhd ("Paramount") for a RM75.7 million contract to construct Phase 1 of the Atera project in Seksyen 51A, Petaling Jaya. The 47-storey building will contain 756 units of affordable serviced apartments and a six-floor podium car park.

The Atera contract is Gagasan Nadi Cergas' third undertaking with Paramount after projects in Kemuning Utama and Greenwoods Salak Perdana.

Meanwhile, the Group further augmented its impressive portfolio by completing the mosque at the iconic Merdeka 118 tower in Kuala Lumpur in early 2024.

The Group also remains on track to complete all ongoing projects in its order book, including construction works on the Residensi Sakura condominium in Putrajaya for Putrajaya Holding.

> Property Development Segment

The property development industry in Malaysia demonstrated consistent improvement in 2023, particularly in the second half of the year. There has been a spike in launches and sales, indicating that the property market is returning to normalcy after the slowdown of the pandemic era, thus contributing to the brilliant performance of our property development segment.

The Antara Residence serviced apartments in Putrajaya are complete and almost fully taken up, with a gross development value ("GDV") of RM195.9 million. The high-rise property consists of 458 units across 29 floors and caters to the federal administrative capital's growing middle class.

Furthermore, Gagasan Nadi Cergas has carved a proven track record in the affordable housing niche, particularly in the Greater Kuala Lumpur region, and is slated to deliver up to 14,000 affordable housing units over the next eight years.

The Group recently completed and handed over 475 units under Phase 1 of the Selindung Ulu Yam project, which was developed in collaboration with Rumah Selangorku and the Perumahan Penjawat Awam Malaysia (PPAM) government housing program. Together with another 70 units of free-market double-storey terrace units in Phase 2, the Group has completed and delivered a total of 545 landed units to purchasers in this project. Both phases have achieved a full take-up rate and have a combined GDV of RM143.7 million.

The Group is making steady progress on the Idaman Bukit Jelutong affordable homes project, which was launched in 2022 and is estimated to be completed in 2025. Thus far, 1,072 Sale and Purchase Agreements have been signed for 1,260 units of semi-furnished apartments with a GDV of RM304 million.

The three-bedroom units, affordably priced at RM250,000 per unit, boast a built-up space of 1,000 square feet. For the convenience of homeowners, each unit will come equipped with a television, refrigerator, kitchen cabinets, closets, water heating, air conditioners, and two carparks.

Building on the success of Idaman Bukit Jelutong, the Group commenced construction on four blocks containing 1,669 partially furnished affordable apartments in Idaman Kwasa Damansara in February 2023. The project has a GDV of RM1.0 billion and will be built on a 13.9-acre land in parcel Plot R4-1.

Gagasan Nadi Cergas' involvement in the Kwasa Damansara township expanded when the Group secured another project from Kwasa Land Sdn Bhd ("Kwasa Land") to build 4,183 affordable residential units on 34.9-acre parcel of land at a GDV of RM1.0 billion. Kwasa Land will be the master developer of the project.

> Recurring Income Segment

In the facilities management segment, the Group's subsidiary, Nadi Cergas Urus Harta Sdn Bhd, has been entrusted with the maintenance of student hostels and related facilities at IIUM campus in Kuantan.

Through the utility services segment, the Group received recurring income from the EDS and DCS concessions for the Datum Jelatek Shopping Mall in Kuala Lumpur. The DCS harnesses Thermal Energy Storage (TES) technology to supply the mall with 2,100 RT of chilled water.

RISKS FACED BY THE GROUP

1. COMPETITION AND BUSINESS RISKS

The highly competitive nature of the Malaysian construction sector continues to be a risk for the Group as it tenders for projects in a crowded field.

In response, the Group will leverage its expertise and proven track record of delivering a vast variety of private-sector and public-sector projects to secure new wins.

Furthermore, the Works Ministry anticipates a growth rate of between 5% and 6% for the construction industry in 2024, with an estimated project development value of RM180 billion, thus creating more tender opportunities for the Group.

2. RISING BUILDING MATERIAL & LABOUR COSTS

Volatility in construction-related raw materials is expected to persist in 2024.

A survey conducted by the Real Estate and Housing Developers' Association of Malaysia revealed that 91 percent of 152 respondents noted a significant rise in building material prices last year compared to previous years and is expected to continue to do so this year. For example, sand and concrete, both core building materials, experienced average price fluctuations of 15 % and 11%, respectively.

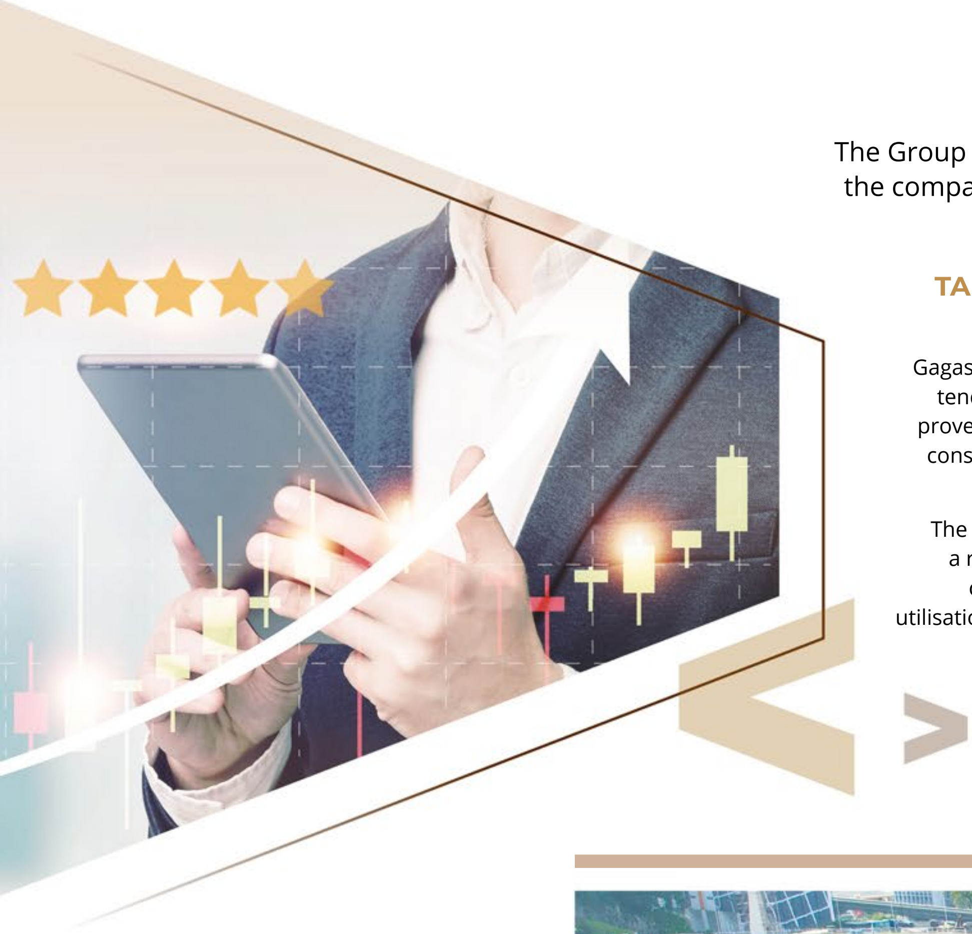
The Group will deploy value engineering to control costs while closely monitoring raw material prices and maintaining proactive engagement on procurement issues with clients and suppliers.

3. POLITICAL, ECONOMIC AND REGULATORY RISKS

As an active participant in public sector tender projects, Gagasan Nadi Cergas is exposed to the risk of U-turns or changes in government policy. The Group will engage with various federal and state agencies to optimise cooperation. We are keen to deploy our expertise for nation-building.

Also, the Group might be adversely impacted if there is a downturn in the national economy. Although Malaysia's economic fundamentals remain on solid footing, the global economy is challenged by the geopolitical tensions in Eastern Europe and the Middle East.

The Group will work to expand its Facilities Management and Utility Services segments to generate more recurring income, thus enhancing its ability to remain resilient in the event of a difficult economic climate.



GROWTH STRATEGIES

The Group remains resolute in its desire to steer the company toward its next chapter of growth.

TARGETING OPPORTUNITIES IN THE CONSTRUCTION SEGMENT

Gagasan Nadi Cergas will replenish its order book by tendering for high-value projects, leveraging on its proven track record of delivering a diverse variety of construction projects in both the public and private sectors.

The Group will also make good on its reputation as a reliable builder, by ensuring timely and smooth completion of all ongoing projects, through the utilisation of technology and the expertise of its skilled engineers and workers.

PROCURING NEW CONTRACTS IN THE AFFORDABLE HOUSING SEGMENT

Gagasan Nadi Cergas is committed to building high-quality, affordable homes that will help more B40 and M40 Malaysians realise their dream of becoming home-owners and elevate their standard of living.

The Malaysian Government reinforced its commitment to affordable housing in the mid-term review of the 12th Malaysia Plan, with the goal of building half a million affordable homes by 2025.

Hence, the Group aims to deliver up to 14,000 affordable housing units in Greater Kuala Lumpur over the next eight years. The robust demand for affordable housing augurs well for the Group.

GROWING RECURRING INCOME THROUGH PROVISIONS OF FACILITY MANAGEMENT AND UTILITY SERVICES

The recurring income segment will give the Group a stable stream of revenue and help mitigate losses in the construction segment. The Group's facility management and utility services concessions for IIUM, UTeM and the Datum Jelatek Shopping Mall should pave the way for similar contracts with other organisations.

ENHANCING THE GROUP'S FOOTPRINT IN PROPERTY DEVELOPMENT

The Group will build on the property development sector's momentum following the successful completion and delivery of Antara Residence and Selindung Ulu Yam. The high take-up of our ongoing Idaman Bukit Jelutong development will pave the way for the recently launched Idaman Kwasa Damansara project.

The Group's emphasis on creating well-designed, modern, and affordable living spaces will make Gagasan Nadi Cergas a trusted brand among homebuyers in Greater Kuala Lumpur and beyond.

The Group's property development segment will also benefit from a stable housing market following Bank Negara's decision to leave the overnight policy rate unchanged at 3.0%. This stability stems from consumers becoming accustomed to the current level of interest rates and willing to undertake mortgages.

Furthermore, the Malaysian Government's full exemption on stamp duty for first-time homebuyers for properties valued at RM500,000 and less will last until the end of 2025. This policy will encourage more young adults to purchase their first home.

Altogether, Gagasan Nadi Cergas has demonstrated both resilience and tenacity in our corporate journey in FY2023 and intends to build on this momentum and reach a higher stage of success in 2024. The Group will tap into the firm leadership of its Board of Directors, the dynamic energy of its management team and employees, and the steadfast support of its business partners to forge ahead into the future.

Hj Wan Azman Bin Wan Kamal
Group Managing Director

>> PROFILE OF DIRECTORS

Ir. Dr. Muhamad Fuad Bin Abdullah

Independent Non-Executive Chairman

Male / Malaysian / Aged 70

Ir. Dr. Muhamad Fuad bin Abdullah was appointed to the Board on 15 September 2017. He also serves as Chairman of the Group's Nomination Committee and a member of the Audit & Risk Management, and Remuneration Committees.

He graduated in 1977 from the University of Southampton, United Kingdom with a Bachelor of Science Honours Degree in Electrical Engineering and in 1982, obtained his Master of Philosophy in Electrical Engineering from the same university. In 1994, he obtained his Bachelor of Arts in Shariah from the University of Jordan in Amman, Jordan and his PhD in Muslim Civilisation from the University of Aberdeen in United Kingdom in 1996.

He also holds several professional qualifications being a registered Professional Engineer with the Board of Engineers Malaysia since 1984, an APEC Engineer and an International Professional Engineer with the International Engineering Alliance in 2004, an ASEAN Engineer with ASEAN Federation of Engineering Organisations in 2000 and an ASEAN Chartered Professional Engineer in 2009.

He is a Fellow of the Institution of Engineers, Malaysia since 2004. He has been a member of the Institute of Corporate Directors Malaysia since September 2018 and a registered Shariah Adviser with the Securities Commission Malaysia since 2010.

His career started in 1977 as an Electrical Engineer with the Public Works Department at its headquarters in Kuala Lumpur. He left in 1983 to join Uniphone Sdn Bhd, a telecommunications company as an Engineering Logistics Manager up to 1991. From 1991 to 1996, he was a Tutor in Muslim Civilisation at Universiti Kebangsaan Malaysia. He was a Director of Five-H Associates Sdn Bhd, an engineering consultancy company, from 1996 to 2006, and during his tenure held the position of Managing Director from 2003 to 2006. He served as the Chief Executive Officer of Kausar Corporation Sdn Bhd, a construction company from 2002 to 2003.

He does not hold any directorship in any public company and other listed corporation.

Hj Wan Azman Bin Wan Kamal

Group Managing Director

Male / Malaysian / Aged 63

Hj Wan Azman bin Wan Kamal was appointed to the Board on 15 September 2017. He graduated from Universiti Teknologi Malaysia in 1982 with a Diploma in Quantity Surveying. He also holds an Advanced Diploma in Quantity Surveying from MARA Institute of Technology, Shah Alam, obtained in 1986. He has been a Registered Quantity Surveyor of the Board of Quantity Surveyors Malaysia since 1990 and a Member of the Institute of Surveyors Malaysia since 1995.

He has extensive experience in the property development and construction industry with a career that spans approximately 37 years. His career started in 1982 as a Technical Assistant at Jabatan Kerja Raya Pahang. He left in 1984 to pursue his Advanced Diploma in Quantity Surveying from 1984 to 1986. Subsequently from 1986 to 1989, he joined QS Associates, a quantity surveying firm, as a Quantity Surveyor. In 1990, he joined Sime UEP Development Sdn Bhd, a property development company, as a Quantity Surveyor and was promoted to the position of Cost Controller in 1992, before he left in 1998. In 1998, he took up the position of Director of Business Development at Juwana Construction Sdn Bhd, a construction company, before leaving in 1999 to become the major shareholder and Managing Director of Nadi Cergas Sdn Bhd. As Group Managing Director, he has been instrumental in the growth and development of the Group.

He is responsible for the strategic direction of our Group including the implementation of future plans and strategies, including the property development segment of our business. He is also involved in managing the day-to-day operations of our Group.

He does not hold any directorship in any other public company and other listed corporation.

Dato’ Sri Subahan Bin Kamal

Executive Director

Male / Malaysian / Aged 58

Dato’ Sri Subahan bin Kamal was appointed to the Board on 15 September 2017. He graduated in 1989 from the Southern Illinois University at Carbondale, USA with a Bachelor of Science Honors Degree in Finance. He also holds a Certificate of Marine Cargo Technical Claims and a Certificate of Liability Insurance from the Malaysian Insurance Institute, both of which were obtained in 1989.

He started his career in 1989 as a Claims Executive at Malaysia Nippon Insurance Berhad. Subsequently in 1990, he joined Bank Rakyat Kerjasama Malaysia Berhad (“Bank Rakyat”) as a Corporate Planning Executive before he was appointed as Personal Assistant to the Chairman at Bank Rakyat in 1991. In 1992, he was seconded to the Ministry of Finance Malaysia as the Private Secretary to the Parliament Secretary of the Ministry of Finance. Subsequently, in 1995 he was promoted to Senior Private Secretary to the Deputy Minister of Finance and he was under the Ministry of Finance until 1998. In the same year, he was appointed as Senior Private Secretary to the Deputy Minister of Human Resources. In 2000, his secondment as Senior Private Secretary to the Deputy Minister of Human Resources ended when he left Bank Rakyat to join Nadi Cergas Sdn. Bhd. as an Executive Director.

Dato’ Sri Subahan served as an assemblyman in Taman Templer, Selangor from 2008 to 2013. He was also appointed as Selangor Tourism Action Council Chairman from 2009 to 2011. He presently does not hold any political appointments.

He also actively contributes to society in various capacities in the sports, education and other areas. He was elected as the Deputy President of the Football Association of Malaysia from 2017 to 2021 and the President of the Malaysia Hockey Confederation in 2015, positions which he continues to hold till today. He has also been appointed as a member of the Advisory Board of Quest International University since 2014 and served as a member of the Curriculum Advisory Board of University Institute Technology, MARA from 2013 to 2018. In 2022, he was appointed as the chairman of Social Security Organisation (SOCSO), a government agency under the Ministry of Human Resources.

Dato’ Sri Subahan was appointed to the board of Can-One Berhad and sat on the board from May 2014 to 2023. He was also appointed to the board of Aluminium Company of Malaysia Berhad and sat on the board from January to August 2018, before subsequently being appointed to the board of Aluminium Group Berhad from August 2018 till to date, pursuant to an internal reorganisation exercise carried out by Aluminium Company of Malaysia Berhad.

Professor Emerita Siti Naaishah Hambali

Independent Non-Executive Director

Female / Malaysian / Aged 69

Professor Emerita Siti Naaishah Hambali was appointed to the Board on 15 September 2017. She also serves as the Chairman of the Group's Remuneration Committee and a member of the Group's Audit and Risk Management, and Nomination Committees.

She obtained a Master of Comparative Laws Degree from the International Islamic University, Malaysia in 1997 and a Bachelor of Law Degree from the University of Malaya in 1979.

She began her career in 1979 as a Magistrate at the Magistrate Court Judicial Department, Malaysia until 1982. Subsequently in 1982, she was appointed as Federal Counsel and Legal Advisor at the Ministry of Defence, Malaysia before she was appointed as Senior Assistant Registrar of High Court of Malaya in the Judicial Department of Malaysia in 1984 and was promoted to Deputy Registrar of High Court of Malaya in 1987, a position she held until 1988.

In 1988, she took up the position of Deputy Treasury Solicitor at the Ministry of Finance before she was appointed as Senior Sessions Court Judge of the Judicial Department of Malaysia in 1992, and later in 1993 she was appointed as Head of Prosecution for the Federal Territory at the Attorney General's Chambers of Malaysia. In 1994, she was appointed as Senior Sessions Court Judge at the Judicial Department of Malaysia and held the position until 1997. In 1997, she took up the position as Associate Professor, Faculty of Law, Universiti Kebangsaan Malaysia, and was also appointed as Legal Advisor of Universiti Kebangsaan Malaysia till 2007.

From 2005 till 2016, she also held the position as Distinguished Fellow at the Faculty of Law, Universiti Kebangsaan Malaysia. She was the Founding Director of UKM-UNIKEB Legal Aid and Mediation Centre in 2010 up till 2016. In 2010, she was appointed as the President of Tribunal for Consumer Claims Malaysia, Ministry of Domestic Trade, Co-operatives and Consumerism Malaysia which she holds till today. She is also the Founding Project Director of Putrajaya Community Mediation Centre at the Department of National Unity and Integration, a position she has held since 2014.

She was appointed as Chief Executive and Vice Chancellor of Islamic University Malaysia in March 2020. She was subsequently appointed as the member of the Steering Committee for the Governance of Private Higher Education under the Ministry of Higher Education Malaysia in October 2020.

She was also appointed as a member of the Board of Lembaga Amanah Kolej Islam Malaya in November 2023. She does not hold any directorship in any other public company and other listed corporation.

Chng Boon Huat

Independent Non-Executive Director

Male / Malaysian / Aged 64

Chng Boon Huat was appointed to the Board on 15 September 2017. He also serves as Chairman of the Audit and Risk Management Committee, and a Member of the Remuneration and Nomination Committees.

He is a Fellow Member of The Association of Chartered Certified Accountants, United Kingdom and a Chartered Accountant of the Malaysian Institute of Accountants (MIA).

He started his auditing and accounting career in 1983 with Messrs Hew & Co (now known as Mazars PLT) before joining Perlis Plantation Berhad (now known as PPB Group Berhad) in 1987.

In 1988, he joined The Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Berhad) ("Bursa") and had held several positions during his 25-year tenure at Bursa, culminating to become the Head of Corporate Surveillance in 2009. He has gained vast experience during his 25 years at Bursa including equity market supervision, research and development studies, compliance, investigation and enforcement of Listing Requirements, as well as advocating good corporate governance practices such as risks management and internal control system to companies listed on Bursa Malaysia Securities Berhad. While in Bursa, he represented Bursa to serve as member of various working groups of Malaysia Accounting Standards Board, MIA and Companies Commission of Malaysia. He left Bursa in 2013 to join Tricor Corporate Services Sdn Bhd as Director of Corporate Advisory, a position he holds to date.

He also served as a member of the Adjudication Committee of the National Annual Corporate Report Awards (NACRA) from 2006 to 2013, and is currently the adviser to the Adjudication Committee of NACRA, a position he held since 2014.

Currently, he is also an Independent Non-Executive Director of Atrium REIT Managers Sdn Bhd (the manager of Atrium REIT, an entity listed on Bursa Malaysia Securities Berhad).

>> KEY SENIOR MANAGEMENT PROFILES

Quah Hooi Eng

Chief Operating Officer of Construction, Contract & Procurement

Male / Malaysian / Aged 67

Quah Hooi Eng obtained a Diploma in Technology (Building) from Tunku Abdul Rahman University College in 1980.

He has over 40 years of extensive experience in the construction industry. His career started in 1981 as a Project Quantity Surveyor and subsequently as a Project Manager in Jallcon (M) Sdn Bhd, a company principally involved in building construction, up until 1998. From 1999 to 2013, he joined Gallant Route Sdn Bhd, a building construction company, as a Project Manager. Subsequently in 2013, he joined Nadi Cergas Management Services Sdn Bhd as a Senior General Manager of Construction, followed by a promotion to Head of Construction, Operation in 2019. In 2022, he was appointed to his current position.

He currently oversees and manages all construction, contract and procurement activities for the Group.

He has no family relationship with any directors and/or major shareholder of the Company.

Aminudin bin Taib

Head of Contract, Procurement and Concession

Male / Malaysian / Aged 63

Aminudin bin Taib obtained a Diploma in Quantity Surveying from Institute Teknologi MARA in 1983.

Subsequently in 1986, he obtained an Advanced Diploma in Quantity Surveying from the same institute. He is also a member of The Royal Institution with Surveyors Malaysia, a Consultant Quantity Surveyor of the Board of Quantity Surveyors Malaysia.

His career started in 1983 as an Assistant Quantity Surveyor at Nik Farid and Loh Sdn Bhd, a quantity surveying company and left in 1986. He took up the position of Quantity Surveyor when he joined Jabatan Bekalan Air Terengganu in 1986. Subsequently, he left Jabatan Bekalan Air Terengganu in 1988 and joined Jurutera Konsultant (Sea) Sdn Bhd, a quantity surveying company, as Quantity Surveyor. Later in 1990, he left Jurutera Konsultant (Sea) Sdn Bhd to join PLUS Malaysia Berhad, a toll operator, until 1991.

Subsequently, he left PLUS Malaysia Berhad and joined Percon Corporation Sdn Bhd, an engineering company, as Quantity Surveyor in 1991. He became Contract Manager in 2005. During the same year, he left Percon Corporation Sdn Bhd to join Nadi Cergas. After his departure from Nadi Cergas in 2008, he joined Zambina Wawasan Sdn Bhd, a construction company, as Contract Manager. In the same year, he left Zambina Wawasan Sdn Bhd and re-joined Nadi Cergas.

As the Head of Contract, Procurement and Concession, he is mainly responsible for overseeing matters in relation to contract management from initial preparation to final implementation; procurement process including vendor negotiation, selection and on-boarding; concession administration and facilities management.

He has no family relationship with any directors and/or major shareholder of the Company.

Oh Ewe Peng

Chief Financial Officer
Male / Malaysian / Aged 52

Oh Ewe Peng graduated in 1994 with a Bachelor of Commerce Degree from the University of Melbourne, Australia. He is a Chartered Accountant of the Malaysian Institute of Accountants and was admitted as a Certified Practicing Accountant of CPA Australia in 1998.

His career started in 1995 as Staff Assistant at Arthur Andersen & Co in Kuala Lumpur, an audit firm, before he was promoted to the position of Semi Senior in the firm. In 1996, he left Arthur Andersen & Co to join Hai-O Enterprise Berhad as Business and Corporate Development Services Executive. In 1997, he joined Corporateview Sdn Bhd, an investment holding and financial services company, as a Senior Executive.

After his departure from Corporateview Sdn Bhd in 1999, he joined Dialog Services Sdn Bhd as Corporate Finance Executive. He was promoted to Assistant Manager, Corporate Services in 2000. Subsequently, he was transferred to Dialog Corporate Sdn Bhd as Corporate Finance Manager in 2001 until 2003. In 2003, he left Dialog Corporate Sdn Bhd and joined Emas Kiara Sdn Bhd, a company involved in manufacturing of geosynthetic and geotechnical engineering, as Finance Manager. He was promoted to General Manager, Finance in 2006. During the same year, he was transferred to Southcorp Holdings Sdn Bhd, a wholly-owned subsidiary of Emas Kiara Industries Berhad (also known as MB World Group Berhad) where he held the same position until 2010. Upon his return to Emas Kiara Sdn Bhd in 2010, he assumed the role of Senior General Manger, Finance until 2013. In 2013, he left Emas Kiara Sdn Bhd to join Nadi Cergas Management Services Sdn Bhd as Chief Financial Officer.

He has no family relationship with any directors and/or major shareholder of the Company.

Notes:

None of the Key Senior Management holds any directorships in any other public company and other listed corporation, and has no conflict of interest with Gagasan Nadi Cergas Berhad. None of the Key Senior Management have public sanction or penalty imposed by any relevant regulatory bodies during the financial period for the past five (5) years.

>> SUSTAINABILITY STATEMENT

ABOUT OUR SUSTAINABILITY STATEMENT

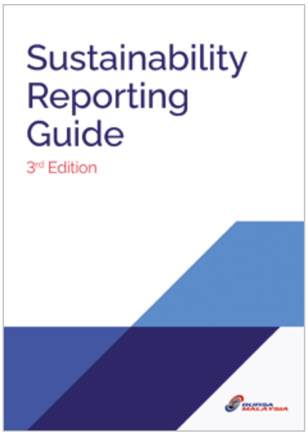
This Sustainability Statement 2023 marks Gagasan Nadi Cergas Berhad's ("GNCB" or "the Group") sixth statement dedicated to integrating sustainability into its business practices. The financial year ("FY2023") saw GNCB continue to actively drive its journey of sustainability by proactively addressing economic, environmental, and social ("EES") risks and building resilience against current emerging issues.

At GNCB, we are committed to building a sustainable and resilient business that can thrive in today's constantly evolving business environment. We focus on creating a long-term sustainability strategy that will enable us to maintain our competitive edge while driving value creation for all our stakeholders.

We have published our Sustainability Statement and Annual Report 2023 to provide transparency and accountability regarding our progress. These reports offer an in-depth analysis of our business performance, financial results, and our approach to value creation. By sharing this information, we hope to foster greater understanding and awareness of our sustainability initiatives and encourage others to follow suit.

SUSTAINABILITY FRAMEWORK

To guide us in our sustainability reporting journey, we have adopted the following principles:



Sustainability Reporting Guide

3rd Edition

Principle Guideline

International Framework

We have also aligned our sustainability framework with the Sustainable Development Goals ("SDGs"), and six SDGs relevant to our business have been identified.

Global Initiative

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATIO AND INFRASTRUCTUR

13 CLIMATE ACTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

REPORTING PERIOD

This Sustainability Statement summarises events for FY2023, covering the reporting period from 1 January 2023 to 31 December 2023. It covers the principal activities of GNCB and all its operating subsidiaries.

SCOPE AND BOUNDARIES

The scope of this Statement comprises material sustainability matters arising from GNCB's core business operations, which include:

Construction Services & Concessions
Nadi Cergas Sdn. Bhd.

Utilities Services
Naditech Utilities Sdn. Bhd.

Facility Management Services
Nadi Cergas Urus Harta Sdn. Bhd.

Property Development
Nadi Cergas Development Sdn. Bhd.

We have established our statement boundaries through a comprehensive analysis of GNCB's material sustainability matters. To ensure that our report content aligns with industry standards, we have adhered to the GRI Reporting Principles:

- Stakeholder Inclusiveness
- Sustainability Context
- Materiality
- Completeness Outlining Report Content

Our Sustainability Statement is based on internal data sourced from our company's records and documents. We take great care to ensure that all information presented is as accurate and reliable as possible.

STATEMENT EXCLUSIONS

GNCB is aware that there may be some gaps in the availability of disclosures related to the sustainability performance of its supply chain. To address this issue, we are taking steps to continuously improve our data collection process. Any outsourced operations are excluded unless otherwise stated.

FEEDBACK

Your feedback is incredibly valuable in helping us maintain high-quality reporting standards and sustainable practices. Please direct your feedback to us via:

Compliance Department

F-1 @ 8 Suria,
33, Jalan PJU 1/42,
Dataran Prima,
47301 Petaling Jaya,
Selangor.

Tel : 03-7887 3388
Fax : 03-7887 3355
Email: *hq.compliance@nadicergas.com*

STATEMENT OF ASSURANCE

This report has been reviewed and approved by the Board. Moving forward, we are committed to ensuring the accuracy and reliability of our sustainability data. As part of this initiative, we will engage an independent external party to provide the necessary assurance in the near future.

SUSTAINABILITY APPROACH

Our sustainability approach is derived from the Group's "4D" core values: Durable, Do It Right, Diligence, and Dynamic. Our commitment to sustainable practices is the foundation of GNCB's sustainability principles.

DURABLE

Durable commitment to promoting quality excellence in sustainability

DO IT RIGHT

Do it right the first time and every time

DILIGENCE

Diligence by complying with the needs and expectations of interested parties

DYNAMIC

Dynamic business interactions in managing and upholding enterprise risk through professionalism, harmonisation, ethics, and integrity

SUSTAINABILITY PRINCIPLES

Our sustainability principles have been paramount in guiding the development and implementation of sustainability initiatives across the Group.

Shareholders	Customers	Environment	Workplace	Ethics & Transparency	Local Community
Creating strong returns through sustainable growth in both sales and profitability.	Consistently provide products and services of the highest quality at a competitive price.	Pollution prevention, environmental protection and resource conservation are essential to sustainable development.	Creating a safe working environment and uphold the highest safety and health standards for everyone.	Uphold the highest standards of integrity and governance practices.	Embed community investment considerations and values into our decision-making and business practices.

SUSTAINABILITY STRATEGY

At GNCB, we aim to improve lives by supporting economic growth, conserving the environment, and prioritising people. Our sustainability strategy has been developed to align with the SDGs and corresponding GRI indicators.

Sustainability Strategy	Material Sustainability Matters	GRI Indicators	SDGs
Robust Governance Structure	• Leadership and Governance • Ethics and Integrity	• 205: Anti-Corruption	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Sustainable Economic Strength	• Economic Growth	• 201: Economic Performance • 202: Market Presence • 203: Indirect Economic Impacts	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATIO AND INFRASTRUCTUR
Safeguarding the Environment	• Environmental Requirements Compliance • Environmental Footprint	• 302: Energy • 303: Water and Effluents • 306: Waste	13 CLIMATE ACTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Enhancing Our Product Quality	• Products and Services Quality • Customer Satisfaction	-	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATIO AND INFRASTRUCTUR
Workforce Empowerment	• Workplace Environment • Diversity and Inclusion • Learning and Development	• 401: Employment • 403: Occupational Health and Safety • 404: Training and Education • 405: Diversity and Equal Opportunity	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Serving the Community	• Community Investment	• 413: Local Communities	3 GOOD HEALTH AND WELL-BEING

SUSTAINABILITY JOURNEY FOR YEAR 2024

As we set our sights on the future, we took the time to reflect on our sustainability journey and acknowledge the notable milestones we have achieved in recent years.

2018

- Successfully listed with Bursa Malaysia for ACE market.
- Published our first sustainability statement.
- Formed a Board Level. Sustainability Management Committee.
- Established the following policies.
  1. Whistle Blower Policy
  2. Insider Trading Policy
  3. Internal Control & Risk Management
  4. Code of Ethics & Conducts

2019

- Established the following policies:
  1. No Gift policy
  2. Anti Bribery & Corruption Policy

2020

- Enhanced our Sustainability Management Committee to include senior management team.
- Supported & aligned our sustainability initiatives with the UNSDG.
- Started collecting sustainability metrics data on a qualitative basis.
- Successfully certifies with ISO 14001:2015(EMS) & ISO 45002:2018 (OSHMS)

2021

- Established a Sustainability Steering Committee at the operation level.
- Aligned our sustainability disclosures with the GRI standards.

2022

- Established the following policies:
  1. Directors' Fit & Proper Policy
  2. Board & Senior Management Diversity Policy
  3. Conflict of interest Policy
- Enhanced our sustainability metrics & collected baseline data on a quantitative basis to set sustainability targets/goals.
- Started collecting data on GHG emissions.

2023

- Integrated sustainability risks & opportunities with the Group's Enterprise Risk Management.
- Has set out sustainability targets for managing Scope 1, Scope 2 & Scope 3 (Categories 6 & 7) emissions.

2024

We expect to carry out the following in 2024:

- To disclose Scope 1, Scope 2 & Scope 3 (Categories 6 & 7) baseline GHG emissions data.
- To start reporting & setting the target for the Group's supply chain management.
- To start reporting on the Group's data privacy & security.

SUSTAINABILITY GOALS AND TARGETS

As a company, we have taken proactive steps to ensure that our operations align with sustainable practices. To achieve this, we have set out specific goals and targets that are closely aligned with our sustainability strategies.

We regularly evaluate and report on our performance to track our progress towards these goals. The subsequent section of this statement will provide a detailed overview of our progress towards each of our sustainability strategies.

STAKEHOLDER ENGAGEMENT

At GNCB, we understand that each of our stakeholders has different needs and expectations, and it is crucial for us to evaluate and address them effectively. By conducting thorough stakeholder analysis, we can gain insights into their perspectives, concerns, and feedback, which helps us align our strategies, goals, and actions accordingly. As a responsible and ethical organisation, we strive to maintain open and transparent communication to continuously work towards meeting our stakeholders' expectations and delivering value to them.

STAKEHOLDERS

Customers

- Compliance with product specifications & deliverables.
- Deliver products that meet customers needs- & of the highest quality.
- Good customer service.
- Public safety and security.
- Maintain a clean workplace.

Employees

- Safety and healthy workplace
- Fair treatment, diversity & inclusivity.
- Competitive salary & remuneration package.
- Career development & equal opportunity.
- Secure employment.

External Providers

- Meet contractual obligations.
- Fair treatment of workers.
- Fair price for their services and/or products supplied.
- Provide timely & responsive communication & actions.
- Continual business relationship.

Local Authorities

- Comply with the requirements of respective authorities.
- Provide support for government policies & guidelines.
- Provide timely & responsive communication & actions.
- Information sharing.

Local Communities

- Prevent adverse impacts on public safety, security, the environment & their quality of life.
- Provide timely & responsive communication & actions.
- Employment opportunities.

Financial Institutions

- Effective risk management to ensure financial stability.
- Repayment of borrowed funds per loan terms & conditions.
- Provide timely & responsive communication & actions.

Shareholders & Investors

- Continual profitability & growth
- Innovative products & services to meet changing market demands.
- Positive image & reputation.
- Compliance with ESG or sustainability requirements.

MEMBERSHIP IN ASSOCIATIONS

GNCB understands the significance of establishing strong bonds with associations in the property and construction sectors. We make it a point to participate actively and contribute to these associations in a way that benefits all involved parties while meeting stakeholders' expectations. By working together and sharing knowledge, we stay informed about the latest industry developments and find effective solutions to common challenges.

As of FY2023, GNCB is currently a member of the following professional bodies/associations:

CONSTRUCTION INDUSTRY DEVELOPMENT BOARD (CIDB)

REAL ESTATE AND HOUSING DEVELOPERS' ASSOCIATION (REHDA)

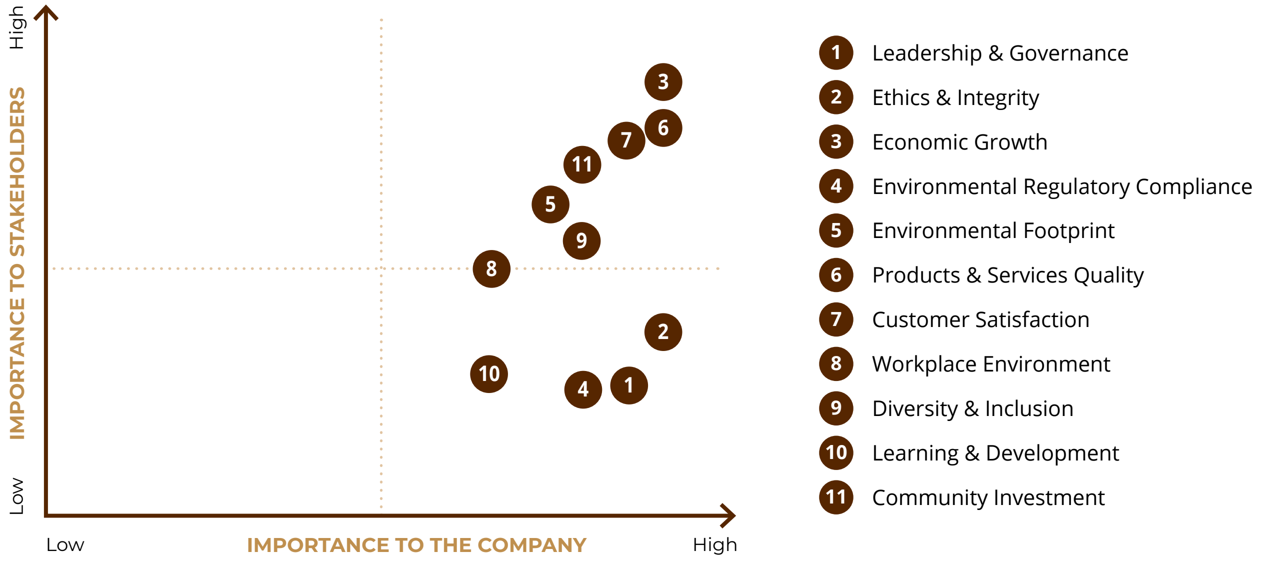
MASTER BUILDERS ASSOCIATION MALAYSIA (MBAM)

HUMAN RESOURCE DEVELOPMENT CORPORATION (HRDC)

MATERIAL SUSTAINABILITY MATTERS

We conduct annual material sustainability reviews and materiality assessments every three years to ensure that our stakeholders' interests are aligned with our business operations.

For FY2023, there have been no changes to our eleven prioritised material sustainability matters.



STRATEGY 1 ROBUST GOVERNANCE STRUCTURE

PROGRESS ON THE SUSTAINABILITY TARGETS SET FOR STRATEGY 1

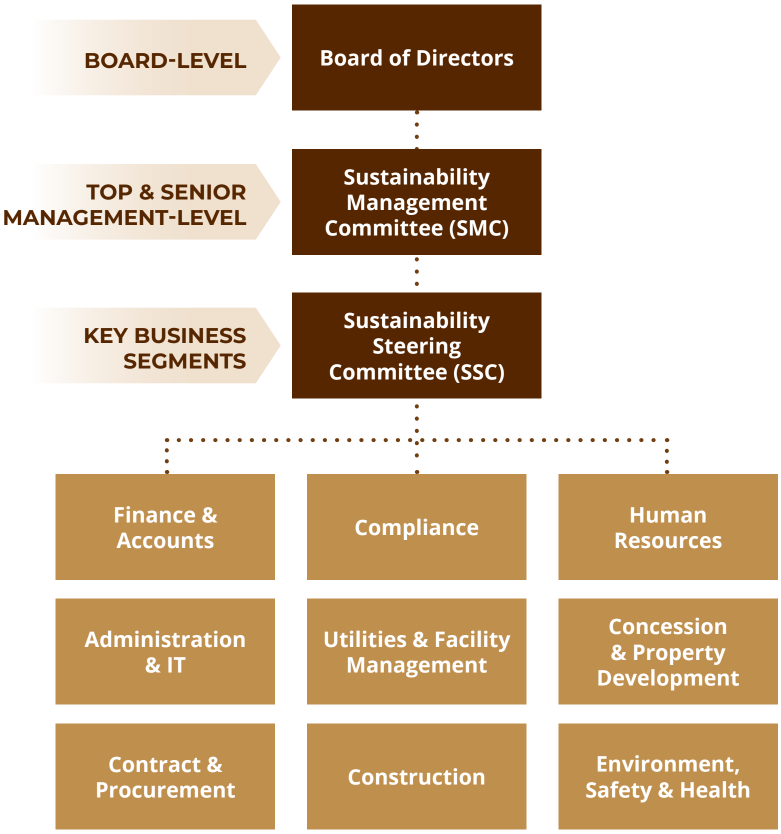
Sustainability Matters	Target(s)	Progress		
		FY2022	FY2023	Performance (FY2023)
Leadership and Governance	Zero non-compliance to the Malaysia Employment (Amendment) Act 2022.	Zero Non-compliance	Zero Non-compliance	On track as per target.
Ethics and Integrity	Zero confirmed incidents of corruption.	Zero Confirmed incident	Zero Confirmed incident	On track as per target.
	Zero public legal cases regarding corruption brought against GNCB or its employees.	Zero Confirmed case	Zero Confirmed case	On track as per target.

LEADERSHIP AND GOVERNANCE PERFORMANCE

Sustainability Governance Structure

GNCB's fundamental commitment to sustainability is grounded in a comprehensive governance framework that underpins the Group's corporate governance system. This framework, designed to support the ongoing development and implementation of sustainable initiatives, represents a robust system of oversight integrated across the Group's operations.

By embracing sustainable practices, GNCB seeks to impact meaningful social and environmental change while also promoting long-term business growth and success. The Group's commitment to sustainability is thus a core aspect of its corporate identity and represents a central pillar of its broader business strategy.



Group Corporate Policies

The Group recognises the significance of having efficient corporate governance policies in place. As a result, we have established a comprehensive set of policies to uphold accountability, transparency, integrity and professionalism in the workplace.

These policies guarantee that the Group adheres to the highest corporate governance standards, which in turn instils confidence in the stakeholders of our operations.

For more information, please refer to our official company website.

Board and Management Policies

- Board Charter
- Director & Senior Management Remuneration Policy
- Directors' Fit & Proper Policy
- Board & Senior Management Diversity Policy
- External Auditors' Policy
- Related Party Transactions Policy & Procedures
- Code of Ethics & Conduct Policy

Corporate Policies

- Employee Handbook
- Internal Control & Enterprise Risk Management Handbook
- Anti-Bribery & Corruption Policy
- Whistleblowing Policy
- Conflict of Interest Policy
- Insider Trading Policy
- Quality, Environment and Safety & Health Policy
- Drug and Alcohol Policy
- Sustainability Policy

ETHICS AND INTEGRITY PERFORMANCE

Anti-Bribery and Corruption Stance

At GNCB, we prioritise ethical standards and good corporate governance. To ensure this, we follow a Group-wide Anti-Bribery and Corruption (ABC) Policy and Handbook that complies with Malaysia's Anti-Corruption Commission Act. The Policy and Handbook establish clear standards and expectations to ensure compliance with the law and ethical principles.

Bribery and corruption risks within the Group are assessed through an ABC risk assessment. We update our ABC register annually to monitor our progress in reducing these risks. Whenever new activities take place in our operations, we will perform a comprehensive ABC risk assessment every three years or as necessary.

In addition, GNCB recognises the importance of ABC training/awareness for Board members and employees. To ensure that we maintain the highest ethical standards, all board members have received ABC briefings and training as part of the overall training schedule for directors.

Our organisation takes the issue of bribery and corruption very seriously and is committed to maintaining the highest standards of integrity in all our activities. To achieve this, we constantly ensure that our employees are provided with the necessary tools and resources to identify any suspicious activities related to bribery and corruption.

Whistleblowing Mechanism and Reported Corruption Cases

GNCB, in its commitment to upholding ethical standards and creating a transparent and accountable environment, has established a designated whistleblowing procedure to encourage employees or third parties to report any potential misconduct or wrongdoing. This includes activities such as corruption, fraud, abuse of power, or any other behaviour that may harm the company's reputation or violate legal or ethical standards.

The whistleblowing process is designed to ensure that whistleblowers feel safe and confident when raising concerns. The procedure ensures that whistleblowers remain anonymous throughout the whistleblowing process and during any subsequent investigations. This protection extends to any form of retaliation or discrimination that may occur as a result of whistleblowing. Moreover, whistleblowers are granted protection under the Whistleblower Protection Act of 2010.

The report will be processed through relevant channels for further deliberation and investigation. If the whistleblowing report is established as accurate, GNCB shall proceed to undertake disciplinary measures against the party in question in accordance with the Group's established procedures.

To make a whistleblowing report, one can send an email to ***ARMCChairman@nadicergas.com*** or mail to the following address:

No corruption cases were reported in financial year 2023.

The Chairman,
Audit and Risk Management Committee,

F-1 @ 8 Suria, Jalan PJU 1/42, Dataran Prima,
47301 Petaling Jaya, Selangor Darul Ehsan.

STRATEGY 2 SUSTAINABLE ECONOMIC STRENGTH

SUSTAINABILITY TARGETS FOR STRATEGY 2

Currently, we have not set any sustainability targets for Strategy 2. However, we plan to establish targets by next year to monitor the performance of our economic strength.

ECONOMIC GROWTH PERFORMANCE

GNCB has established a notable reputation as a responsible organisation that endeavours to create economic value for itself and its stakeholders. The group's operations have yielded direct and indirect economic benefits, resulting in improved financial performance and sustainability.

Through its commitment to responsible business practices, GNCB has generated economic value for its stakeholders while prioritising the long-term sustainability of its operations.

This approach has resulted in the group's ability to consistently deliver significant economic benefits to its shareholders, employees, and the broader community.

NET DEBT TO EQUITY RATIO

0.23 Ratio

Year 2022 > 0.55 Ratio

RETURN ON EQUITY (%)

0.54 %

Year 2022 > (0.76%)

CONSTRUCTION ORDER BOOK

513 million

Year 2022 > 548 million

ECONOMIC VALUE GENERATED AND DISTRIBUTED

When assessing a company's financial performance, it is crucial to analyse the economic value it generates and distributes. At GNCB, we are committed to generating and distributing economic value to all our stakeholders by prioritising efficiency and sustainability in all our business operations. By continually investing in our people, processes and technology, we ensure that we create and deliver high-quality products and services that meet our customers' needs.

Furthermore, we believe distributing economic value fairly and transparently is critical to building trust and long-term relationships with our stakeholders. We strive to provide fair compensation to our employees and suppliers, as well as reasonable returns to our shareholders.

ECOMONIC VALUE GENERATED ('000)

REVENUE

RM 318,349

YEAR 2022 > RM 233,517

NET PROFIT/(LOSS)

RM 5,582

YEAR 2022 > RM (2,593)

MARKET CAPITALISATION

RM 218,370

YEAR 2022 > RM 248,490

ECOMONIC VALUE DISTRIBUTED ('000)

REPAYMENT TO FINANCIERS

RM 14,742

YEAR 2022 > RM 16,565

GOVERNMENT (INCOME TAX)

RM 12,223

YEAR 2022 > RM 8,641

COMMUNITY INVESTMENT

RM 12,000

YEAR 2022 > RM 34,000

PAYMENT TO DIRECTORS & EMPLOYEE
(Salaries, Remuneration, etc.)

RM 23,760

YEAR 2022 > RM 23,472

RETURN TO SHAREHOLDERS
(Dividends)

RM 0

YEAR 2022 > RM 0

Value Creation from Projects

GNCB is primarily involved in four segments: building construction, provision of facility management services, operation of a district cooling system for the supply of chilled water and electricity distribution, and property development.

Since 2016, GNCB has actively participated in the development of affordable housing as part of its support for the 12th Malaysia Plan (12MP). This commitment aims to address housing insecurity, promote economic stability, and foster community diversity. In sum, affordable housing plays a vital role in creating a healthier, more inclusive, and thriving community.

In 2024, our company is proud to announce that we were awarded a major project from Kwasa Land Sdn Bhd - a subsidiary of the Employees Provident Fund (EPF). This project involves the construction of 4,183 affordable residential units in the 34.86 acres Kwasa Damansara township, with a gross development value (GDV) of RM1 billion. This is a significant addition to our ongoing property development efforts, which are worth RM3.6 billion in GDV and will ensure earnings visibility until 2032.

We are committed to developing up to 14,000 affordable housing units in Greater Kuala Lumpur over the next eight years, which includes the ongoing Idaman Bukit Jelutong project and the upcoming Idaman Elmina affordable housing project. We are excited to be a part of this initiative to provide quality affordable housing to the community, and we are confident that our experience and expertise will enable us to deliver these projects on time and at the highest standards.

Our company has recently achieved an important milestone in expanding our business. We have successfully secured a sub-contract work worth RM75.74 million from Paramount Property Construction Sdn Bhd, a wholly-owned subsidiary of Paramount Corporation Berhad. This achievement is expected to have a positive impact on our overall revenue and profitability while also strengthening our reputation and credibility within the industry.

We have completed several noteworthy projects recently, which include the Masjid Al-Sultan Abdullah situated at the iconic Merdeka 118 Tower, the Cardiology Center at Serdang Hospital, the PPAM Selindung Daun project located in Ulu Yam, and the Antara Residence nestled in the heart of Putrajaya.

STRATEGY 3

SAFEGUARDING THE ENVIRONMENT

PROGRESS ON THE SUSTAINABILITY TARGETS SET FOR STRATEGY 3

Sustainability Matters	Target(s)	Progress		
		FY2022	FY2023	Performance (FY2023)
Environmental Requirements' Compliance	Maintain ISO 14001:2015 EMS certification.	**Successfully Re-certified**	**Successfully Maintained**	On track as per target.
	99% compliance with environmental quality monitoring activities (air, water and noise) conducted at all operations.	**99 %**	**99 %**	On track as per target.
	Zero incidents and fines due to severe environmental pollution.	**0**	**0**	On track as per target.
Environmental Footprint	5% reduction in electricity consumption at GNCB head office and Property Development office by 2026.	**242,241 kWh**	**239,136 kWh**	Approximately 1% reduction from 2022. On track towards achieving our target.
	5% reduction in water consumption at GNCB head office and Property Development office by 2026.	**78,635 m³**	**87,885 m³**	Approximately 12% increase from 2022. To improve efforts.
	2% reduction in Scope 1 emissions by 2026.	**N/A**	**In progress**	**New environmental targets included for FY2023 reporting.** **The baseline data will be presented in the 2024 Sustainability Statement.**
	2% reduction in Scope 2 emission by 2026.	**N/A**	**In progress**	
	2% reduction in Scope 3 emissions by 2026 for Category 6 (Business Travel) and Category 7 (Employee Commuting).	**N/A**	**In progress**	

ENVIRONMENTAL COMPLIANCE PERFORMANCE

Certified ISO14001 Environmental Management System

In our commitment to environmental management and sustainability, we have adopted MS ISO14001 to enhance our reputation and credibility among stakeholders, including customers, investors, and regulatory bodies. The organisation has successfully maintained the certification in 2023 with LRQA Malaysia.

The certification has been instrumental in identifying and mitigating environmental risks and opportunities, leading to improved operational efficiency and reduced costs. Moreover, it has facilitated better compliance with environmental regulations and standards, thus minimizing the company's legal liabilities.

Environmental Regulatory Compliance

At GNCB, we remain unwavering in our commitment to environmental stewardship and regulatory compliance. However, we regret to report that in the year 2023, we were subject to three (3) fines levied by Lembaga Urus Air Selangor, for a total of RM15,000. We recognize the gravity of these infractions and are taking immediate action to address the underlying issues.

Our organisation is fully dedicated to ensure that all environmental laws and regulations are adhered to, and we are continually striving to advance our environmental management practices. We are confident that with the implementation of our corrective measures, we will be better equipped to navigate regulatory requirements and remain steadfast in our commitment to environmental responsibility.

Environmental Monitoring and Protection

At GNCB, we conduct rigorous and periodic air, noise, and water pollution monitoring at all our construction sites to ensure strict compliance with regulatory standards. By doing so, we minimize our environmental impact and demonstrate our firm commitment to environmental protection. We take a proactive approach to environmental stewardship, and our monitoring program is a key component of our strategy to minimize our footprint and safeguard the communities in which we operate. To ensure the veracity of our results, we have engaged accredited laboratories to oversee the monitoring, sampling, and reporting processes.

> Air Monitoring

Air monitoring is crucial in assessing the environmental impact of new development sites. To reduce the amount of airborne dust particles and other pollutants at our operational sites, we have taken specific measures such as using water sprays, covering materials, and low-emission tools and equipment like the Concrete Placing Boom. Additionally, we have replaced conventional timber formwork with aluminium formwork. By doing so, we are effectively mitigating air pollution and contributing to a cleaner and healthier environment.

To ensure the effectiveness of our initiatives, we have been measuring the levels of Total Suspended Particles (TSP) and/or Particulate Matter 10 (PM10) in our ongoing project. We have referred to the Department of Environment (DOE) Malaysia to determine the permissible limits for both readings.

The table below displays the average results:

Air Monitoring Results FY2023

Current Project	Permissible Limit	Average Reading
MRSM Dungun	260 µg/m³ (TSP)	67.3
Sakura Residence, Precinct 11	100 µg/m³ (PM10)	31.0
Rumah Idaman Bukit Jelutong	260 µg/m³ (TSP)	102.9
Kwasa Land	100 µg/m³ (PM10)	45.0

> Water Monitoring

At GNCB, we recognize that the runoff from our operational sites has the potential to negatively impact aquatic ecosystems and water quality. To address these issues, we have taken a proactive approach by implementing a series of environmental Best Management Practices (BMPs) as outlined in the approved Erosion and Sediment Control Plan (ESCP). These BMPs include the installation of a silt trap/sediment basin, silt fence, check dams and temporary earth drain. To ensure maximum effectiveness, all BMPs are subject to periodic maintenance. By utilizing these measures, we aim to minimize the number of pollutants introduced into the surrounding environment during construction activities.

To ensure the effectiveness of our initiatives, we have been measuring the levels of Total Suspended Solid (TSS) in our ongoing project. We have referred to the Department of Environment (DOE) Malaysia to determine the permissible limits for both readings.

The table below displays the average results:

TSS Monitoring Results FY2023

Current Project	Permissible Limit	Average Reading
MRSM Dungun	50 mg/L	11.2 mg/L
Sakura Residence, Precinct 11	50 mg/L	9.0 mg/L
Rumah Idaman Bukit Jelutong	50 mg/L	43.2 mg/L
Kwasa Land	50 mg/L	20.8 mg/L

> Ambient Noise Monitoring

At GNCB, ambient noise monitoring is crucial to evaluate and reduce the impact of construction activities on the nearby environment and residents. To minimize such impact, several mitigation measures have been implemented, including the installation of hoarding, regular inspection and maintenance of machinery and rotating equipment, and avoidance of any work at night unless a valid permit is issued by the local authority.

Overall, noise monitoring is essential for us to minimize noise pollution, protect public health, and maintain good relations with the surrounding community.

Noise Levels Monitoring Results FY2023

Current Project	Permissible Limit	Average Reading
MRSM Dungun	Day - 55 dB(A)	51.5
	Night - 50 dB(A)	46.5
Sakura Residence, Precinct 11	Day - 65 dB(A)	58.7
	Night - 55 dB(A)	49.6
Rumah Idaman Bukit Jelutong	Day - 65 dB(A)	63.8
	Night - 55 dB(A)	52.7
Kwasa Land	Day - 65 dB(A)	47.1
	Night - 55 dB(A)	47.0

GNCB recognizes the significance of environmental protection, particularly in the construction sector. Therefore, we have implemented environmental control measures at our construction sites.

Chemical storage and spillage prevention initiatives

Implementation of BMPs

ENVIRONMENTAL FOOTPRINT PERFORMANCE

Energy Consumption

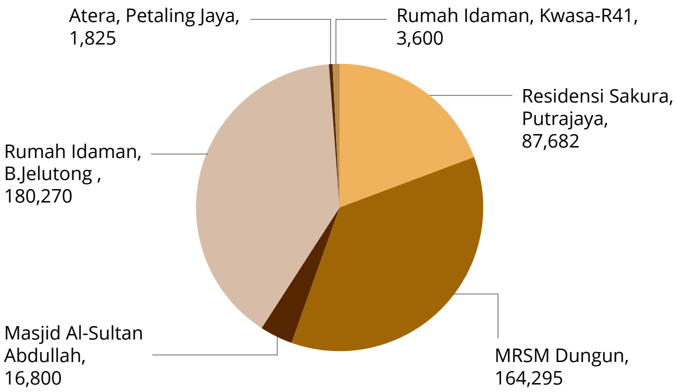
At GNCB, we are striving to cultivate a culture of energy management in the workplace. This involves promoting a mindset of energy efficiency and sustainability among employees at every level of the organisation. We encourage our employees to adopt behaviours and practices that prioritize energy conservation and efficiency in their daily work routines. Our efforts include raising awareness about the importance of energy conservation and providing training on energy-saving practices to contribute to our overall goal of reducing energy consumption.

Given our reliance on fossil fuel energy, we have made an unwavering commitment to reducing our energy consumption. Our strategy involves implementing a rigorous system to monitor yearly electricity and diesel usage across our office and operation.

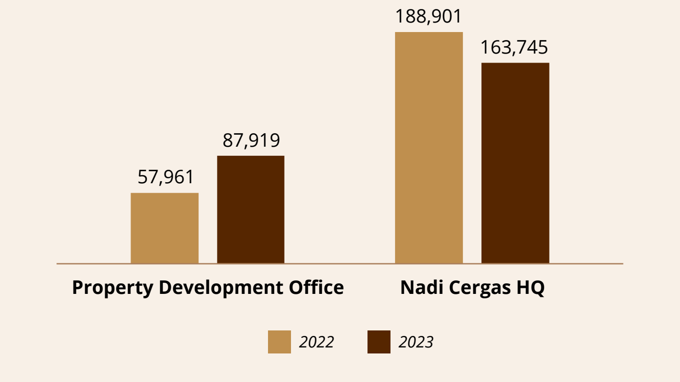
This year marks the second time we report our energy consumption. Through this process, we have identified and implemented measures that have led to a significant reduction in our energy usage. These measures include:

- Turning off lights, air-conditioning, computers and copy machines when not needed, especially during lunch hour;
- Established a preventative maintenance schedule for air-conditioning systems;
- Prioritise high Energy Star when purchasing new office equipment; and
- Creating awareness and encouraging employees to be energy-conscious by putting energy-saving labels at every main switch.

Diesel Usage Record (In litres) - Year 2023

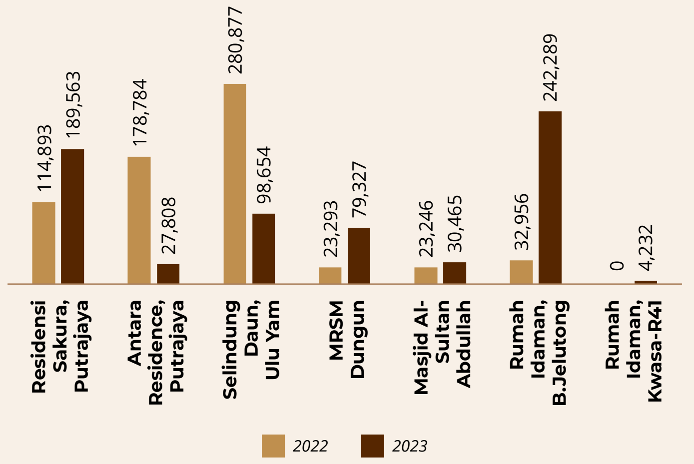


Electricity Consumption - GNCB Offices (in kWh)



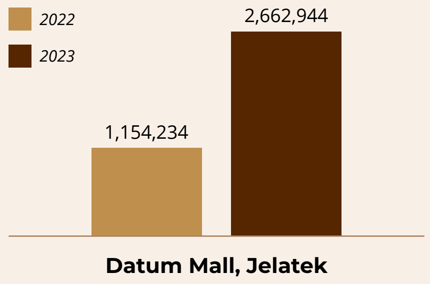
Note: Electric consumption at the Property Development Office increased due to office relocation and the recruitment of new staff.

Electricity Consumption - Construction Sites (in kWh)



Note: Electricity usage at the construction site increased during peak progress but decreased after project completion and handover to the client.

Electricity Consumption - District Cooling System (in kWh)



Note: The District Cooling System in Datum Mall started functioning in 2022. During its first year, it experienced a significant increase in electricity consumption. It is expected that this trend will continue in the second year and remain stable in the following years as the mall operates on the same schedule.

Sustainable Energy Solution

GNCB is supporting the transition towards a low-carbon economy by entering the district cooling business which is currently managed by one of our subsidiary companies, Naditech Energy Sdn Bhd. District cooling is a type of centralized cooling infrastructure that provides air conditioning or chilled water to multiple buildings or facilities within a specific area. This system is known for its energy efficiency, cost-effectiveness, and environmental benefits compared to traditional air conditioning systems.

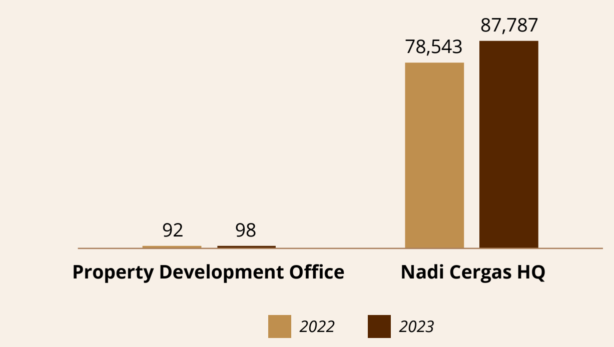
By centralizing the cooling process, district cooling systems can reduce energy consumption, greenhouse gas emissions, and maintenance costs for building owners and operators. They also offer scalability, reliability, and flexibility in meeting the cooling needs of a growing urban environment, helping districts, cities, and townships achieve their decarbonization goals.

Water Consumption

Climate change is causing changes in weather and water patterns across the globe, leading to water shortages and droughts in certain regions and floods in others. Although Malaysia is blessed with a bountiful supply of water, it is still important for us to be mindful of our water consumption.

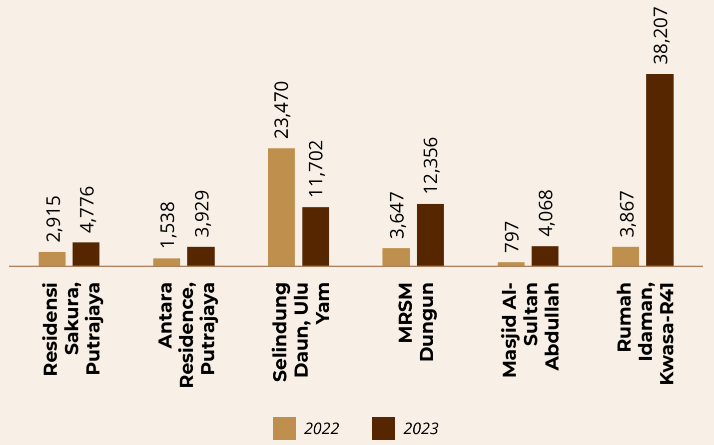
At GNCB, we are particularly mindful of our water consumption as we operate in industries that utilize significant amounts of water, such as construction and utilities. In 2022, we began collecting baseline data to ensure responsible water usage, and this year marks the second time we report our water consumption. We are committed to finding ways to reduce water usage and ensuring sustainable practices throughout our business operations.

Water Consumption - GNCB Offices (in m³)



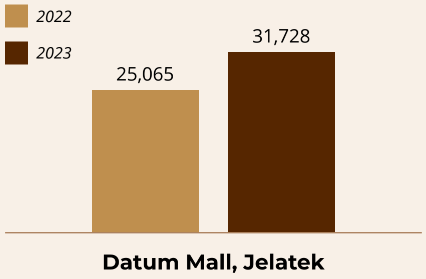
Note: Water consumption at GNCB offices increased due to the recruitment of new staff.

Water Consumption - Construction Sites (in m³)



Note: Water consumption at the construction site increased during peak progress but decreased after project completion and handover to the client.

Water Consumption - District Cooling System (in m³)



Note: The District Cooling System in Datum Mall started functioning in 2022. During its first year, it experienced a significant increase in water consumption. It is expected that this trend will continue in the second year and remain stable in the following years as the mall operates on the same schedule.

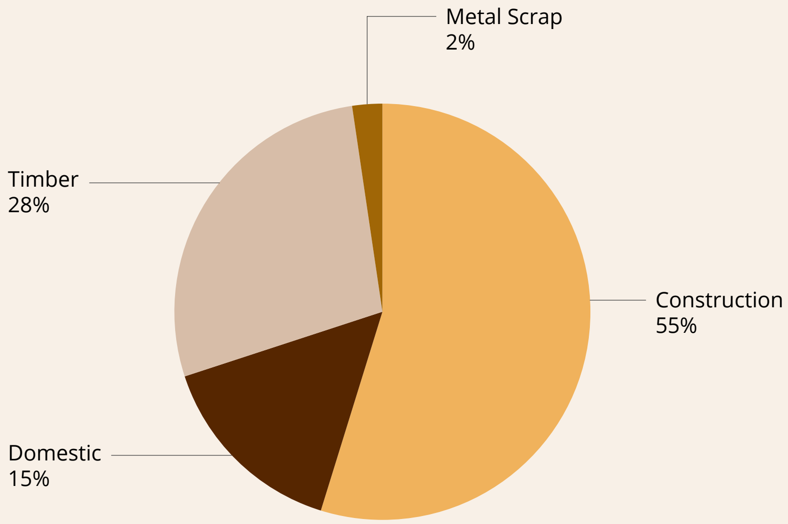
Waste Management

At our organisation, we firmly believe in taking responsibility for our waste production and ensuring that it is managed sustainably. To allow us to understand our waste production better and plan for better improvement, this year marks our second report on waste percentage generated in our operations.

We understand the immense impact that waste can have on the environment and are dedicated to doing our part to minimize this impact by implementing various practices, including waste segregation at the source to facilitate recycling and proper disposal. Additionally, we recycle materials such as concrete, metal, and wood to minimize the volume of waste sent to landfills. We ensure that waste is disposed of in full compliance with local regulations and guidelines to prevent environmental contamination.

To cultivate a culture of sustainability on-site, we provide our workers and subcontractors with training on proper waste management practices. Furthermore, we leverage engineering controls to reduce waste generation on-site, such as replacing conventional timber formwork with aluminium formwork and adopting IBS into our construction method.

Percentage of Waste Generated - Year 2023



STRATEGY 4 ENHANCING PRODUCT QUALITY

PROGRESS ON THE SUSTAINABILITY TARGETS SET FOR STRATEGY 4

Sustainability Matters	Target(s)	Progress		
		FY2022	FY2023	Performance (FY2023)
Products and Services Quality	Maintain ISO 9001:2015 QMS certification.	**Successfully Re-certified**	**Successfully Maintained**	On track as per target.
Customer Satisfaction	Achieve more than 88% score on the overall client satisfaction of completed construction projects for the year.	**84 %**	**89 %**	On track as per target.

PRODUCTS AND SERVICES QUALITY PERFORMANCE

Certified ISO9001 Quality Management System

LRQA
CERTIFIED
ISO 9001

GNCB remains dedicated to delivering top-quality products and services through a robust management approach to achieve excellence in quality. It brings us great pride to announce that our MS ISO9001 Quality Management System ("QMS") has been successfully maintained in 2023. We are delighted to have met the standards set by LRQA and to be MS ISO9001 compliant. This achievement demonstrates our unwavering commitment to meeting the highest quality standards and delivering exceptional service to our clients.

CIDB QLASSIC Achievement

As construction is a significant part of our business, we strive to provide our customers with the best possible work quality that meets their expectations. To ensure that we can deliver on this promise, we have integrated the Construction Industry Development Board Malaysia's ("CIDB") Quality Assessment System in Construction ("QLASSIC") into our quality assurance and control program for construction projects.

QLASSIC is a system or method that measures and evaluates the quality of workmanship in building construction work. It is based on the Construction Industry Standard (CIS 7:2014) and enables objective comparison of workmanship quality between different construction projects through a scoring system.

The evaluation process of the work involves a scoring system ranging from 0-100%. The score is determined based on various factors, such as the level of detail, accuracy, completeness, and adherence to guidelines, among others. A higher score indicates a better quality of work, while a lower score suggests the need for improvement. The scoring system provides a quantitative measure of the work's quality and helps to identify areas that require attention and improvement.

In short, the QLASSIC assessment covers four main components:

1. Architectural works
2. Structural works
3. External works
4. Basic M&E works

To date, we have completed QLASSIC assessments for five of our construction projects. The table summarizes the QLASSIC scores achieved for each project up until 2023.

Year	Project	QLASSIC Score
2021	Rumah SelangorKu Bandar Bukit Raja	77%
	Maktab Rendah Sains Mara, Bagan Datuk	78%
2022	Rumah SelangorKu Putra Heights	66%
	Pusat Kardiologi, Hospital Serdang	81%
2023	Selindung Daun, Ulu Yam (Phase 2)	76%

We are delighted to share that all five of our construction projects have achieved satisfactory QLASSIC scores, which is a testament to our unyielding dedication to delivering better-quality construction work.

Moving forward, we aim to have all of our construction projects assessed by the QLASSIC system. This will enable us to consistently deliver construction work of the highest quality, thereby enhancing our reputation as a reliable and trustworthy construction partner. We believe that this commitment will not only benefit our clients but also contribute to the development of a sustainable built environment.

Client Satisfaction Performance

At GNCB, we believe that building strong relationships with our clients is key to our success. To achieve this, we have a structured approach to gathering feedback on our products and services. At the end of each project, we send out client satisfaction surveys that cover ten different criteria. By collecting this feedback, we can continuously improve our offerings and ensure that our clients are satisfied with the results.

We value feedback and strive to continuously improve our construction projects. To ensure we are meeting our high standards, our construction team conducts thorough post-project reviews for every completed project. By carefully considering feedback and analyzing the outcomes, we are able to identify areas for improvement and implement necessary changes to ensure the success of future projects.

CLIENT SATISFACTION CRITERIA

- Reliability & competency of the project team
- Project planning & monitoring
- Site supervision & coordination of works
- Quality of workmanship
- Sufficiency of plant & machinery
- Communication & cooperation
- Responding to clients' needs & requirements
- Compliant to specifications & drawing
- Timely completion of the project
- Professionalism

Year	Project	Rating (%)
2017	UTeM Student Hostels, Melaka	92
2018	Pejabat Mini (KPDNHEP), Kuala Pilah	92
2020	Maktab Rendah Sains Mara, Bagan Datuk	82
	Rumah SelangorKu Bandar Bukit Raja	78
2022	Rumah SelangorKu Putra Heights	80
	Pusat Kardiologi, Hospital Serdang	88
2023	Antara Residence, Precinct 5	84
	Selindung Daun, Ulu Yam (Phase 1 & 2)	94

We have achieved an average client satisfaction rate of

89%

For projects completed in 2023

STRATEGY 5 WORKFORCE EMPOWERMENT

PROGRESS ON THE SUSTAINABILITY TARGETS SET FOR STRATEGY 5

Sustainability Matters	Target(s)	Progress		
		FY2022	FY2023	Performance (FY2023)
Workplace Environment	Maintain ISO 45001:2018 OH&SMS certification.	**Successfully Re-certified**	**Successfully Maintained**	On track as per target.
	Zero incidents resulting in permanent disability or fatality of employees and *contractors *(Working on locations under GNCB's control).*	**0**	**0**	On track as per target.
Diversity and Inclusion	Achieve 30% representation of women in Senior Management positions by 2026.	**28 %**	**28 %**	Progress remains the same as FY2022.
	35% of employees comprise of women by 2026.	**34 %**	**34 %**	Progress remains the same as FY2022.
Learning and Development	At least 55% of employees attended a minimum of 8 hours of training.	**53 %**	**70 %**	Achieved higher than the set target.
	Maintain a minimum of 200 hours of occupational health and safety-related training.	**361** Hours	**366** Hours	On track as per target.

WORKPLACE ENVIRONMENT PERFORMANCE

Governance of Occupational Safety and Health

At GNCB, we place a high emphasis on ensuring that the safety and well-being of our employees and other stakeholders are cared for. We understand that occupational safety and health ("OSH") is a vital component of a healthy and productive workplace environment. As such, we have implemented comprehensive measures to identify and manage workplace hazards, prevent accidents, and promote safe practices across all our business segments.

GNCB is committed to ensuring the safety and well-being of its employees and stakeholders by adhering to the safety and health acts, regulations and other relevant Codes of Practice set by the government and/or its relevant agencies.

Additionally, we have adopted and certified the MS ISO45001 OHS Management System as part of maintaining our OSH framework. We are also guided by the Group OSH Policy, which outlines our commitment to ensuring a safe and healthy working environment.

LRQA
CERTIFIED
ISO 45001

Fulfilling legal & other requirements

Strive towards ZERO lost of life at all workplaces

Committed to consultation & participation of workers, employees & external parties

Fulfilling legal & other requirements

Provide safe & healthy working condition to prevent work-related injury & ill health

Dedicated to protecting the Environment, including pollution prevention

Continual Improvement in OSH Management System

Provide safe & healthy working condition to prevent work-related injury & ill health

> OSH Performance Data

No incidents related to lost time injury or fatality have been reported in 2023, which serves as a testament to the unwavering commitment and diligence of our construction team.

Below is the OSH performance data for our construction business:

OSH Performance Parameter	FY2022	FY2023
Number of active project sites	6	7
Total hours worked	4,213,255	2,931,006
Absolute number of fatalities	0	0
Number of LTI/accidents with lost workdays	0	0
LTI frequency rate (Number of LTI cases per 1-million-man hour worked)	0	0

Our objective for the next few years is to provide comprehensive and transparent information on the OSH performance of all subsidiaries within the Group. This will allow us to monitor and improve our safety practices, as well as provide stakeholders with a better understanding of our commitment to OSH. We believe that this step will promote accountability and reinforce our dedication to maintaining a safe and healthy work environment for all our employees.

> OSH Training & Campaigns

To maintain workplace safety and health, we provide OSH training to employees and workers. The training programs we conduct are comprehensive and include topics that are relevant to our business segment in GNCB. We also conduct workplace safety campaigns to educate employees and workers from time to time.

Following is the Group's OSH-related safety training conducted for FY2023:

Training Type	No of Participants	Training Hours (Hrs)	Trained – Man Hours (Hrs)
Internal	132	54	526
External	96	312	1,136
Total	**228**	**366**	**1,662**

SAFETY, HEALTH & ENVIRONMENT CAMPAIGN 2023

1.5 MILLION SAFE MANHOURS ACHIEVEMENT

SAKURA RESIDENCE PROJECT, PRECINCT 11

Employee Engagement and Welfare

> Employee Remuneration and Employment Benefits

Here at GNCB, we offer our employees competitive packages based on qualifications, experience, and performance that align with market standards.

We uphold the principle of rewarding employees based on their performance. We hold a steadfast commitment to equal opportunities and do not engage in any form of discrimination or favouritism based on gender, ethnicity, age, religion, disability, or any other demographic factor. We take our responsibility as an employer seriously and, as such, comply with the Employment Act 1955 which mandates the provision of a fair and equitable remuneration package for all employees.

ZERO

Reported incidents of discrimination based on gender, religious beliefs or ethnicity during the fiscal year.

BENEFITS	2022		2023	
	Head Count	Claim Amount	Head Count	Claim Amount
Health Care (Outpatient)	156	RM 85,047.55	197	RM 113,696.12
Group Hospitalisation & Surgical	58	RM 170,079.69	75	RM 313,088.78

> Long Service Award

In 2023, GNCB had the privilege of awarding the Long Service Award to six of its most valued employees, each of whom had been working with the company for over 15 years. These employees have demonstrated an unwavering commitment to their work and have been a vital part of the company's success over the years. As a token of appreciation, the company presented each employee with a 50-gram gold bar that serves as a lasting reminder of their achievements.

We congratulate the following recipients of the Long Service Award:

- **Mr. Lee Say Tuang**
- **En. Mohamad Rafidi Bin Abdul Wahab**
- **En. Nor Shamsul Bin Mahmad Naip**
- **Mr. Thiew Po Chong**
- **En. Jabar bin Abdul Hamid**
- **Pn. Shalihah Bt Yusoff**

> Employee Children's Excellence Award

At GNCB, we greatly value the growth and development of our employees and their families. We believe that by fostering an environment of support, recognition, and encouragement, we can help our employees' children unlock their full potential and achieve their dreams.

This year, we are thrilled to announce that we have conferred the Employees' Children Excellence Award to three remarkable individuals who have displayed exceptional academic achievements and successfully enrolled in university. These awardees are the children of three of our most dedicated employees, and we are extremely proud of their accomplishments.

> Hari Raya Aidilfitri Celebration

A Hari Raya Aidilfitri celebration can be a vibrant and joyous occasion that brings colleagues together to celebrate diversity, foster camaraderie, and share in the spirit of the festive season.

GNCB went the extra mile to foster a sense of community among employees by organising an event to celebrate the joyous occasion of Hari Raya. The event was a delightful feast for the senses, featuring an array of traditional Raya delicacies. The atmosphere was vibrant and filled with laughter as our employees and their families mingled and enjoyed the festivities together.

> "Kurma" Distribution

Ramadan, a sacred month in the Islamic calendar, is a time of spiritual reflection and devotion for Muslims around the world. During this month, Muslims observe a daily fast from dawn until sunset, refraining from food, drink, and other physical needs. Beyond the act of fasting, Ramadan is also a time for Muslims to come together and celebrate with family, friends, and colleagues.

As a gesture of goodwill, we distributed a box of dates to all of our Muslim employees. Dates are rich in carbohydrates, making them an excellent source of energy to sustain individuals throughout the day. We hope that this small gesture will help our Muslim colleagues feel appreciated and supported during this important time of year.

> Old Clothes Donation

Following a fire incident that resulted in significant loss of personal belongings and shelter for 84 workers, we promptly took necessary measures to address the situation. Our team worked together to restore a shelter area and donate old clothes.

As a result of our collective efforts, the shelter area is now in excellent condition, and clothing has been given to those who need it. We take full responsibility for any negative impacts resulting from our business and remain committed to supporting our employees and the community in every possible way. As a responsible employer, it is our duty to ensure that our business practices align with our social and ethical responsibilities.

> GNCB's Sports Club Events

GNCB has established a sports club to promote the health and well-being of its employees. The club provides opportunities for physical activity and stress relief, as we believe that regular exercise can lead to improved overall health, reduced absenteeism, and increased productivity among our employees. To encourage employee participation in physical activities, we have organised four main events for 2023:

- Bowling League;
- Badminton Night – Nadi Cergas Urus Harta;
- Football Friendly Match with Mah Sing Group; and
- Zumba Day.

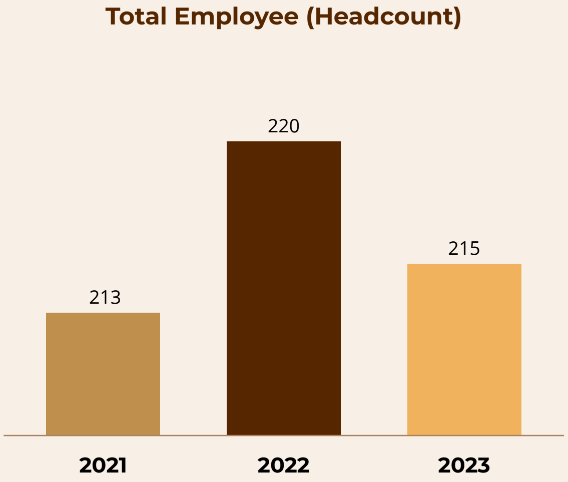
The participation of more than 100 employees in these events has created a sense of unity and teamwork, leading to improved communication and productivity.

Bowling League

Football Friendly Match

Zumba Day

Badminton Night



DIVERSITY AND INCLUSION PERFORMANCE

Our organisation recognizes that our employees come from diverse backgrounds and beliefs. We strive to provide equal employment opportunities and believe that our success is due to the contributions of our employees, who are our greatest asset.

In GNCB, we value diversity in all its forms. However, since our main business segment is male-dominated, we've placed a particular emphasis on achieving gender equity.

We firmly believe in creating an inclusive workforce that embraces the principles of diversity.

This approach has enabled us to leverage the different perspectives, skills, and knowledge of our team members, which, in turn, has fostered a healthy working environment, improved performance, and strengthened our growth prospects.

Workforce Demographic Data

At GNCB, the workforce is predominantly male. However, when it comes to office-related work, there is a more equitable distribution of male and female employees. This is primarily due to the physically demanding and intensive nature of the work that is carried out at construction and operational sites, which tends to be better suited to male employees.

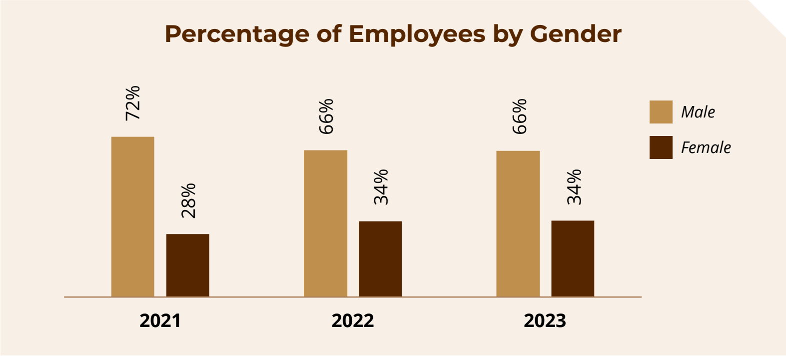
Despite this, the company is committed to achieving greater gender balance across all areas of the organisation. As such, it is taking proactive steps to ensure that women are given equal opportunities to participate in every aspect of the business. This includes initiatives such as actively seeking out female candidates for open positions, providing training and development opportunities for female employees, and creating a work environment that is inclusive and supportive of women.

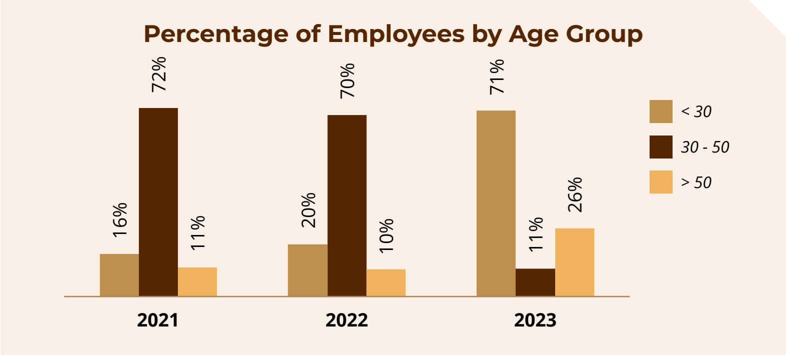
By prioritizing gender balance, GNCB is not only creating a more diverse and inclusive workplace but also improving its overall performance by harnessing the talents and skills of its entire workforce.

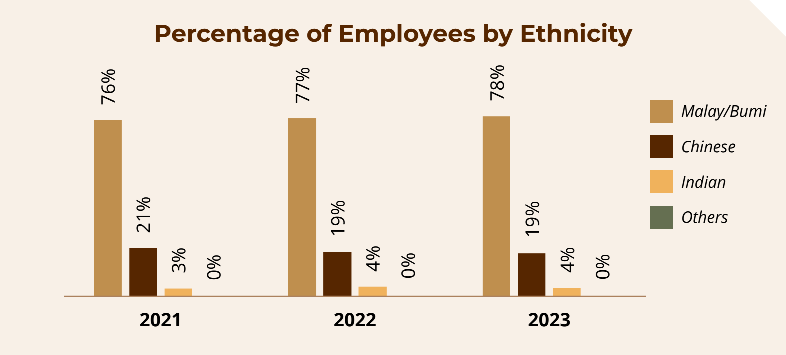
The age range of the majority of our employees is between 30 to 50 years old. This age range has been identified as particularly beneficial for our company's succession planning initiatives. By having a diverse pool of talent within this age range, we can ensure the availability of necessary resources for progress and continued success.

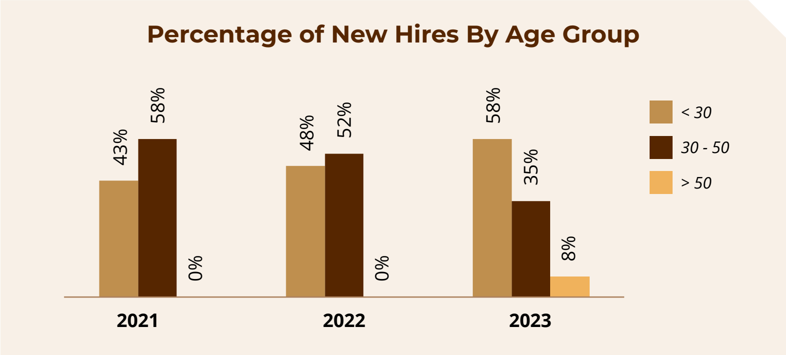
Moreover, having an experienced and capable workforce within this age group enables us to fill any gaps that may occur in our operations. This ensures that we can continue to deliver quality services and products to our customers without any interruptions. Additionally, we recognize the importance of having a diverse workforce, including employees of different ages, genders, and backgrounds. We believe that this diversity is essential for driving innovation, fostering creativity and contributing to a positive work environment.

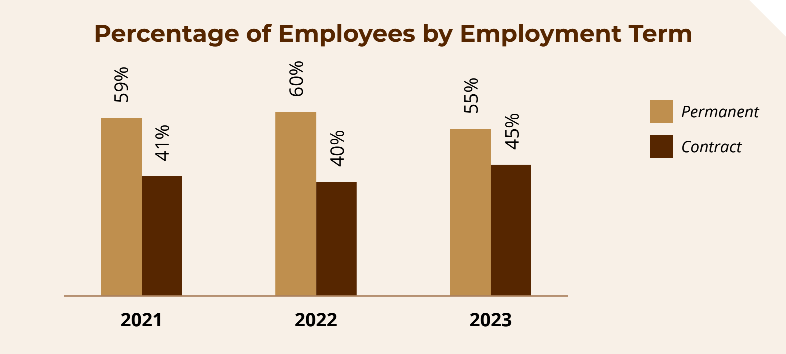
The majority of employees in this organisation are hired permanently, and they are locals, excluding foreign labour. This policy allows more locals to enjoy job security and improved employee benefits. As for the hiring trend for FY2023, the Group is mainly focusing on two age groups: the 30 – 50 range, followed by those under 30 years old. This approach reflects the Group's aim to hire individuals with more experience and maturity while also giving opportunities to younger generations.











LEARNING AND DEVELOPMENT PERFORMANCE

To ensure that our employees are equipped with the necessary skills and knowledge, we conduct a thorough gap assessment and annual performance appraisal. This helps us identify any areas where employees may require additional training.

All our employees undergo a formal performance appraisal at least once a year. All employees received their respective appraisal results during the financial year.

We understand the significance of ongoing training and professional development in keeping our employees motivated and engaged. Therefore, we provide funding for all training programs, and our employees may also request suitable training programs to keep themselves abreast of relevant developments in their skill set.

We have invested

RM 111,377

for employee training and recorded

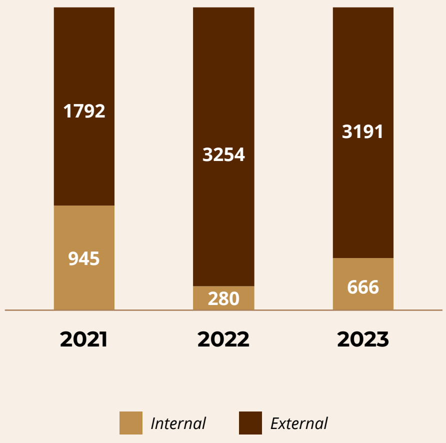
3,971 HOURS

of training in FY2023.

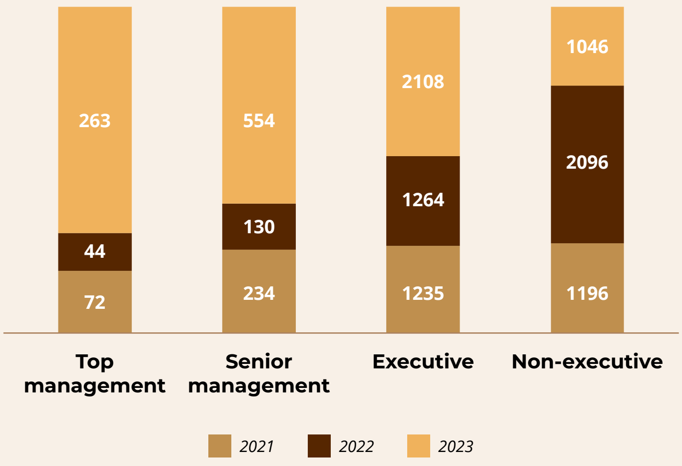
Gender	2021		2022		2023	
	Total Training (Hours)	Avg. Training (Hours)	Total Training (Hours)	Avg. Training (Hours)	Total Training (Hours)	Avg. Training (Hours)
Male	1,760	11.5	2,078	14.3	2,450	20.6
Female	977	16.3	1,456	19.4	1,521	17.5
Total	**2,737**	**-**	**3,534**	**-**	**3,971**	**-**

We strongly believe that investing in our employees is crucial for their personal and professional growth, as well as for the success of our Group. Therefore, we are fully committed to providing our employees with the best possible training and professional development opportunities, so that they can enhance their skills and expertise.

Total Employee Training Hours



Training Hours by Category



STRATEGY 6 SERVING THE COMMUNITY

PROGRESS ON THE SUSTAINABILITY TARGETS SET FOR STRATEGY 6

Sustainability Matters	Target(s)	Progress		
		FY2022	FY2023	Performance (FY2023)
Community Investment	Invest 0.01% of the previous year's revenue in CSR initiatives.	Revenue of RM199,256,000 generated. **RM34,000** was invested.	Revenue of RM233,517,000 generated. **RM12,000** was invested.	Did not achieve the set target. To increase efforts.

COMMUNITY INVESTMENT PERFORMANCE

As a responsible organisation, GNCB is aware that investing in the community is a crucial factor in establishing a robust and thriving society. This entails directing resources towards projects and programs that serve the community such as education, healthcare, public services, and infrastructure development. By doing so, we can create a positive change that enhances the quality of life for both individuals and families, stimulates the local economy, and promotes social unity.

CSR Glow Project – Zoo Negara

GNCB and Zoo Negara worked together to revamp the Panda Conservation Center. By giving them a fresh coat of paint, the Centre now has a more appealing look and better resilience, which can attract a larger audience.

With its focus on animal welfare and environmental stewardship, Zoo Negara has successfully embodied its mission through this project. This collaboration has significantly contributed to wildlife conservation and environmental protection, and it deserves continued support.

CSR Glow Project

Blood Donation

Public Blood Donation Drive & Free Health Screening

To support Pusat Darah Negara's mission of collecting an average of 2,000 bags of blood daily and to avoid a shortage of blood supply across the nation, we have organised a Blood Drive event, open to all staff and the public. The primary aim of this event is to raise awareness about the importance of blood donation and how it can potentially save lives.

A total of 81 donors have registered to donate their blood, however, only 63 donors were accepted. Free health screenings were provided as a complementary, mainly to identify potential health risks and issues among our employees.

A total of 107 employees took part in the health screening initiative and these events serve as a valuable tool for identifying health trends and patterns within the workforce.

Nadi We C.A.R.E.: Seed Planting Project & "Satu Orang Satu Pokok" Program

Nadi We C.A.R.E.: Seed Planting "Satu Orang Satu Pokok" Program

Our organisation has demonstrated its commitment to fight against climate change by organizing several tree planting projects. In June 2023, we collaborated with the Malaysian Nature Society (MNS) in planting Pokok Merbau seeds for forest reservation.

Around 36 staffs have gathered to plant about 200 Pokok Merbau seeds and plants. The significance of this effort lies in the fact that Pokok Merbau is a valuable and endangered species that plays a crucial role in mitigating the effects of climate change.

In December 2023, a tree planting project with the theme "Satu Orang Satu Pokok" was organised by Nadi Cergas Urus Harta's team at IIUM – Kuantan. This program of planting trees in student residential areas (Mahalla) was to enhance the greenery within the Mahalla compound.

By undertaking these initiatives, we have demonstrated our commitment to environmental sustainability and responsible corporate citizenship. The organisation will continue its efforts to combat climate change through similar initiatives in the future.

"Gotong-Royong Bersama Penduduk Arca U8"

We acknowledge that our development project has had negative impacts on the environment and has caused disruptions to the local community. In response, we organised a gotong-royong event with the residents of Arca U8 - Bukit Jelutong to clean up the neighbourhood.

The event involved clearing clogged drains, trimming large trees and shrubs, and cleaning the playground. Meanwhile, this event caught the attention of Majlis Bandaraya Shah Alam (MBSA) and they agreed to sponsor the event and provided an additional RORO bin to ensure that it was executed smoothly.

This partnership exemplifies effective collaboration and a commitment to community-oriented initiatives. Our goal is to minimize the negative impact of our project and cultivate stronger relationships with the community. We strive to promote a cleaner and healthier environment through such initiatives.

Gotong-Royong (Arca U8), B.Jelutong

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SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	3,586.95
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	194.651000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	951.84
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate (“LTIR”)	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	228
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Top Management Under 30	Percentage	0.00
Top Management Between 30-50	Percentage	23.00
Top Management Above 50	Percentage	77.00
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	78.00
Senior Management Above 50	Percentage	22.00
Executive Under 30	Percentage	36.00
Executive Between 30-50	Percentage	60.00
Executive Above 50	Percentage	4.00
Non-Executive Under 30	Percentage	29.00
Non-Executive Between 30-50	Percentage	66.00
Non-Executive Above 50	Percentage	5.00
Gender Group by Employee Category		
Top Management Male	Percentage	77.00
Top Management Female	Percentage	23.00
Senior Management Male	Percentage	85.00
Senior Management Female	Percentage	15.00
Executive Male	Percentage	41.00
Executive Female	Percentage	59.00
Non-Executive Male	Percentage	80.00
Non-Executive Female	Percentage	20.00
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Top Management	Hours	263
Senior Management	Hours	554
Executive	Hours	2,108
Non-Executive	Hours	1,046
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	45.00
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	12,000.00

>> CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board presents this Corporate Governance Overview Statement to provide its shareholders with an overview of the corporate governance ("CG") practices adopted by the Board for the financial year ended 31 December 2023. This Statement discloses the application of key CG principles, practices and recommendations set out in the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia.

The Board recognises the importance of good CG and is committed to upholding high standards of corporate governance practices in managing the Group's business towards its mission of sustainable growth.

This Statement is prepared in compliance with the ACE Market Listing Requirements of the Bursa Malaysia Securities Berhad ("ACE LR") and it is to be read together with the Company's Corporate Governance Report 2023, which is available on our corporate website at ***www.nadicergas.com***.

As at 31 December 2023, the Company has complied in all material aspects with the principles as set out in the MCCG except the following four (4) recommended CG practices:

i. **Practice 1.4 :** Chairman of the board should not be a member of Board Committees;

ii. **Practice 4.4 :** Review of the performance of the Board and Senior Management in addressing the Group's material sustainability risks and opportunities;

iii. **Practice 5.9 :** The board comprises at least 30% women directors

iv. **Practice 8.2 :** The board discloses on a named basis the top five senior management's remuneration in bands of RM50,000.

The summary of CG practices adopted by the Company and the Board's key focus areas and future priorities in particular for those CG practices not yet adopted are described below under each CG principle.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

a) Board Responsibilities

The Board recognises its roles and responsibilities in steering the strategic direction, establishing short, medium and long-term goals and monitoring the achievement of these goals. The Board meets regularly to review the corporate strategies, operations and performance of the Group's business segments. All Board members bring their independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The responsibilities of the Board include setting and reviewing the Group's strategic plans for each business segment and ensuring that the necessary resources are in place for the Group to meet its objectives. To enable the Board to discharge its duties effectively, it has assumed the following roles and responsibilities: -

- promote good corporate governance culture within the Group;
- review strategic plans to support long-term value creation and its implementation;
- oversee and assess the conduct of the Group's business to ensure it is being properly managed;
- understand the principal risks of the Group's business and recognise the need to achieve an acceptable balance between expected risks and potential returns to shareholders;
- ensure that measures are in place for the orderly succession of Board and Senior Management;
- ensure that the Company's shareholder communications policy and procedures are in place;
- review the adequacy and the effectiveness of the Group's risk management framework and internal control system; and
- ensure the integrity of the Company's financial and non-financial reporting.

The Board delegates the day-to-day business management of the Group to the Group Managing Director (GMD) so that the authority and accountability of management are considered to be the authority and accountability of the GMD so far as the Board is concerned, whilst significant matters remain vested under the purview of the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

a) Board Responsibilities (Cont'd)

Although the Company has not adopted Practice 1.4 of MCCG whereby the Chairman of the Board should not be a member of Board Committees, the Board took cognisance that our Chairman, Ir. Dr. Muhamad Fuad Bin Abdullah is not involved in the management and operational matters of the Company, and he always provides constructive ideas and opinions to the Board.

The roles, responsibilities and authorities of the Board, Board Committees, individual Directors and Company Secretaries are clearly outlined in the Board Charter, which serves as an authoritative governance document and induction literature. The Board Charter is made available on the Company's website: ***www.nadicergas.com***.

The Board members have full access to the two (2) qualified and competent Company Secretaries to provide sound governance advice. They are qualified to act as Company Secretaries under Section 235 (2) of the Companies Act 2016. The secretarial function of the Group is outsourced to Tricor Corporate Services Sdn Bhd.

In relation to Board meetings, the Board and its Committees have met with sufficient regularity to deliberate on matters under their purview. Meeting papers are furnished to the Board and Board Committee via email or hard copy at least five (5) business days prior to the meetings to allow Directors to have sufficient time to prepare, attend and actively participate during the Board and Board Committee meetings. During the year, the Board met five (5) times to hold discussions on key matters pertaining to the Group.

The attendance of individual Directors for the meetings of the Board and Board Committees is illustrated below:

			Attendance at Committee meetings in 2023		
Director	**Designation**	**Board attendance for 2023**	**ARMC**	**NC**	**RC**
Ir. Dr. Muhamad Fuad Bin Abdullah	Independent Non-Executive Chairman	5/5	5/5	1/1	1/1
Hj Wan Azman Bin Wan Kamal	Group Managing Director	5/5	▨	▨	▨
Dato' Sri Subahan Bin Kamal	Non-Independent Executive Director	5/5	▨	▨	▨
Professor Emerita Siti Naaishah Hambali	Independent Non-Executive Director	5/5	5/5	1/1	1/1
Chng Boon Huat	Independent Non-Executive Director	5/5	5/5	1/1	1/1

□ *Chairman* ▨ *Non-member*

The positions of the Chairman and the GMD are held by different individuals with clear and distinct roles which are formally documented in the Board Charter of the Company to ensure a balance of power and authority between the Chairman and the GMD.

The Chairman of the Board, Ir. Dr. Muhamad Fuad Bin Abdullah leads and manages the board by focusing on strategy, governance and compliance, whereas the GMD, Hj Wan Azman Bin Wan Kamal oversees the day-to-day operations of the Group and the implementation of the Board's decisions and policies.

The Board is also committed to a corporate culture that encompasses and embraces ethical conduct within the Group by adopting numerous policies which serve to achieve this commitment:

- Anti-Bribery and Corruption Policy
- Code of Ethics and Conduct Policy
- Insider Trading Policy
- No Gift Policy
- Whistleblowing Policy
- Conflict of Interest Policy

These policies enable the exposure of any violations or any improper conduct within the Group, so that appropriate action can be taken promptly to resolve them effectively. These policies are periodically reviewed and are available on the Company's corporate website: ***www.nadicergas.com***.

The Board and Management take responsibilities for the governance of sustainability matters by ensuring that it is integrated into the Group's strategies, business plans, risk management and business operations. However, the Group has not adopted Practice 4.4 of the MCCG as the criteria for performance evaluations to address material sustainability risk and opportunities are still being developed by the Management under the guidance of the Nominating Committee based on the Group's sustainability targets approved on 24 November 2022.

The continuous training is vital for the Directors in discharging their duties effectively. All Directors are encouraged to attend appropriate training programmes to gain insight and keep abreast with developments and issues relevant to the Group's business, especially in the areas of CG and regulatory requirements.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

a) Board Responsibilities (Cont'd)

The training programmes, seminars and/or conferences attended by the Directors during the financial year 2023 were as follows:

Director	Training Programme	Date of Training
Ir. Dr. Muhamad Fuad Bin Abdullah	• CSA Module: Islamic Capital Market	10 January 2023
	• BIMBSEC Corporate Day: Understanding 5G and its Prospects	17January 2023
	• An Indepth Study on Sukuk: Structuring and Issues	7 February 2023
	• CSA Module: Usul Mazahib	13 February 2023
	• Nadwah of Shariah Advisers in Islamic Capital Market	6 March 2023
	• Suite Talk: Governing Into The Future	8 March 2023
	• CSA Module: Corporate & Shariah Governance	14 March 2023
	• Environmental Sustainability and Governance (ESG) – How Adobe Acrobat Sign can help?	13 April 2023
	• ICDM PowerTalk: Advancing Cyber Resilience - Board's Top 3 Must-Knows	25 May 2023
	• SIDC Focus Group Discussion: Sustainability	1 June 2023
	• SIDC Focus Group Discussion: Shariah Advisory	1 June 2023
	• CSA Module: Risk Management	6 June 2023
	• Directors' Training: Ethical Leadership Helps Shape Organisational Values & Culture	16 June 2023
	• Claims Management in AIA Public Takaful (APTB)	19 June 2023
	• SRI 2023 Conference: Revving Up the Race for Sustainability	21 June 2023
	• What is Generative AI and how it would impact the future?	21 June 2023
	• CSA Module: Legal Documentation	11 July 2023
	• SC Waqf & Islamic Capital Market Conference	20 July 2023
	• Suite Talk: Strengthening Islamic Capital Market Proposition Through Fintech	9 August 2023
	• Anti-Bribery & Anti-Corruption Training	10 August 2023
	• Strengthening The Bond Between Participants and The Shariah Advisory Council	22 August 2023
	• An Awareness Session on Risk-Based Capital	29 August 2023
	• Review & Validation - Competency on Sustainability & Shariah Advisory	6 September 2023
	• Underwriting in Takaful	8 September 2023
	• Bancatakaful	22 September 2023
	• 18th IFN Asia Forum	2 October 2023
	• Islamic Sustainable Finance & Investment (ISFI) Forum 2023	3 October 2023
	• Agency Management	6 October 2023
	• Corporate Training to Board of Directors and Management on Conflict of Interest	23 November 2023
	• Train The Trainer Session 1	27 November 2023
	• Training on e-Invoice Implementation	4 December 2023
	• Training on Cybersecurity Awareness	4 December 2023
	• The SC Maqasid Shariah Guidance	12 December 2023
	• AML/CFT December 2023 e-Learning	15 December 2023
	• PDPA 2010 December 2023 e-Learning	17 December 2023
	• ABACP December 2023 e-Learning	17 December 2023
	• IT Security Awareness e-Learning	19 December 2023

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

a) Board Responsibilities (Cont'd)

Director	Training Programme	Date of Training
Hj Wan Azman Bin Wan Kamal	• Enhanced Sustainability Reporting Requirements in the Listing Requirement	30 May 2023
	• Conflict of Interest	23 November 2023
Dato' Sri Subahan Bin Kamal	• Enhanced Sustainability Reporting Requirements in the Listing Requirement	30 May 2023
	• Advancing ESG Integration	6 November 2023
	• Conflict of Interest	23 November 2023
Professor Emerita Siti Naaishah Hambali	• Enhanced Sustainability Reporting Requirements in the Listing Requirement	30 May 2023
	• Conflict of Interest	23 November 2023
Chng Boon Huat	• Understanding Task Force on Climate-Related Financial Disclosure	7 February 2023
	• ESG – Scope 3 Emissions	26 April 2023
	• Advancing Cyber Resilience	25 May 2023
	• Malaysian Budget 2023	21 November 2023
	• MFRS Updates 2023	7 December 2023

The Board (via the NC and with assistance of the Company Secretary) continuously evaluate and determine the training needs of the Directors to build their knowledge so that they are updated on the latest developments of the Group's business and industry that may also facilitate their roles and responsibilities.

b) Board Composition

The Board members are from different backgrounds with diverse perspectives. Such diversity is fundamental to the strategic success of the Group, as each Director has in-depth knowledge and experience in various areas to provide valuable direction to the Group.

With more than half of the Board comprised of Independent Directors, the Board can facilitate greater check and balance during boardroom deliberations and the decision-making process. The Independent Directors also provide the Board with professional judgement, experience and objectivity without being subordinated to operational considerations.

A brief profile of each Director is presented from pages 16 to 20 in the Profile of Directors section of the Annual Report.

None of our Independent Non-Executive Directors had served the Company for a cumulative term of 9 years. The Company did not adopt a policy that limits the tenure of our Independent Non-Executive Directors to 9 years.

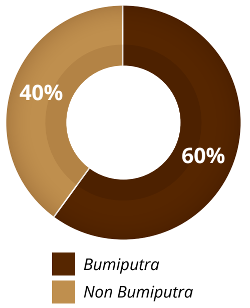
The Board is of the view that there is no necessity to fix a maximum tenure limit for directors as the amended ACE LR has limit the tenure of an Independent Director to not more than a cumulative period of 12 years. Furthermore, the ability of a director to serve effectively as an Independent Director is very much dependent on his integrity and objectivity.

In 2023, the Company departures from the Practice 5.9 of MCCG as the Board currently has only one (1) female Director, representing 20% women directors on the Board. The Board recognises the importance of providing fair and equal opportunities and nurturing diversity within the Group and will source suitable women candidates for Board candidacy, if the need arises. Although the Board does not have 30% women directors, the Board ensures that all Board Committees have at least one women director to participate in the decision-making process.

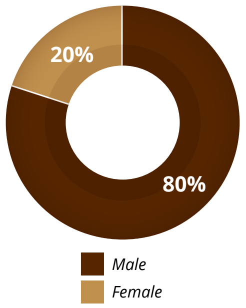
In line with its Board and Senior Management Diversity Policy, the Group also set a target to have at least 20% women in Senior Management positions. Currently, the Senior Management team has already achieved 25% women representation.

The board composition as of 22 April 2024 is as follows: -

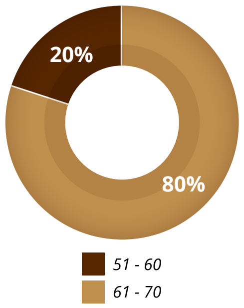
Ethnicity



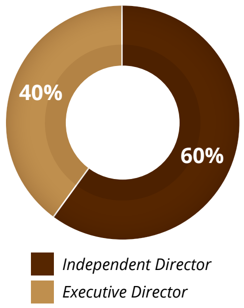
Gender



Age



Board Composition



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

b) Board Composition (Cont'd)

Nominating Committee ("NC")

The Board undertakes a formal and objective annual evaluation on the overall effectiveness of the board and individual directors, with oversight by the NC. The Terms of Reference of the NC are available on the Company's corporate website: ***www.nadicergas.com***.

As stated in the Terms of Reference, the NC conducts the annual assessment based on the following assessment criteria: Board mix and composition, key responsibilities, boardroom activities and contributions, board dynamics, meeting preparation, time commitment in discharging their roles and responsibilities, and application of good governance practices to create sustainable shareholders' value.

The Board together with the NC, have established a Fit and Proper Policy for the Group in accordance with Rule 15.01A of the ACE LR on 30 May 2022, and this policy is also made available on the Company's website. The NC will ensure that all retiring Directors and Board candidates met the criteria set out in the Fit and Proper Policy before there are recommended for re-election or re-appointment.

Based on the above annual assessment on the Board size and composition, the Board agreed with the NC's recommendation that the Board's current size of 5 members is appropriate and adequate after taking into consideration the current size of the Group's business.

Board Evaluation

The Board appointed Tricor Corporate Services Sdn Bhd to assist the NC in conducting the annual assessments of the Board, Board Committees and individual Directors' contributions. The assessments comprised peer and self-assessments questionnaires were issued to all members of the Board and Board Committees. The NC also conducted an annual assessment of Independent Directors to assess whether they continue to bring independent and objective judgement to Board deliberations. The results, in particular the key strengths and weaknesses identified from the assessments were shared with the Board to allow improvements to be undertaken, and to be used as the basis for the NC's recommendations to the Board for the re-election of the retiring Directors at the forthcoming Annual General Meeting ("AGM").

In accordance with the Constitution of the Company, one-third of the Directors shall retire from office every year at the AGM and subsequently offer themselves for re-election by the shareholders.

The NC has conducted a fit and proper assessment of the retiring directors who seek for re-election at the forthcoming AGM namely, Ir. Dr. Muhamad Fuad Bin Abdullah and Hj Wan Azman Bin Wan Kamal pursuant to the Fit and Proper Policy. The assessment includes the submission of the Fit and Proper Declaration Forms by the retiring Directors to the NC.

Based on the satisfactory results of the annual assessment of the retiring Directors, the Board has on 29 February 2024 concurred with the NC, to recommend the retiring Directors for re-election at the forthcoming AGM. All the assessments and evaluations carried out by the NC, including the consideration taken leading to its recommendations, in the discharge of its functions were duly documented.

The basis for recommending the re-election of the retiring Directors as assessed by the NC and the Board are also provided in the Notes Accompanying the Notice of AGM.

c) Remuneration

A fair remuneration package is instrumental in attracting, retaining and motivating Directors and Senior Management personnel, as well as aligning with the Group's business strategy and goals. Within this context, the Group has adopted a remuneration framework that takes into consideration the structure and complexity of the Group's business.

The RC assesses and determines the suitability of the remuneration packages for Directors and Senior Management to ensure the remuneration packages of the Directors and Senior Management are fair and appropriate as compared with market practices and industry benchmarks, to remain competitive for talent attraction and retention, prior to apprising the Board.

The Terms of Reference of the RC are available on the Company's corporate website: ***www.nadicergas.com***.

The details of the Directors' remuneration of the Company and the Group on a named basis for financial year 2023 are tabulated as follows:

THE COMPANY							
Directors	**Fees RM'000**	**Salary RM'000**	**Bonus RM'000**	**Benefits in kind RM'000**	**Allowances RM'000**	**Other emoluments RM'000**	**Total RM'000**
Executive Directors							
Hj Wan Azman Bin Wan Kamal	-	-	-	-	-	-	-
Dato' Sri Subahan Bin Kamal	-	-	-	-	-	-	-
Non-Executive Directors							
Ir. Dr. Muhamad Fuad Bin Abdullah	126.0	-	-	-	6.0	-	132.0
Professor Emerita Siti Naaishah Hambali	114.0	-	-	-	6.0	-	120.0
Chng Boon Huat	120.0	-	-	-	6.0	-	126.0
Total	**360.0**	**-**	**-**	**-**	**18.0**	**-**	**378.0**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

c) Remuneration (Cont'd)

THE GROUP							
Directors	Fees RM'000	Salary RM'000	Bonus RM'000	Benefits in kind RM'000	Allowances RM'000	Other emoluments RM'000	Total RM'000
Executive Directors							
Hj Wan Azman Bin Wan Kamal	-	1,644.0	-	28.0	-	198.0	1,870.0
Dato' Sri Subahan Bin Kamal	-	840.0	-	-	-	102.0	942.0
Non-Executive Directors							
Ir. Dr. Muhamad Fuad Bin Abdullah	126.0	-	-	-	6.0	-	132.0
Professor Emerita Siti Naaishah Hambali	114.0	-	-	-	6.0	-	120.0
Chng Boon Huat	120.0	-	-	-	6.0	-	126.0
Total	**360.0**	**2,484.0**	**-**	**28.0**	**18.0**	**300.0**	**3,190.0**

The Board has also not adopted the Practice 8.2 of the MCCG with regard to the disclosure on a named basis of the top 5 Senior Management's remuneration in bands of RM50,000, as it is of the view that it would not be in its best interest to make such disclosure on a named basis given the competitive nature of the human resource market in the industries the Group operates and the Company's intention to protect the confidentiality of personal information such as employees' remuneration packages.

The disclosure of the Group's Key Senior Management's remuneration on an aggregate basis is disclosed in the audited financial statements, included in this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

a) Audit and Risk Management Committee

The ARMC comprises three (3) Independent Directors and is chaired by Independent Non-Executive Director, Chng Boon Huat who is not the Chairman of the Board. The ARMC provides a robust and comprehensive oversight on the financial reporting process, review of related party transactions and conflict of interest situations, assessing the suitability, objectivity and independence of external auditor, as well as assessing the effectiveness of the Group's internal control system and risk management framework.

The Terms of Reference of the ARMC are available on the Company's corporate website: ***www.nadicergas.com***.

During the financial year, the ARMC has assessed and reviewed the performance and independence of the Company's external auditors, Messrs Crowe Malaysia PLT and was satisfied that the external auditors have been independent throughout the conduct of the audit process and the audit services rendered have met the quality expected by the ARMC and the Management.

b) Risk Management and Internal Control Framework

The Board is cognisant that a robust risk management and internal control framework will assist the Group to achieve its strategic objectives, safeguard shareholders' investments and its assets. To address the risks stemming from a competitive global environment, the Board, through its ARMC has established adequate policies and procedures for the oversight of the Group's risk management framework and internal control system.

The risk management framework includes maintaining a Risk Register with a risk profile and action plans for mitigating the identified risks. The ARMC regularly reviews the risk management framework, areas of identified risks and the mitigating measures taken by the Management to address the risks identified.

The internal audit function was carried out by Sterling Business Alignment Consulting Sdn Bhd, an outsourced independent professional firm. The independent professional firm works closely with the Compliance Department to carry out its internal audit activities and presents its internal audit reports to the ARMC for review on a quarterly basis.

During the financial year, the Board was updated on the Group's internal control system which encompasses risk management practices as well as financial, operational and compliance controls regularly. The Board has in place an ongoing process to identify, evaluate, monitor and manage significant risks affecting the Group's businesses, and the Management has given assurance to the Board that adequate and effective controls are in place to manage these significant risks.

Further information on the Group's risk management and internal control framework is made available in the Statement on Risk Management and Internal Control of this Annual Report on pages 64 to 67.

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

a) Communication with Stakeholders

The Company is fully committed to maintain a high standard for the dissemination of relevant and material information to its shareholders to keep them informed of the Group's latest financial performance, its businesses and corporate developments. The Company also places a strong emphasis on the importance of timely and equitable dissemination of information to its shareholders and stakeholders.

Presently, the Board and Management of the Company communicate regularly with its shareholders and other stakeholders through the following channels of communication:

(i) Bursa Malaysia Securities Berhad
The Company releases all material announcements via Bursa LINK, and the shareholders and the public in general may obtain such announcements and financial information from the website of Bursa Malaysia Securities Berhad.

(ii) Corporate Website
The Company's corporate website, ***www.nadicergas.com*** incorporates an "Investors" section which provides information such as the Group's businesses, corporate information, corporate governance and Board Charter, Terms of References of Board Committees, governance policies as well as other relevant investors' information.

b) Conduct of AGM

The Board recognises that general meetings serve as a platform for shareholders to engage with both the Board and Management in a productive dialogue, as well as a mode of communication to provide constructive feedback on the overall performance of the Group.

To this end, the Company utilises the AGM to engage with shareholders and present its annual financial results, operational performance and overall business outlook. Shareholders are encouraged to field questions, seek points of clarification and provide critical feedback to the Board and Management of Gagasan Nadi Cergas.

During the financial year 31 December 2023, Gagasan Nadi Cergas held its 6th AGM on 7 June 2023 through live streaming and online remote voting using Remote Participation and Voting facilities. All Directors, Senior Management, external auditor and Company Secretary attended the 6th AGM via video conferencing.

The notice of the 6th AGM was issued on 28 April 2023, 40 days in advance to enable shareholders to make adequate preparation. The notice of the 6th AGM was also accompanied with an administrative guide to provide information and facilitate the induction of shareholders or their proxies in relation to the virtual AGM. Shareholders or their proxies were advised to attend, pose questions to the Board via real-time submission of typed texts and vote remotely by the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at https://tiih.online. Questions raised were displayed "live" on screen. The remote poll voting results were validated by an independent scrutineer namely, Asia Securities Sdn Bhd.

The notice of the meeting was accompanied by an explanatory statement with relevant information or recommendations for the proposed resolutions to facilitate shareholders to make an informed decision. All resolutions set out in the notice of the 6th AGM were duly passed by the shareholders of the Company by way of poll.

The minutes of the 6th AGM held on 7 June 2023 were published on the Company's website on 14 July 2023, within 30 business days after the AGM.

STATEMENT ON COMPLIANCE WITH BEST PRACTICES OF THE CODE

This Statement was prepared in compliance with Paragraph 15.25 of the ACE LR and it is to be read together with the Corporate Governance Report 2023 of the Company, which is available on the Company's corporate website: ***www.nadicergas.com***.

The Board is of the view that this Corporate Governance Overview Statement has provided the information necessary to enable shareholders of the Company to evaluate how the principles and best practices as set out in the MCCG have been applied. The Board is committed to uphold the highest standards in Corporate Governance practices, professionalism and integrity in delivering its strategic objectives and sustainable performance of the Group over the long term.

This Statement was presented and approved at the Board of Directors' Meeting held on 22 April 2024.

>> AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of Gagasan Nadi Cergas Berhad is pleased to present its Audit and Risk Management Committee ("ARMC") Report for the financial year ended 31 December 2023 ("FY2023").

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1. COMPOSITION AND ATTENDANCE

The ARMC comprises three (3) Independent Non-Executive Directors and satisfies the test of independence as prescribed under the Bursa Malaysia Securities Berhad ACE LR. The ARMC also meets the requirements of Rule 15.09 of the ACE LR and Practice 9.4 of the Malaysian Code on Corporate Governance as all the ARMC members are Independent Non-Executive Directors.

The Company complies with Rule 15.09(1)(c)(i) of ACE LR wherein the ARMC is chaired by Mr Chng Boon Huat, who is a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow Member of the Chartered Association of Certified Accountants, United Kingdom.

The ARMC comprises of three (3) Independent and Non – Executive Directors, namely:

Name	Designation	Directorship
Chng Boon Huat	Chairman	Independent and Non-Executive Director
Ir. Dr. Muhamad Fuad Bin Abdullah	Member	Independent and Non-Executive Director
Professor Emerita Siti Naaishah Hambali	Member	Independent and Non-Executive Director

To perform its authorities, duties, and responsibilities, the ARMC is guided by its Terms of Reference which are published and available online on the Group's corporate website at www.nadicergas.com.

2. MEETINGS

The ARMC held five (5) meetings during the financial year 2023 without the presence of the Executive Directors and Management of the Company. The permanent invitees during the ARMC meeting are the Chief Financial Officer ("CFO"), Company Secretary and Compliance Lead. The CFO was invited to provide input and advice as well as to provide clarification on the Group's operations, and any auditing and accounting issues. The Compliance Lead attended the meeting to present the Group's Enterprise Risk Management ("ERM") reports and the internal audit follow-up reports.

An outsourced independent professional firm, Sterling Business Alignment Consulting Sdn Bhd ("SBAC"), was appointed to review the Group's internal audit function and presented its reports to the ARMC. Other Senior Management personnel were also invited to brief the ARMC on specific matters from time to time.

The attendance for members of the ARMC at the meetings is tabulated below:

Members	Attendance
Chng Boon Huat	5/5
Ir. Dr. Muhamad Fuad Bin Abdullah	5/5
Professor Emerita Siti Naaishah Hambali	5/5

After every ARMC meeting, the ARMC Chairman briefed the Board on matters discussed and deliberated during the ARMC meetings. The Group's annual financial statements and quarterly financial reports which were presented to the ARMC for review, were also recommended to the Board for approval. Any significant concerns raised by external auditors or internal auditors were also conveyed to the Board for consideration.

The Group's company secretaries duly minutes all deliberations during the ARMC meetings. Minutes of the ARMC meetings were tabled for confirmation at every succeeding ARMC meeting.

3. SUMMARY OF ACTIVITIES

During the financial year, the ARMC carried out the following activities:

3.1 Financial Reporting

The ARMC reviewed all the quarterly financial reports and the annual audited financial statements of the Group and the Company for the financial year ended 31 December 2023 before recommending the same to the Board for approval.

At all ARMC meetings, the CFO presented and explained the financial performance of the Group to the members of ARMC. The quarterly financial reports and the annual audited financial statements were prepared in compliance with the applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), the requirements of the Companies Act 2016 in Malaysia, and the disclosure requirements of the ACE LR were reviewed by the ARMC.

To ensure the integrity of information, the CFO had given assurance to the ARMC that:

i. Appropriate accounting policies are adopted and applied consistently;

ii. The going concern basis applied in the annual audited financial statements was appropriate;

iii. Prudent judgements and reasonable estimates had been made following requirements set out in the MFRSs;

iv. Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRSs, and

v. The financial statements did not contain any material misstatements and gave a true and fair view of the financial statements of the Group and of its subsidiaries for the financial year ended 31 December 2023.

3.2 External Audit

The ARMC had on 18 April 2023 recommended to the Board for the re-appointment of Crowe Malaysia PLT as the Group's and the Company's External Auditors after the ARMC reviewed the independence, performance and suitability of the external auditors following the annual assessment focusing on the following areas:

- The quality of audit including audit performance, communications with ARMC, objectivity and professionalism;
- The non-audit services provided;
- The information as presented in their Annual Transparency Report; and
- The assurance given by the External Auditors confirming their independence throughout the financial year under review.

Based on Crowe Malaysia PLT's performance in auditing the Group's and the Company's financial statements for the financial year ended 31 December 2023, the ARMC was satisfied with the Auditors' suitability, objectivity, independence as well as the quality of audit services provided, sufficiency of audit resources and interactions with the Management.

On 23 November 2023, the ARMC reviewed, deliberated and approved the Audit Planning Memorandum for the financial year ended 31 December 2023, which outlined its engagement team, audit approach, audit timeline and the areas of audit emphasis.

The ARMC also held private discussions with the External Auditors on 23 November 2023 without the presence of Management, to discuss any audit concerns that need to be highlighted to the ARMC and the level of cooperation received from Management.

3.3 Internal Audit

The Compliance Department was established to oversee the Group's ERM, internal audit and compliance function. The department independently assesses and recommends improvements to the ARMC on the Group's internal control system, governance process, and risk management framework.

During the financial year under review, our Internal Auditors, SBAC conducted the following key audit areas based on the annual internal audit plan approved by the ARMC:

Period	Audit Areas
Quarter 1	• Sales and Marketing • Sales Administration
Quarter 2	• Building Maintenance – Concession & Facilities Management
Quarter 3	• Finance and Accounts
Quarter 4	• Pre-Contract Management • Post-Contract Management

Below is the list of activities carried out by ARMC in relation to the Group's internal audit function during the financial year:

(a) Reviewed and approved the internal audit plan for FY2023 to ensure the adequacy of the scope of work and the coverage of the Group's internal controls based on key risk areas;

(b) Reviewed all the internal audit reports prepared by the Internal Auditors to ensure that the Group has established adequate and effective governance, risk management, operational and compliance processes and controls; and

(c) Reviewed and monitored the outcome of follow–up audits including all significant audit issues raised, status of completion and corrective actions taken by the Management.

3.4 Enterprise Risk Management

In pursuing the Group's objectives for sustainability and continuity of its business, a Risk Management Sub-Committee was established on 19 October 2017. The sub-committee is responsible for reviewing the ERM framework, monitoring potential risk areas, managing the effectiveness of mitigation plans at the corporate and operational levels, and promoting a proactive risk management culture across all departments.

The Sub-Committee members comprising the Head of Departments, CFO, and key representatives of every department and business segment, are to ensure that the action plans and corrective actions are implemented expeditiously and effectively.

During the financial year under review, the Compliance Lead presented the identified risks and their mitigation plans to the ARMC for deliberation and approval.

The matters reviewed and discussed include the initiatives undertaken by the Management to mitigate the identified risks.

The key risks identified in FY2023 are as follows:

a) Nationwide worker shortage;

b) Materials price fluctuation; and

c) Bribery and corruption.

3.5 Internal Control Assurance

The Compliance Department which is responsible for managing internal control assurance and risk management, has presented to the ARMC the following internal control assurance activities for FY2023:

a) Review and discuss with the Internal Auditor the key audit matters and scope of the audit plan;

b) Advice ARMC on operational issues for future audit planning;

c) Review internal audit reports before presenting them to the ARMC to ensure all issues raised have a common understanding with the Management and Internal Auditors;

d) Coordinate and discuss with the Head of Departments or relevant personnel the observations, recommendations and corrective actions as reported in the internal audit reports;

e) Ensure the audit findings are resolved within the agreed timeline or the approved extension of time when necessary;

f) Ensure continuous compliance of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018; and

g) Prepare the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control Report and recommend it to the ARMC and Board of Directors for approval prior to inclusion in the Company's Annual Report.

The Internal Auditors had concluded that:

a) The Management is aware of its responsibility for maintaining a sound internal control system to safeguard shareholders' investment and the Group's assets; and

b) The Group provides an adequate internal control system for all relevant processes to safeguard shareholders' interests. There were no major weaknesses in the existing level of operations but nevertheless, ongoing initiatives to improve the internal control system was continuously undertaken by the Management.

3.6 Related Party Transaction

In accordance with the ACE LR, the ARMC shall review all related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

The Management shall report to the ARMC on a quarterly basis on all related party transactions, and the ARMC has to ensure that these transactions will only be entered into on an arm's length basis, on normal commercial terms, on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders.

However, during the financial year, there were no related party transactions or recurrent related party transactions transacted by the Group.

4. INTERNAL AUDIT AND COMPLIANCE FUNCTION

The Internal Audit and Compliance function is assisted by the Compliance Department to support the ARMC in handling its duties and responsibilities by providing regular reviews on the effectiveness and integrity of the internal control system, risk management framework and governance within the Group. The Compliance Department is independent of its operations and reports the functionality to the ARMC and administratively to Group Managing Director.

SBAC, an independent audit firm was appointed to assist the Compliance Department in assessing the effectiveness and integrity of the Group's internal control system and risk management framework with the Group's established policies and procedures. The Internal Auditors adopt a risk-based approach related to operations and compliance and present its plan to ARMC for approval. The audit activities of the Group are guided by the Committee of Sponsoring Organisations of the Treadway Commission – Internal Control model as a basis for evaluating the effectiveness of the Group's internal control system.

The Internal Audit Reports are prepared by SBAC and discussed with the Senior Management team before presenting it together with Management's responses to the ARMC for review and approval every quarter. The follow-up on the audit findings and recommendations is conducted by the Compliance Department, and the ARMC receives quarterly reports on the Management's responsiveness to the Internal Auditors' findings and recommendations.

With the assistance given by SBAC, the Compliance Department will be able to focus on improving the Group's internal controls, risk management and the compliance requirements set by the industry and the various certification boards.

The ARMC has reviewed the performance, competency and resources of the Internal Audit and Compliance function of both the Internal Auditors and Compliance Department, and is of the view that they have the required expertise and experience to discharge their duties effectively.

The costs incurred for the internal audit function in respect of the financial year was RM50,000 (2022: RM50,000).

>> ADDITIONAL COMPLIANCE INFORMATION

OTHER INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD - ACE MARKET LISTING REQUIREMENTS

UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

As at 31 December 2023, the Company's gross proceeds of RM42.00 million raised from the Initial Public Offering exercise in 2018 had been fully utilised.

Apart from the above, there were no corporate exercises or proposals to raise funds for the financial year ended 31 December 2023.

AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2023, the total audit and non-audit fees paid and payable incurred for services rendered to the Group and the Company by the external auditors are as follows:-

	Company RM'000	**Group RM'000**
Audit Fee	53	180
Non-audit Fees	17	17

MATERIAL CONTRACTS

Other than those disclosed in the financial statements and the recurrent related party transaction section in this Annual Report, there were no material contracts including contracts to any loans entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is committed to maintain a sound system of risk management and internal control of the Group and is pleased to present the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal controls for FY2023.

This statement takes into account the Guidelines for Directors of Listed Issuers (“Guidelines”) issued by Bursa Malaysia Securities Berhad (“Bursa Securities”) on the issuance of Risk Management and Internal Control Statement pursuant to Rule 15.26(b) of the ACE Market Listing Requirements.

BOARD RESPONSIBILITIES

The Board acknowledges its overall responsibility for the establishment and oversight of the risk management framework and internal control system within the Group. The system of internal control is meant to effectively manage business risk towards the achievement of objectives to enhance the value of shareholders’ investment and to safeguard the Group’s assets.

To facilitate and provide the assurance that all risks are within an acceptable Group’s risk appetite, an Audit and Risk Management Committee (“ARMC”) at the Board level and a Risk Management Sub-Committee (“RMSC”) at the Management level were established. The ARMC has three (3) members, all of whom are Independent Non-Executive Directors. The RMSC comprises the three Heads of Department of every business function and the Chief Financial Officer. The main responsibilities of the committees are outlined in the following:

Audit & Risk Management Committee	Risk Management Sub-Committee
• Ensure robust and effective implementation of the Enterprise Risk Management (“ERM”) framework. • Review the adequacy of the Group’s internal control system, such as compliance with applicable laws, rules, directives, and guidelines.	• Implement the processes to identify, evaluate, monitor, and report on risk and the effectiveness of the internal control system and take appropriate and timely corrective actions as required. • Identify changes to risks and emerging risks and promptly bring them forward to the attention of the ARMC and the Board.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The ARMC is responsible for monitoring the Group’s risk exposures and the operating effectiveness of the risk management framework and internal control system. The Compliance Department handles the internal audit activities, compliance and risk management.

The Group adopts the Committee of Sponsoring Organisations of the Treadway Commission (“COSO”) framework in developing its risk management and internal control system. An ERM framework has been established based on the following principles:

- Aligning risk appetite and strategy;
- Enhancing risk response decisions;
- Reducing operational surprise and losses;
- Seizing opportunities; and
- Improving deployment of capital.

COMPLIANCE DEPARTMENT FUNCTION

Our Compliance Department monitors the adequacy and effectiveness of the Group's governance and internal controls based on the ERM framework. Any internal control issues identified will be reported to the respective departments immediately.

Any updates regarding risk management will be discussed in the RMSC and Compliance and ISO Committee ("CIC") quarterly meetings. To enhance the awareness among the employees, the Compliance Department conducts periodical awareness briefings on compliance and management system matters.

STRENGTHENING OUR RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

1. PLANNING

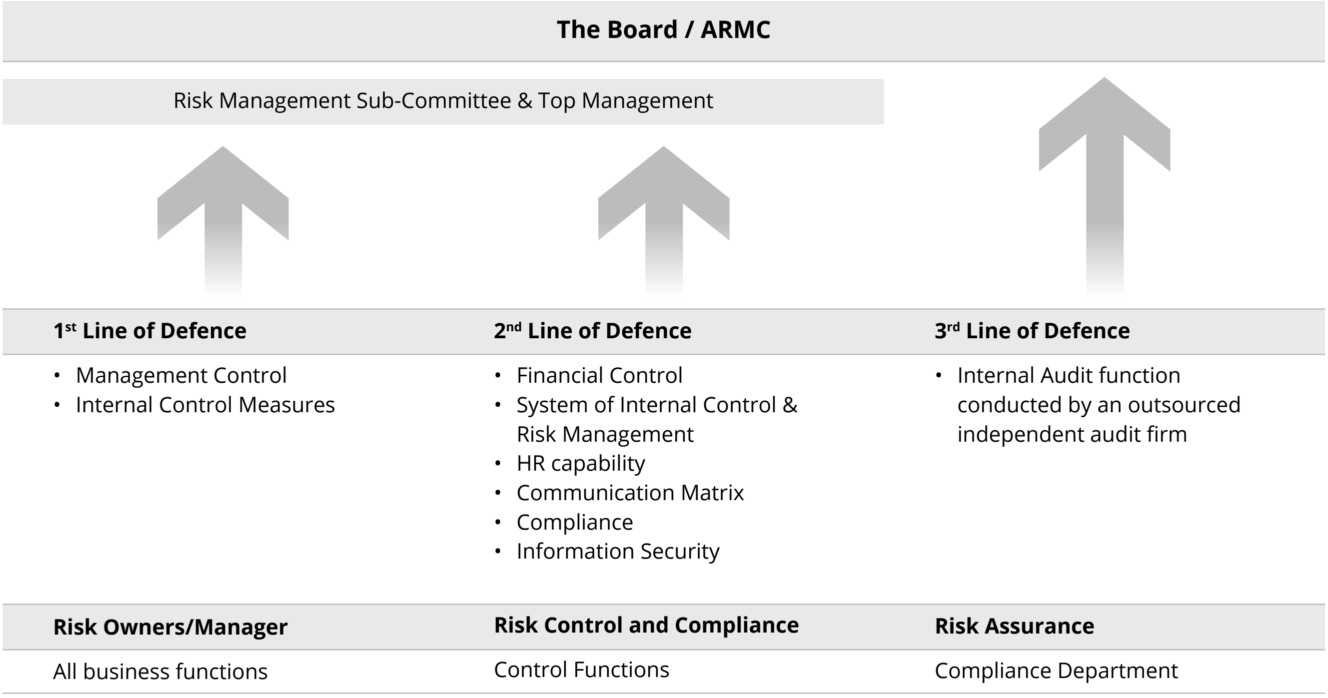
To achieve a high standard of quality excellence, ARMC provides oversight on risk management matters to ensure the Group practises prudent risk management over its business operations. The risk management and internal control system are designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives and can only provide reasonable assurance against material misstatement or loss.

The ARMC focuses on the following three (3) areas:

- **Operational**
  Report to the Board on the adequacy and effectiveness of the Group's risk management and internal control system, including operational and financial performances and safeguarding the Group's assets against loss.
- **Reporting**
  Ensure that the financial and non-financial reporting structure is reliable & transparent as required by regulators and standard setters.
- **Compliance**
  Monitor compliance with laws and regulations of the Group's operations.

THE THREE (3) LINES OF DEFENCE

ARMC has a clear direction and robust controls in managing the Group's risks at corporate and management levels. The Group relies on three (3) lines of defence in managing its risks and internal control across all business functions.



The Board / ARMC

Risk Management Sub-Committee & Top Management

1st Line of Defence	2nd Line of Defence	3rd Line of Defence
• Management Control • Internal Control Measures	• Financial Control • System of Internal Control & Risk Management • HR capability • Communication Matrix • Compliance • Information Security	• Internal Audit function conducted by an outsourced independent audit firm
Risk Owners/Manager	**Risk Control and Compliance**	**Risk Assurance**
All business functions	Control Functions	Compliance Department

STRENGTHENING OUR RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

2. MONITORING

GROUP POLICIES AND PROCEDURES

The Group's internal policies and procedures are properly documented to ensure compliance with the internal control system, laws, rules and regulations. To enhance compliance in the Group, awareness programmes have been conducted and communicated to every employee. The procedures in monitoring the Group's internal control system are summarised as follows:

- The elements of internal control have been documented in the form of policies and procedures which are regularly reviewed and updated for improvement to ensure compliance with internal controls and relevant legal requirements. These policies and procedures are available on the Group's SharePoint to guide the Management and staff in their day-to-day operations.
- Established procedures, policies and guidelines on recruitment, promotion, termination, human capital development, and performance appraisal systems to enhance staff competency levels and evaluation of employee performance have been disseminated to all employees.
- The Group has clear limits of authority which define the approving limits that have been assigned and delegated to each approving authority within the Group covering procurements, payments, tenders, investments, and other operational matters. The limits of authority are reviewed periodically and updated to reflect the changes in the business environment.

INTERNAL AUDIT BY OUTSOURCED INDEPENDENT AUDIT FIRM

An independent audit firm, Sterling Business Alignment Consulting Sdn Bhd ("SBAC" or "the Internal Auditors") assists the Board and the ARMC by providing reviews and assessments on the adequacy and effectiveness of the Group's internal control system. All the findings and recommendations of each review were presented to the ARMC on a quarterly basis.

The scope of works of the Internal Auditor includes but is not limited to the following:

- Review and assess the adequacy and effectiveness of the Group's internal control system;
- Review the level of compliance with the Group's policies, standard operating procedures, and related laws and regulations, which are significant to the Group's business;
- Report significant issues arising from the internal audit and propose recommendations for improvements;
- Conduct follow-up reviews to ensure that all corrective actions are implemented by the respective personnel or departments within the stipulated timeline; and
- Report on any significant non-compliances.

3. REPORTING

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The ERM process is adopted to implement a strategy to identify, evaluate, manage, and monitor significant risks. At the Group level, risk management is monitored by compiling all the risks identified by each department in the Group. The owners of these risk factors will drive the implementation of risk mitigation measures towards achieving a residual risk within an acceptable tolerance. The risk and mitigation measures will be incorporated into the departmental risk register and managed by the department.

The proposed mitigation measures will be assessed and evaluated to ensure the proposed action plans are adequate in addressing the identified risks. At the corporate level, any departmental risk with a significant and severe risk score will be escalated to the ARMC for deliberation. This approach creates a robust risk management system that is self-sustaining and will continue to evolve along with the constant change of the business environment.

STRENGTHENING OUR RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

3. REPORTING (CONT'D)

ENTERPRISE RISK MANAGEMENT FRAMEWORK (CONT'D)

Significant risk areas were identified during the financial year and the risk descriptions including mitigating actions are outlined below:

a) Nationwide Workers Shortage

Manpower is crucial to ensure the smooth running of the Group's operations. Similar to many other companies in the construction industry, the Group faces the problem of workers' shortage. To mitigate this risk, the Group has been closely monitoring the Government's regulations/policies on foreign workers' employment. The recruitment process of foreign workers is still ongoing.

b) Materials Price Fluctuation

The main factor directly affecting the profitability of the Group is the cost of construction. The building materials involved are steel bars, cement, bricks and steel reinforcement mesh. These materials are subject to price fluctuations. The Group has mitigated the risk by tracking and forecasting the latest market price before issuing the purchase order for purchasing of materials. In addition, the Group also closely monitors material delivery schedule and ensures early deliveries of imported materials to the warehouse for a purchase order that has been issued.

c) Bribery and Corruption

Combatting bribery and corruption requires collective efforts from governments, businesses, civil society, media, and citizens to promote transparency, integrity, and ethical leadership. This risk is managed through several initiatives such as continuous engagement and communication among departments through inter-departmental meetings, sharing sessions, internal awareness training and conducting "Corruption Risk Assessment Questionnaires" for employees annually. The Group reviews the effectiveness of "Adequate Procedures" under the Anti-Bribery and Corruption (ABC) program every 3 years to ensure its relevance with current practices.

REVIEW OF THE STATEMENT

In accordance with Rule 15.23 of the ACE LR, the External Auditors have reviewed this Statement. Their review was conducted in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

Based on their review, nothing has come to their attention that causes them to believe this Statement has not been prepared, in all material aspects, under the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

The independent internal audit firm, SBAC has also confirmed that the Group's risk management and internal control systems that are in place during the year under review were adequate and effective.

CONCLUSION

The Board is of the view that the risk management and internal control system in place for the financial year under review, is sound and effective to safeguard the Group's assets and shareholders' investments.

There were no material control failures or adverse compliance events that affected any material losses in the Group's risk management and internal control. The Board will continue to monitor all significant risks identified and take pertinent measures where required, to enhance the Group's system of internal control and risk management.

The Board has received assurances from both the Group Managing Director and the Chief Financial Officer that the Group's risk management and internal control system are operating effectively in all material aspects for financial year 2023.

This Statement was approved by the Board on 22 April 2024.

>> DIRECTORS' RESPONSIBILITY STATEMENT

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required under Rule 15.26(a) of the ACE Market Listing Requirements of Bursa Securities to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are responsible for ensuring that the financial statements are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance and cash flows for the financial period ended on that date.

During the preparation of the financial statements for the financial year ended 31 December 2023, the Directors have:

(i) applied the appropriate and relevant accounting policies consistently and in accordance with applicable approved accounting standards;

(ii) made judgements and estimates that are reasonable and prudent; and

(iii) applied the going concern basis for the preparation of the financial statements.

The Directors also have a general responsibility to keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy to ensure compliance with the Companies Act 2016 as well as to take reasonable steps to safeguard the assets of the Group and of the Company to prevent and to detect fraud and other irregularities.

The Statement is made in accordance with a resolution of the Board of Directors dated 22 April 2024.

FINANCIAL REPORT

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	**The Company** RM'000
Profit after taxation for the financial year	5,582	3,423
Attributable to:-		
Owners of the Company	2,433	3,423
Non-controlling interests	3,149	-
	5,582	3,423

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Haji Wan Azman Bin Wan Kamal
Dato' Sri Subahan Bin Kamal
Chng Boon Huat
Ir Dr Muhamad Fuad Bin Abdullah
Professor Emerita Siti Naaishah Binti Hambali

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Aminudin Bin Taib	
Datuk Wan Kassim Bin Ahmed	
Endie Jude Tofil Bin Md Tuffile	
Lim Eng Chong	
Tan Keng Seng	
Wan Mohammad Faris Bin Wan Omar	
Ismail Bin Che Hassan	(Appointed on 14.2.2023)
Lim Eng Keong	(Appointed on 1.12.2023, Resigned on 2.2.2024)
Abdul Halim Bin Yusof	(Resigned on 13.3.2024)
Haji Wan Badrul Hisham Bin Wan Kamal	(Resigned on 1.2.2023)
Lee Heng Kheong	(Resigned on 1.12.2023)
Loh Soon Wah	(Resigned on 1.12.2023)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			
	At 1.1.2023	**Bought**	**Sold**	**At 31.12.2023**
The Company				
Direct Interests				
Haji Wan Azman Bin Wan Kamal	501,916,663	-	9,800,000	492,116,663
Dato' Sri Subahan Bin Kamal	51,083,337	-	-	51,083,337
Chng Boon Huat	500,000	-	-	500,000
Ir Dr Muhamad Fuad Bin Abdullah	400,000	-	-	400,000
Professor Emerita Siti Naaishah Binti Hambali	500,000	-	-	500,000

By virtue of their shareholdings in the Company, Haji Wan Azman Bin Wan Kamal, Dato' Sri Subahan Bin Kamal, Chng Boon Huat, Ir Dr Muhamad Fuad Bin Abdullah and Professor Emerita Siti Naaishah Binti Hambali are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 27(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are as follows:-

	The Group RM'000	**The Company** RM'000
Fee	360	360
Salaries, bonuses and other benefits	2,790	18
Defined contribution benefits	332	-
	3,482	378

INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Company were RM10,000,000 and RM17,000 respectively.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 7 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries do not contain any qualification.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 31 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 32 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM'000	**The Company** RM'000
Audit fee	180	53
Non-audit fees	17	17
	197	70

Signed in accordance with a resolution of the directors dated 22 April 2024.

Haji Wan Azman Bin Wan Kamal

Dato' Sri Subahan Bin Kamal

>> STATEMENT BY DIRECTORS

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

We, Haji Wan Azman Bin Wan Kamal and Dato' Sri Subahan Bin Kamal, being two of the directors of Gagasan Nadi Cergas Berhad, state that, in the opinion of the directors, the financial statements set out on pages 79 to 141 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 22 April 2024.

Haji Wan Azman Bin Wan Kamal

Dato' Sri Subahan Bin Kamal

>> STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Haji Wan Azman Bin Wan Kamal, being the director primarily responsible for the financial management of Gagasan Nadi Cergas Berhad, do solemnly and sincerely declare that the financial statements set out on pages 79 to 141 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Haji Wan Azman Bin Wan Kamal, NRIC Number: 610428-03-5465
at Kuala Lumpur
in the Federal Territory
on this 22 April 2024

Haji Wan Azman Bin Wan Kamal

Before me

Shaiful Hilmi Bin Halim (No. W-804)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the members of gagasan nadi cergas berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Gagasan Nadi Cergas Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 79 to 141.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition and Contract Accounting

Refer to Note 19 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
The Group recognises revenue on construction contracts based on the percentage of completion method. The percentage of completion is measured using the input method, by reference to the proportion of actual costs incurred for work performed to date to the estimated total costs for the project. This is a key audit matter as the recognition of revenue is therefore dependent on the Group's budgeted construction costs which includes estimates and judgements made by the management.	Our audit procedures included, among others: • Assessing internal control procedures by flowchart and walkthrough test; • Performing test of control; • Assessing basis used in estimating the budgeted costs; • Verifying transaction prices, project billings and contract costs incurred; • Testing the percentage of completion to ensure contract costs incurred to-date reflects the actual work performed; • Assessing calculation of recognition of revenue, cost and profit to be consistent with the percentage of completion and satisfaction of performance obligations; and • Assessing reasonableness and adequacy of provision for foreseeable loss and liquidated ascertained damages.

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report. (Cont'd)

Revenue recognition from property development activities

Refer to Note 19 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
The Group recognises revenue and costs from property development activities based on the stage of completion method. The stage of completion is measured using the input method, by reference to the proportion of actual cost incurred for work performed to date to the estimated total cost for the project. This is a key audit matter as the recognition of revenue and cost is therefore dependent on the Group's budgeted property development costs, which require significant estimates and judgements by management on costs to be incurred for property development projects.	Our audit procedures included, among others: • Assessing internal control procedures by flowchart and walkthrough test; • Performing test of control; • Testing property development costs incurred to date to supporting documentation such as contractors' claim certificates; • Assessing the reasonableness of the estimated total property development costs to supporting documentation such as contracts, quotations and variation orders with contractors; • Inquiring for any variation orders and check changes to contracts and quotations with the contractors, if any, are properly supported for ongoing projects; • Testing sales of properties to signed sales and purchase agreements and progress billings raised to property buyers; and • Re-computing the stage of completion and check the journal entries impacting revenue are recognised appropriately with reference to the computation of the stage of completion of the projects.

Recoverability of Trade Receivables

Refer to Note 9 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
The trade receivables of the Group amounted to approximately RM534.23 million and it constituted 61% of the total assets of the Group. As at 31 December 2023, trade receivables that were past due amounted to RM26.7 million. The details of trade receivables and its credit risk have been disclosed in Note 30 to the financial statements. Management recognised impairment losses on trade receivables based on specific known fasts, circumstances or the ability of customers to pay. The determination of whether trade receivables are recoverable involves management judgement.	Our audit procedures included, among others: • Reviewing recoverability of major receivables including but not limited to the review of subsequent collections; • Enquiring management on project/receivables status for major customers; • Reviewing collections and sales trends during the financial year of major receivables; and • Reviewing management's basis of estimation on the adequacy of the Group's allowance for impairment loss on trade receivables.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

OTHER MATTERS

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

Crowe Malaysia PLT	**Ung Voon Huay**
201906000005 (LLP0018817-LCA) & AF 1018	03233/09/2024 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur
22 April 2024

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023

		The Group		The Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	29,940	29,375	-	-
Inventories	6	99,863	71,803	-	-
Investments in subsidiaries	7	-	-	96,926	96,926
Right-of-use assets	8	14	39	-	-
Trade receivables	9	430,133	464,989	-	-
		559,950	566,206	96,926	96,926
CURRENT ASSETS					
Inventories	6	28,893	78,655	-	-
Trade receivables	9	104,096	75,694	-	-
Contract assets	10	52,234	143,639	-	-
Other receivables, deposits and prepayments	11	15,749	18,708	601	101
Amount owing by subsidiaries	12	-	-	61,909	60,778
Current tax assets		6,277	6,713	-	-
Fixed deposits with licensed banks	13	38,698	41,940	-	-
Cash and bank balances		77,077	52,314	5,588	3,921
		323,024	417,663	68,098	64,800
TOTAL ASSETS		882,974	983,869	165,024	161,726

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023 (Cont'd)

		The Group		The Company	
	Note	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	136,444	136,444	136,444	136,444
Retained profits		308,116	305,683	28,233	24,810
Equity attributable to owners of the Company		444,560	442,127	164,677	161,254
Non-controlling interests	7	5,428	4,279	-	-
TOTAL EQUITY		449,988	446,406	164,677	161,254
NON-CURRENT LIABILITIES					
Borrowings	15	158,692	275,608	-	-
Deferred tax liabilities	16	73,797	75,299	-	-
		232,489	350,907	-	-
CURRENT LIABILITIES					
Trade payables	17	88,325	97,506	-	-
Contract liabilities	10	37,117	31,281	-	-
Other payables and accruals	18	32,216	14,924	263	345
Borrowings	15	39,305	41,106	-	-
Current tax liabilities		3,534	1,739	84	127
		200,497	186,556	347	472
TOTAL LIABILITIES		432,986	537,463	347	472
TOTAL EQUITY AND LIABILITIES		882,974	983,869	165,024	161,726

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2023

		The Group		The Company	
	Note	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
REVENUE	19	318,349	233,517	3,000	8,000
COST OF SALES		(284,528)	(208,181)	-	-
GROSS PROFIT		33,821	25,336	3,000	8,000
OTHER INCOME		31,645	32,693	1,830	1,390
		65,466	58,029	4,830	9,390
SELLING AND DISTRIBUTION EXPENSES		(579)	(952)	(4)	(3)
ADMINISTRATIVE EXPENSES		(28,828)	(27,331)	(990)	(981)
OTHER EXPENSES		(3,099)	(3,094)	(21)	(13)
FINANCE COSTS	20	(14,742)	(16,565)	-	-
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS	21	(413)	(4,039)	-	-
PROFIT BEFORE TAXATION	22	17,805	6,048	3,815	8,393
INCOME TAX EXPENSE	23	(12,223)	(8,641)	(392)	(317)
PROFIT/(LOSS) AFTER TAXATION		5,582	(2,593)	3,423	8,076
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		5,582	(2,593)	3,423	8,076
PROFIT/(LOSS) AFTER TAXATION/ TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		2,433	(3,378)	3,423	8,076
Non-controlling interests		3,149	785	-	-
		5,582	(2,593)	3,423	8,076
EARNINGS/(LOSS) PER SHARE (SEN)	24				
- Basic		0.32	(0.45)	-	-
- Diluted		0.32	(0.45)	-	-

The annexed notes form an integral part of these financial statements.

>> STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2023

		Distributable			
The Group	**Share Capital RM'000**	**Retained Profits RM'000**	**Attributable to Owners of the Company RM'000**	**Non-controlling Interests RM'000**	**Total Equity RM'000**
Balance at 1.1.2022	136,444	309,061	445,505	5,494	450,999
Loss after taxation/Total comprehensive expenses for the financial year	-	(3,378)	(3,378)	785	(2,593)
Contributions by and distribution to owners of the Company: - Dividends paid by the subsidiary to non-controlling interests	-	-	-	(2,000)	(2,000)
Balance at 31.12.2022/1.1.2023	136,444	305,683	442,127	4,279	446,406
Profit after taxation/Total comprehensive income for the financial year	-	2,433	2,433	3,149	5,582
Contributions by and distribution to owners of the Company: - Dividends paid by the subsidiary to non-controlling interests	-	-	-	(2,000)	(2,000)
Balance at 31.12.2023	136,444	308,116	444,560	5,428	449,988

The Company	**Share Capital RM'000**	**Retained Profits RM'000**	**Total Equity RM'000**
Balance at 1.1.2022	136,444	16,734	153,178
Profit after taxation/Total comprehensive income for the financial year	-	8,076	8,076
Balance at 31.12.2022/1.1.2023	136,444	24,810	161,254
Profit after taxation/Total comprehensive income for the financial year	-	3,423	3,423
Balance at 31.12.2023	136,444	28,233	164,677

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023

	The Group		The Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	17,805	6,048	3,815	8,393
Adjustments for:-				
Depreciation:				
- property, plant and equipment	2,165	2,263	-	-
- right-of-use assets	22	98	-	-
Impairment losses:				
- trade receivables	8	3,331	-	-
- other receivables	3,121	717	-	-
Finance costs	14,742	16,565	-	-
Equipment written off	17	48	-	-
Accretion of fair value on non-current trade receivables	(23,784)	(25,383)	-	-
Gain on lease modification	-	(5)	-	-
Dividend income	-	-	(3,000)	(8,000)
Gain on disposal of property, plant and equipment	(1)	(87)	-	-
Finance income	(1,427)	(993)	(1,830)	(1,390)
Reversal of impairment losses:				
- trade receivables	(2,390)	-	-	-
- other receivables	(326)	(9)	-	-
Operating profit/(loss) before working capital changes	9,952	2,593	(1,015)	(997)
Decrease/(Increase) in inventories	35,192	(10,642)	-	-
Decrease/(Increase) in contract assets	91,405	(44,857)	-	-
Decrease/(Increase) in trade and other receivables	32,784	62,113	(500)	100
Increase/(Decrease) in trade and other payables	8,111	20,292	(82)	41
Increase/(Decrease) in contract liabilities	5,836	(5,935)	-	-
CASH FROM/(FOR) OPERATIONS CARRIED FORWARD	183,280	23,564	(1,597)	(856)

The annexed notes form an integral part of these financial statements.

		The Group		The Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FROM/(FOR) OPERATIONS BROUGHT FORWARD		183,280	23,564	(1,597)	(856)
Income tax paid		(11,494)	(12,906)	(435)	(226)
NET CASH FROM/(FOR) OPERATING ACTIVITIES		171,786	10,658	(2,032)	(1,082)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Advances to subsidiaries		-	-	(1,131)	(13,836)
Dividend received		-	-	3,000	8,000
Finance income received		1,427	993	1,830	1,390
Withdrawal of pledged fixed deposits and with tenure more than 3 months		127	4,731	-	-
Proceeds from disposal of property, plant and equipment		1	87	-	-
Additions to inventories					
- properties held for future development		(13,490)	(3,880)	-	-
Purchase of property, plant and equipment	25(a)	(616)	(1,302)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(12,551)	629	3,699	(4,446)
BALANCE CARRIED FORWARD		159,235	11,287	1,667	(5,528)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023 (Cont'd)

		The Group		The Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
BALANCE BROUGHT FORWARD		159,235	11,287	1,667	(5,528)
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividends paid to:					
- non-controlling interests		(2,000)	(2,000)	-	-
Drawdown of borrowings	25(b)	32,839	40,396	-	-
Finance costs paid		(14,742)	(16,565)	-	-
Repayment of borrowings	25(b)	(153,668)	(39,024)	-	-
NET CASH FOR FINANCING ACTIVITIES		(137,571)	(17,193)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		21,664	(5,906)	1,667	(5,528)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		71,958	77,864	3,921	9,449
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	25(c)	93,622	71,958	5,588	3,921

The annexed notes form an integral part of these financial statements.

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

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

Principal place of business : F-1 @ 8 Suria,
33, Jalan PJU 1/42,
47301 Petaling Jaya,
Selangor Darul Ehsan.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The consolidated financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 22 April 2024.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
MFRS 17 Insurance Contracts
Amendments to MFRS 17: Insurance Contracts
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 108: Definition of Accounting Estimates
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment is based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 5 to the financial statements.

(b) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group determines whether an item of its property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 5 and 8 to the financial statements respectively.

(c) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 9 and 10 to the financial statements respectively.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Notes 11 and 12 to the financial statements respectively.

(e) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 10 to the financial statements.

(f) Revenue and Cost Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customer and the application laws governing the contract.

When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists.

(g) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax assets based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax assets and liabilities as at the reporting date is RM6,277,000 and RM3,534,000 (2022 - RM6,713,000 and RM1,739,000).

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment properties.

(b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(c) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, the management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS (CONT'D)

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measure at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4.3 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

4.4 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost including the estimated costs of dismantling and removing the items and restoring that site on which they are located.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Freehold buildings	2%
Chiller plant and machineries	5%
Cabins, furniture and office equipment	6% - 10%
Plant and machinery	10%
Computers and software	20%
Motor vehicles	20%
Renovation	20%

Capital work-in-progress represent factory buildings under construction. They are not depreciated until such time when the asset is available for use.

4.5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.6 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost and net realisable value are determined as below:-

Property Development

(i) Properties Held for Future Development

The cost comprises specifically identified cost, including cost associated to the purchase of land and an appropriate proportion of common infrastructure costs and borrowing costs capitalised.

Net realisable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the properties held for future development will be the best available measure of the net realisable value.

Properties held for future development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operation cycle is classified as non-current asset.

Properties held for future development is transferred to properties under development for sale category when development activities have commenced and are expected to be completed within the Group's normal operating cycle.

(ii) Properties Under Development for Sale

The cost comprises specifically identified cost, including cost associated to the purchase of land, conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of common infrastructure costs and borrowing costs capitalised.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

(iii) Completed Properties Held for Sale

The cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. The cost of completed properties held for sale comprises cost associated with the acquisition of land, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

4.7 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.7 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

Long-term concession contracts with government or government agencies

The Group has concession arrangements with the Government of Malaysia ("the Government") or government agencies ("the Grantor") to design, develop, construct and complete the Facilities and Infrastructure ("concession asset") and to carry out the Asset Management Services for a concession period of 22.5 (Including construction period of 2.5 years) years and transfer the concession asset to the Grantor at the end of concession periods.

Payment terms for contracts with the Government and the Grantor are usually based on equal instalments over the duration of the contract after the asset management service commencement date. If the Group has recognised revenue, but not issued a bill, then the entitlement to consideration is recognised as a contract asset. The contract asset is transferred to receivables when the entitlement to payment become unconditional.

(b) Rendering of Facility Management Services

Revenue from providing facility management services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As a practical expedient, the Group recognises revenue on a straight-line method over the period of service.

(c) Property Development Activities

Revenue from property development is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's use to the Group, and the Group has a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group has a present right to payment for the property sold.

A receivable is recognised when the development activities are carried out as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

(d) Rendering of Utility Services

Revenue from providing utility services is recognised over time in the period in which the services are rendered. This is based on the actual customer usage relative to the agreed-upon charging rates.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.8 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

(d) Government Grant

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and all conditions attached will be met.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis over the period necessary to match them with the related expenses which they are intended to compensate for. These grants are presented as other income in profit or loss.

Grants that compensate the Group for the cost of an asset are recognised as deferred grant income in the statement of financial position and are amortised to profit or loss on a systematic basis over the expected useful life of the relevant asset.

5. PROPERTY, PLANT AND EQUIPMENT

The Group	**At 1.1.2023 RM'000**	**Additions RM'000**	**Written Off RM'000**	**Depreciation Charges RM'000**	**At 31.12.2023 RM'000**
2023					
Carrying Amount					
Freehold land and buildings	15,833	-	-	(297)	15,536
Chiller plant and machineries	8,712	14	-	(462)	8,264
Cabins, furniture and office equipment	1,140	151	(17)	(247)	1,027
Plant and machinery	1,578	2,508	-	(330)	3,756
Computers and software	481	36	-	(193)	324
Motor vehicles	1,130	-	-	(512)	618
Renovation	501	30	-	(124)	407
Capital work-in-progress	-	8	-	-	8
	29,375	2,747	(17)	(2,165)	29,940

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	**At 1.1.2022 RM'000**	**Additions RM'000**	**Written Off RM'000**	**Depreciation Charges RM'000**	**Reclassification RM'000**	**At 31.12.2022 RM'000**
2022						
Carrying Amount						
Freehold land and buildings	16,129	-	-	(296)	-	15,833
Chiller plant and machineries	8,382	178	-	(461)	613	8,712
Cabins, furniture and office equipment	1,036	345	(8)	(233)	-	1,140
Plant and machinery	1,760	28	-	(210)	-	1,578
Computers and software	574	206	-	(299)	-	481
Motor vehicles	1,763	-	-	(633)	-	1,130
Renovation	127	545	(40)	(131)	-	501
Capital work-in-progress	613	-	-	-	(613)	-
	30,384	1,302	(48)	(2,263)	-	29,375

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
2023			
Freehold land and buildings	18,849	(3,313)	15,536
Chiller plant and machineries	9,222	(958)	8,264
Cabins, furniture and office equipment	3,750	(2,723)	1,027
Plant and machinery	7,485	(3,729)	3,756
Computers and software	3,120	(2,796)	324
Motor vehicles	6,223	(5,605)	618
Renovation	1,749	(1,342)	407
Capital work-in-progress	8	-	8
	50,406	(20,466)	29,940
2022			
Freehold land and buildings	18,849	(3,016)	15,833
Chiller plant and machineries	9,208	(496)	8,712
Cabins, furniture and office equipment	3,628	(2,488)	1,140
Plant and machinery	4,977	(3,399)	1,578
Computers and software	3,084	(2,603)	481
Motor vehicles	6,429	(5,299)	1,130
Renovation	1,719	(1,218)	501
	47,894	(18,519)	29,375

Included in the property, plant and equipment of the Group at the end of the reporting period were freehold land and buildings with a total carrying amount of RM11,535,000 (2022 - RM11,832,000) which have been charged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 15(d) and 15(e) to the financial statements.

6. INVENTORIES

	The Group	
	2023 RM'000	**2022 RM'000**
Property Development		
Properties held for future development	99,863	71,803
Properties under development for sale	21,199	78,655
Completed properties held for sale	7,694	-
	128,756	150,458
Represented by:		
Non-current assets	99,863	71,803
Current assets	28,893	78,655
	128,756	150,458
Recognised in profit or loss:		
Inventories of property development	147,832	90,600

(a) Included in the properties held for future development are freehold land and leasehold land that have been charged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 15(e) to the financial statements.

(b) Included in the properties under development for sale is a piece of development land registered under a third party's name that has been charged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 15(e) to the financial statements.

7. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost	96,926	96,926

The details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:-

Name of Subsidiaries	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2023 %	2022 %	
Direct Subsidiaries			
Nadi Cergas Sdn. Bhd. ("NCSB")	100	100	Contractors of civil and other related contractual works, and investment holding
Nadi Cergas Hartanah Sdn. Bhd. ("NCH")	100	100	Property investment holding
Naditech Utilities Sdn. Bhd. ("NTU")	60	60	Operation of thermal energy storage plant and investment holding
Nadi Cergas Management Services Sdn. Bhd. ("NCMS")	100	100	Provision of management and consultancy services
Nadi Cergas Development Sdn. Bhd. ("NCD")	70	70	Property development and investment holding
Nadi Cergas Urus Harta Sdn. Bhd. ("NCUH")	100	100	Provision of facility management services
Nadi Cergas Medik Sdn. Bhd. ("NCM")	100	100	Export and import of pharmaceutical and medical goods
Subsidiaries of NCSB			
Sasaran Etika Sdn. Bhd. ("SESB")	100	100	Concession for the design, development, construction, completion and subsequent operation, maintenance and management of residential hostels
Naluri Etika Sdn. Bhd. ("NESB")	100	100	Concession for the design, development, construction, completion and subsequent operation, maintenance and management of residential hostels
Subsidiaries of NCD			
Ringgit Muhibbah Sdn. Bhd. ("RMSB")	66.5	66.5	Property development and investment holding
Nadi Emery Sdn. Bhd. ("NERSB")	52.5	52.5	Property development and investment holding
Nadi Embun Sdn. Bhd. ("NEBSB")	49	49	Property development
Subsidiary of RMSB			
RM Fuel Sdn. Bhd. ("RMFSB")	66.5	-	Retail sale of automotive fuel in specialised store
Subsidiary of NERSB			
Nadi Emery (KKD) Sdn. Bhd. ("NEKKD")	52.5	52.5	Property development
Subsidiaries of NTU			
Naditech Power Sdn. Bhd. ("NTP")	57	57	Premier electricity distribution system and investment holding
Naditech Energy Sdn. Bhd. ("NTE")	57	57	District cooling system
Subsidiary of NTP			
Naditech Icon Sdn. Bhd. ("NTI")	57	57	Operational and maintenance of power related services

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) The non-controlling interests at the end of reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2023 %	**2022 %**	**2023 RM'000**	**2022 RM'000**
Naditech Utilities Sdn. Bhd.	40	40	4,410	6,411
Nadi Cergas Development Sdn. Bhd.	30	30	4,328	642
Other individually immaterial subsidiaries			(3,310)	(2,774)
			5,428	4,279

(b) The summarised financial information (before intra-group elimination) for the subsidiary with non-controlling interest that are material to the Group is as follows:-

	Naditech Utilities Sdn. Bhd.	
	2023 RM'000	**2022 RM'000**
At 31 December		
Non-current assets	475	475
Current assets	10,561	15,577
Current liabilities	(11)	(24)
Net assets	11,025	16,028
Financial Year Ended 31 December		
Loss after taxation/Total comprehensive expenses for the financial year	(3)	(311)
Total comprehensive expenses attributable to non-controlling interests	(1)	(124)
Dividends paid to non-controlling interests	(2,000)	(2,000)
Net cash for operating activities	(62)	(725)
Net cash from investing activities	4,830	4,301
Net cash for financing activities	(5,000)	(5,000)

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) The summarised financial information (before intra-group elimination) for the subsidiary with non-controlling interest that are material to the Group is as follows:- (Cont'd)

	Nadi Cergas Development Sdn. Bhd.	
	2023 **RM'000**	**2022** **RM'000**
At 31 December		
Non-current assets	2,455	2,504
Current assets	56,543	53,300
Current liabilities	(44,572)	(53,664)
Net assets	14,426	2,140
Financial Year Ended 31 December		
Revenue	50,738	50,948
Profit after taxation/Total comprehensive income for the financial year	12,286	1,998
Total comprehensive income attributable to non-controlling interests	3,686	599
Net cash from operating activities	21,528	15,923
Net cash from/(for) investing activities	51	(459)
Net cash for financing activities	(18,171)	(7,284)

8. RIGHT-OF-USE ASSETS

The Group	At 1.1.2023 RM'000	Depreciation Charges RM'000	Transfer to Derecognition Due to Lease Modifications RM'000	At 31.12.2023 RM'000
2023				
Carrying Amount				
Buildings	39	(22)	(3)	14

	At 1.1.2022 RM'000	Additions RM'000	Depreciation Charges RM'000	Derecognition Due to Lease Modifications RM'000	At 31.12.2022 RM'000
2022					
Carrying Amount					
Buildings	164	41	(98)	(68)	39

The Group leases various buildings of which the leasing activities are summarised below:-

(i) Buildings	The Group has leased a number of buildings as hostels for employees for 2 years (2022 - 1 year to 2 years), with an option to renew the leases after that date.

9. TRADE RECEIVABLES

The amounts recognised in the statements of financial position are analysed as follows:-

	The Group	
	2023 RM'000	2022 RM'000
Non-current		
Concession services receivables	431,137	466,475
Allowance for impairment losses	(1,004)	(1,486)
	430,133	464,989
Current		
Concession services receivables	38,390	34,732
Trade receivables	67,209	44,365
Allowance for impairment losses	(1,503)	(3,403)
	104,096	75,694
	534,229	540,683
Allowance for impairment losses:-		
At 1 January	4,889	1,558
Addition during the financial year	8	3,331
Reversal during the financial year	(2,390)	-
At 31 December	2,507	4,889

9. TRADE RECEIVABLES (CONT'D)

(i) The Group's normal trade credit terms range from 30 to 90 (2022 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

(ii) Included in trade receivables of the Group representing financial assets from the concession arrangement for the IIUM and UTeM projects as follows:-

	The Group	
	2023 RM'000	**2022 RM'000**
Gross trade receivables		
- IIUM Project	230,643	252,669
- UTeM Project	238,884	248,538
	469,527	501,207
Less: Allowance for impairment losses		
- IIUM Project	(535)	(800)
- UTeM Project	(555)	(787)
	(1,090)	(1,587)
Net trade receivables		
- IIUM Project	230,108	251,869
- UTeM Project	238,329	247,751
	468,437	499,620

The amount comprises the fair value of the consideration receivable for the completion of the construction. The repayment is in the form of availability charges from the concession arrangements.

9. TRADE RECEIVABLES (CONT'D)

Concession Agreement ("CA")

(a) On 25 October 2011, the subsidiary, Sasaran Etika Sdn. Bhd. has executed a CA with the Government of Malaysia and International Islamic University Malaysia ("IIUM") to grant the subsidiary the right and authority to carry out the planning, design, development, construction, landscaping, equipping, installation, completion, testing and commissioning and the maintenance of the buildings, structures, facilities and infrastructure of IIUM Kuantan Campus and to carry out the services and works specifications relating to the maintenance services of the facilities and infrastructure (collectively referred to as the "Concession").

The provision of asset management services commences upon issuance of the Certificate of Acceptance confirming acceptance of the availability of the facilities and infrastructure, and ceases on the Expiry Date ("Maintenance Period").

The principal terms of the CA are as follows:

(i) The concession period shall be for a period of twenty two (22) years and six (6) months ("Concession Period") commencing from the commencement date of construction or the date all conditions precedent for the CA have been met whichever is the later ("Commencement Date"), and ending on the sixth (6th) month following the twenty second (22nd) anniversary of the Commencement Date ("Expiry Date").

(ii) The maintenance service will commence upon the issuance of Certificate of Acceptance by IIUM and expire on the Expiry Date ("Maintenance Period"). IIUM shall pay the Group throughout the Maintenance Period the following charges:-

(a) The sub-lease rental for the availability of the facilities and infrastructure ("Availability Charges"); and

(b) The asset management services charges ("Maintenance Charges") for the Asset Management Services by way of monthly payments in arrears.

(b) On 5 September 2014, the subsidiary, Naluri Etika Sdn. Bhd. has executed a CA with the Government of Malaysia and University Teknikal Malaysia Melaka ("UTeM") to grant the subsidiary the right and authority to carry out the design, build, construct, develop and complete hostels for 5,000 UTeM students in Malacca and to carry the services and works specifications relating to the maintenance services of the facilities and infrastructure (collectively referred to as the "Concession").

The provision of asset management services commences upon issuance of the Certificate of Acceptance confirming acceptance of the availability of the facilities and infrastructure, and ceases on the Expiry Date ("Maintenance Period").

The principal terms of the CA are as follows:

(i) The concession period shall be for a period of twenty two (22) years and six (6) months ("Concession Period") commencing from the commencement date of construction or the date all conditions precedent for the CA have been met whichever is the later ("Commencement Date"), and ending on the sixth (6th) month following the twenty second (22nd) anniversary of the Commencement Date ("Expiry Date").

(ii) The maintenance service will commence upon the issuance of Certificate of Acceptance by UTeM and expire on the Expiry Date ("Maintenance Period"). UTeM shall pay the Group throughout the Maintenance Period the following charges:-

(a) The sub-lease rental for the availability of the facilities and infrastructure ("Availability Charges"); and

(b) The asset management services charges ("Maintenance Charges") for the Asset Management Services by way of monthly payments in arrears.

10. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2023 RM'000	**2022 RM'000**
At 1 January	112,358	61,566
Revenue recognized during the financial year	291,860	212,971
Billings to customers during the financial year	(389,101)	(162,179)
At 31 December	15,117	112,358
Represented by:-		
Construction contracts	4,657	15,491
Property development activities	10,460	96,867
	15,117	112,358
Contract Assets		
Construction contracts	36,185	46,772
Property development activities	16,049	96,867
	52,234	143,639
Contract Liabilities		
Construction contracts	(31,528)	(31,281)
Property development activities	(5,589)	-
	(37,117)	(31,281)

(a) The contract assets primarily relate to the Group's right to consideration for construction work completed on construction contracts but not yet billed as at the reporting date. This balance will be billed progressively in the future upon the fulfillment of contractual milestones.

(b) The contract assets represent the timing differences in revenue recognition and the milestone billings in respect of the property development activities.

(c) The contract liabilities primarily relate to advances received from customers to render construction work. The amount will be recognised as revenue when the performance obligations are satisfied.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other receivables:-				
Third parties	9,941	10,138	-	-
Related party	5,961	5,961	-	-
Allowance for impairment losses	(9,909)	(7,114)	-	-
	5,993	8,985	-	-
Deposits	6,471	7,033	1	1
Prepayments	3,285	2,690	600	100
	15,749	18,708	601	101

	The Group	
	2023 RM'000	2022 RM'000
Allowance for impairment losses:-		
At 1 January	7,114	6,406
Addition during the financial year	3,121	717
Reversal during the financial year	(326)	(9)
At 31 December	9,909	7,114

(a) Included in other receivables of the Group are project billings receivable of RM3,121,000 (2022 - RM3,904,000) which is to be reimbursed from a contract customer after the Group has completed the construction project.

(b) The amount owing by a related party comprised project expenditures to the preliminary costs incurred on a development project which is refundable from the project owner.

12. AMOUNT OWING BY SUBSIDIARIES

The amount owing by subsidiaries are non-trade in nature, unsecured, interest free payments made on behalf and repayable on demand except for an amount totality RM40,280,000 (2022 - RM32,070,000) which bears interest at 5% (2022 - 5%) per annum. The amount is to be settled in cash.

13. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest/profit rates ranging from 1.55% to 3.70% (2022 - 1.30% to 3.20%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2022 - 1 to 12) months.

(b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM8,159,000 (2022 - RM9,373,000) which has been pledged to the licensed banks as security for banking facilities granted to the Group as disclosed in Note 15(e) and 15(f) to the financial statements.

14. SHARE CAPITAL

	The Group/The Company			
	2023	2022	2023	2022
	Number of Shares'000		RM'000	RM'000
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January/31 December	753,000	753,000	136,444	136,444

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

15. BORROWINGS (SECURED)

		The Group	
	Note	2023 RM'000	2022 RM'000
Non-current			
Hire purchase payables	15(a)	1,716	398
Hire purchase payables (Ijarah)	15(b)	42	244
Lease liabilities	15(c)	-	14
Term loans	15(d)	-	304
Islamic financing facilities	15(e)	96,934	194,648
Bonds	15(f)	60,000	80,000
		158,692	275,608
Current			
Hire purchase payables	15(a)	644	315
Hire purchase payables (Ijarah)	15(b)	202	236
Lease liabilities	15(c)	14	26
Term loans	15(d)	303	1,133
Islamic financing facilities	15(e)	13,233	14,471
Bonds	15(f)	20,000	20,000
Bank overdrafts	15(g)	4,909	4,925
		39,305	41,106
		197,997	316,714

15. BORROWINGS (SECURED) (CONT'D)

(a) Hire purchase payables

	The Group	
	2023 RM'000	**2022 RM'000**
At 1 January	713	1,184
Addition	2,131	-
Finance costs recognised in profit or loss	85	48
Repayment of principal	(484)	(471)
Repayment of finance costs	(85)	(48)
At 31 December	2,360	713

(b) Hire purchase payables (Ijarah)

	The Group	
	2023 RM'000	**2022 RM'000**
At 1 January	480	711
Finance costs recognised in profit or loss	16	27
Repayment of principal	(236)	(231)
Repayment of finance costs	(16)	(27)
At 31 December	244	480

(c) Lease liabilities

	The Group	
	2023 RM'000	**2022 RM'000**
At 1 January	40	167
Addition	-	41
Finance costs recognised in profit or loss	-	2
Derecognition due to lease modifications	(3)	(73)
Repayment of principal	(23)	(95)
Repayment of finance costs	-	(2)
At 31 December	14	40

15. BORROWINGS (SECURED) (CONT'D)

(d) Term loans

The term loans are analysed as follows:-

	The Group	
	2023 RM'000	2022 RM'000
Term loan 1	152	723
Term loan 2	151	714
	303	1,437

The effective interest rates of term loans of the Group as at end of the reporting period are bearing interest rate at cost of fund + 1.75% per annum.

Term loans 1 and 2 are secured by:-

(i) a legal charge over a subsidiary's properties;

(ii) a corporate guarantee executed by the Company; and

(iii) an assignment of rental proceeds.

(e) Islamic financing facilities

The Islamic financing facilities are analysed as follows:-

	The Group	
	2023 RM'000	2022 RM'000
Islamic financing facility 1	84,312	94,430
Islamic financing facility 2	3,045	4,108
Islamic financing facility 3	-	87,994
Islamic financing facility 4	9,612	17,072
Islamic financing facility 5	11,776	5,000
Islamic financing facility 6	-	515
Islamic financing facility 7	1,422	-
	110,167	209,119

The effective profit rates of Islamic financing facilities of the Group as at end of the reporting period are as follows:-

(i) The effective profit rate structure of Islamic financing facility 1 is disclosed below:-

Year	Effective Profit Rate (per annum)
1st to 5th	Cost of Fund + 1.15%
6th to 10th	Cost of Fund + 0.95%
11th to 15th	Cost of Fund + 0.75%

(ii) Islamic financing facility 2 bearing effective profit rate at base financing rate - 1.00% per annum.

(iii) Islamic financing facility 3 bearing effective profit rate at base financing rate + 1.75% per annum.

(iv) Islamic financing facility 4 bearing effective profit rate at base financing rate - 0.75% per annum.

(v) Islamic financing facility 5 bearing effective profit rate at Islamic Cost of Fund + 2.00% per annum.

(vi) Islamic financing facility 6 bearing effective profit rate at base financing rate + 0.25% per annum.

(vii) Islamic financing facility 7 bearing effective profit rate at Islamic Cost of Fund + 1.20% per annum.

15. BORROWINGS (SECURED) (CONT'D)

(e) Islamic financing facilities (Cont'd)

Islamic financing facility 1 is represented by a facility under Tawarruq arrangement ("TWF") awarded by Bank Pembangunan Malaysia Berhad to a subsidiary to part finance the construction costs and costs relating to the project of "The design, development, construction and the maintenance of student hostels for Universiti Teknikal Malaysia Melaka" ("UTeM") as well as incidental costs/TWF costs relating to UTeM Project. These term loans are secured by:-

(i) a debenture on all present and future assets of a subsidiary;

(ii) assignments of all rights, title, interest and benefits in respect of availability charges and maintenance charges of the Concession Agreement between Government and a subsidiary;

(iii) a corporate guarantee executed by a subsidiary;

(iv) an assignment of all the present and future rights, title, interest and benefits of a subsidiary under construction contract including performance guarantee sum/retention sum given favour of a subsidiary and all liquidated damages payable to subsidiary arising from the project;

(v) an assignment over designated accounts;

(vi) an irrevocable letter of undertaking by a subsidiary;

(vii) a Deed of Undertaking by a subsidiary to do all acts or things as may be necessary to complete the project in accordance with terms of the concession agreement and to provide cash injection in the event of cost overrun during construction period and cash flow shortfall during concession period; and

(viii) a facility agreement.

Islamic financing facility 2 is represented by a facility based on the Shariah Principle of Murabahah and secured by:-

(i) a legal charge over the freehold land of a subsidiary; and

(ii) a corporate guarantee executed by the Company.

Islamic financing facility 3 is represented by a facility under TWF awarded by Bank Islam Malaysia Berhad to a subsidiary as bridging financing for the development of 398 units of double storey terrace house and 49 units of one and half storey terrace house under the Perumahan Penjawat Awan Malaysia ("PPAM") and Rumah Selangorku ("RSKU") scheme in Ulu Yam, Selangor Darul Ehsan. The term loan in the previous financial year was secured by:-

(i) specific debenture over 482 individual titles located at Mukim of Ulu Yam;

(ii) a corporate guarantee executed by the Company;

(iii) deed of assignment of sales proceeds from the development to be credited into the HDA account maintained with Bank Islam; and

(iv) a fixed and floating debenture over the customer's assets, present and future.

Islamic financing facility 4 is represented by a facility under TWF awarded by RHB Islamic Bank Berhad to a subsidiary to part finance the purchase consideration relating to the Sale and Purchase Agreement to acquire four (4) parcels of freehold unencumbered properties. The term loan is secured by:-

(i) an 'All Monies' Facility Agreement to be stamped for RM66,000,000 as the principal instrument;

(ii) an 'All Monies' third party first legal charges over the freehold lands of a subsidiary;

(iii) assignment and legal charge over surplus monies in Housing Development Account ("HDA") in relation to Phase 1 and all projects to be erected on the properties to be financed by the Bank;

(iv) assignment and legal charge over Finance Service Reserve Account ("FSRA") and all Islamic current account(s) to be opened with the Bank;

(v) deed of assignment over surplus monies in relation to Antara Residence Development Project under a subsidiary;

(vi) assignment over all Development Right Agreement ("DRA") to be signed between a subsidiary and the customer in regard to all development projects to be erected on the properties to be financed by the Bank; and

(vii) a corporate guarantee by the Company and a subsidiary.

15. BORROWINGS (SECURED) (CONT'D)

(e) Islamic financing facilities (Cont'd)

Islamic financing facility 5 is represented by a facility awarded by RHB Islamic Bank Berhad to a subsidiary to part finance the building construction costs in relation to Phase 1 in Rumah Idaman Rakyat Selangor Development Project. The revolving credit is secured by:-

(i) an 'All Monies' Facility Agreement to be stamped for RM66,000,000 as the principal instrument;

(ii) an 'All Monies' third party first legal charges over the freehold lands of a subsidiary;

(iii) assignment and legal charge over surplus monies in Housing Development Account ("HDA") in relation to Phase 1 and all projects to be erected on the properties to be financed by the Bank;

(iv) assignment and legal charge over Finance Service Reserve Account ("FSRA") and all Islamic current account(s) to be opened with the Bank;

(v) deed of assignment over surplus monies in relation to Antara Residence Development Project under a subsidiary;

(vi) assignment over all Development Right Agreement ("DRA") to be signed between a subsidiary and the customer in regard to all development projects to be erected on the properties to be financed by the Bank; and

(vii) a corporate guarantee executed by the Company and a subsidiary.

Islamic financing facility 6 is represented by a facility by Alliance Bank Malaysia Berhad for working capital requirements. The term loan in the previous financial year was secured by:-

(i) a corporate guarantee executed by the Company; and

(ii) pledge of fixed deposit together with interest accrued thereon.

Islamic financing facility 7 is represented by a facility awarded by MBSB Bank Berhad to a subsidiary to part finance the building construction costs in relation to Rumah Idaman Kwasa Damansara Project. The term financing, bank guarantee and bridging financing are secured by:-

(i) the Letter of Offer;

(ii) this Facility Agreement between the Bank and the Customer;

(iii) third party open monies charge over 1 parcel of freehold land, measuring approximately 13.91 acres within Kwasa Damansara and held under Title Geran 335272 Lot 87230 in Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor (R4-1 Project Land);

(iv) third party open monies charge over 1 parcel of freehold land, measuring approximately 25.21 acres within Kwasa Damansara and to be held under Title to be issued in due course (R4-2 Project Land) (Legal Charge of R4-2 at a later stage upon issuance of title to the R4-2 land);

(v) debenture over the Customer's fixed and floating assets, both present and future ("the Debenture");

(vi) power of attorney in favour of the Bank by the Customer over the R4-1 Project and/or the R4-1 Project Land, including but not limited to future development with step in right and etc. ("the Power of Attorney");

(vii) power of attorney in favour of the Bank by the Customer over the R4-2 Project and/or the R4-2 Project Land, including but not limited to future development with step in right and etc. ("the Power of Attorney");

(viii) a corporate guarantee by the Company;

(ix) memorandum of Deposit together with Letter of Set Off over the Designated Accounts;

(x) deed of assignment cum Charge over the Designated Account(s);

(xi) deed of subordination from the Customer's shareholders and/or directors over all advances, rights, benefits, interest including but not limited to profits in any manner whatsoever until the Facility is fully settled; and

(xii) any other documents/security as deemed fit by the Bank and/or its solicitors from time to time.

15. BORROWINGS (SECURED) (CONT'D)

(f) Bonds

Details of the secured fixed rate and serial fixed rate bonds are as follows:-

Serial	Effective Interest rate (per annum)	Maturity Period	2023 RM'000	2022 RM'000
7	4.75%	24 April 2023	-	20,000
8	4.90%	24 April 2024	20,000	20,000
9	5.00%	24 April 2025	20,000	20,000
10	5.10%	24 April 2026	20,000	20,000
11	5.20%	24 April 2027	20,000	20,000
			80,000	100,000

The bonds are represented by a fixed rate serial bonds of RM220,000,000 in aggregate nominal value and made up from subscribers. The entire bonds were categorised into 11 tranches, with maturity periods of up to 11 years commencing 2017 to 2027.

The proceeds raised from the bonds are utilised by the Group to finance the construction of building and infrastructure used for accommodation for approximately 5,000 students for International Islamic University Malaysia ("IIUM") Kuantan Campus.

The bonds are governed by Bank Negara Malaysia and Securities Commission, and managed by trustees. A licensed rating agency has given the bonds a rating of AA1 and these bonds are not listed on any exchange.

The coupon rates range from 4.90% to 5.20% per annum and the coupon interest are payable semi-annually on each series of the bonds.

The bonds are secured against the following:-

(i) a first ranking fixed charge over all amounts due to the Debts Services Reserve Account ("DSRA") and collection account ("CA");

(ii) an assignment of the proceeds rights, interest, title and benefits in and to the performance bond/guarantee (if any) in respect of IIUM Project and all proceeds arising therefrom to the extent permitted by the prevailing laws;

(iii) an assignment of the proceeds rights, interest, title and benefits in respect of the rental proceeds under the Concession Agreement in respect of IIUM Project with notice of assignment to be acknowledged by IIUM and Government of Malaysia;

(iv) an all monies debenture in such form as the Bank may require and power of attorney created over a subsidiary's present and future assets and properties;

(v) a priority assignment of insurance policies, if any, required to be undertaken under IIUM Project with the bank and trustee designated as loss payee, to the extent permitted by prevailing law;

(vi) a Letter of Subordination executed by a subsidiary, subordinating all loans and advances granted by its directors and/or shareholders;

(vii) a corporate guarantee executed by a subsidiary;

(viii) a Power of Attorney in favour of the bank to appoint a contract at the bank's discretion to proceed and complete IIUM Project in the event of default in any repayment due to the bank and/or unable to complete the project for any reason whatsoever;

(ix) a second legal charge over 30 months coupon payments to be collected from the Bonds proceeds; and

(x) a guarantee executed by certain directors of a subsidiary and third parties.

15. BORROWINGS (SECURED) (CONT'D)

(g) Bank Overdrafts

The bank overdrafts are secured against the following:-

(i) the Letter of Offer;

(ii) this Facility Agreement between the Bank and the Customer;

(iii) third party open monies charge over 1 parcel of freehold land, measuring approximately 13.91 acres within Kwasa Damansara and held under Title Geran 335272 Lot 87230 in Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor (R4-1 Project Land);

(iv) third party open monies charge over 1 parcel of freehold land, measuring approximately 25.21 acres within Kwasa Damansara and to be held under Title to be issued in due course (R4-2 Project Land) (Legal Charge of R4-2 at a later stage upon issuance of title to the R4-2 land);

(v) debenture over the Customer's fixed and floating assets, both present and future ("the Debenture");

(vi) a Power of Attorney in favour of the Bank by the Customer over the R4-1 Project and/or the R4-1 Project Land, including but not limited to future development with step in right and etc. ("the Power of Attorney");

(vii) a Power of Attorney in favour of the Bank by the Customer over the R4-2 Project and/or the R4-2 Project Land, including but not limited to future development with step in right and etc. ("the Power of Attorney");

(viii) corporate guarantee by the Company and a subsidiary;

(ix) deed of Assignment cum Charge over the Designated Account(s);

(x) deed of Subordination from the Customer's shareholders and/or directors over all advances, rights, benefits, interest including but not limited to profits in any manner whatsoever until the Facility is fully settled;

(xi) any other documents/security as deemed fit by the Bank and/or its solicitors from time to time;

(xii) a deed of assignment over a piece of development land registered under a third party's name; and

(xiii) legal charge to be created upon the issuance of the individual/strata title.

The bank overdrafts of the Group at the end of the reporting period bore floating profit rate of ranging from 5.54% to 7.74% (2022 - 4.08% to 7.53%) per annum.

16. DEFERRED TAX LIABILITIES

The Group	**At 1 January RM'000**	**Recognised in Profit or Loss (Note 23) RM'000**	**At 31 December RM'000**
2023			
Deferred Tax Liabilities			
Trade receivables	76,380	(2,378)	74,002
Property, plant and equipment	-	1,833	1,833
Deferred Tax Assets			
Provisions	(1,081)	-	(1,081)
Unabsorbed capital allowances	-	(952)	(952)
Unutilised tax losses	-	(5)	(5)
	(1,081)	(957)	(2,038)
	75,299	(1,502)	73,797
2022			
Deferred Tax Liabilities			
Trade receivables	78,749	(2,369)	76,380
Deferred Tax Assets			
Provisions	(1,081)	-	(1,081)
	77,668	(2,369)	75,299

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:

	The Group	
	2023 RM'000	**2022 RM'000**
Unused tax losses	51,654	30,088
Accelerated capital allowances	(1,361)	(1,624)
Unabsorbed capital allowances	4,161	3,640
Other temporary differences	1,407	3,288
	55,861	35,392

17. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 (2022 - 30 to 60) days.

18. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other payables	4,841	7,816	25	104
Accruals	27,375	7,108	238	241
	32,216	14,924	263	345

19. REVENUE

Revenue from contracts with customers is disaggregated by major products/services lines and timing of revenue recognition as below:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from Contracts with Customers				
Construction services	114,115	111,315	-	-
Rendering of facilities management services	15,764	15,767	-	-
Property development activities	177,745	101,656	-	-
Rendering of utility services	10,725	4,779	-	-
	318,349	233,517	-	-
Revenue from Other Sources				
Dividend income	-	-	3,000	8,000
Revenue recognised at a point in time				
Dividend income	-	-	3,000	8,000
Revenue recognised over time				
Construction services	114,115	111,315	-	-
Rendering of facilities management services	15,764	15,767	-	-
Property development activities	177,745	101,656	-	-
Rendering of utility services	10,725	4,779	-	-
	318,349	233,517	3,000	8,000

19. REVENUE (CONT'D)

The transaction price allocated to the remaining performance obligations that are unsatisfied or partially satisfied as at the end of the reporting period are summarised below:-

	The Group	
	2023 RM'000	2022 RM'000
Aggregate amount of transaction price allocated to remaining contracts:-		
Construction revenue	512,632	548,220
Property development revenue	155,764	69,586
	668,396	617,806

The Group will recognise this amount of revenue as performance obligation are satisfied, which is expected to occur over the next 4 years.

20. FINANCE COSTS

	The Group	
	2023 RM'000	2022 RM'000
Interest expenses/Profit payments:-		
Bank overdrafts	417	343
Bonds	4,326	5,208
Hire purchase interest	85	48
Hire purchase finance cost (Ijarah)	16	27
Lease liabilities	-	2
Term loans	45	81
Islamic financing facilities	9,853	10,856
	14,742	16,565

21. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	The Group	
	2023 RM'000	2022 RM'000
Impairment losses:		
- trade receivables (Note 9)	8	3,331
- other receivables (Note 11)	3,121	717
Reversal of impairment losses:		
- trade receivables (Note 9)	(2,390)	-
- other receivables (Note 11)	(326)	(9)
	413	4,039

22. PROFIT BEFORE TAXATION

	The Group		The Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Profit before taxation is arrived at after charging/ (crediting):-				
Auditors' remuneration:				
- audit fee				
- current year	180	177	53	53
- underprovision in the previous financial year	1	5	-	-
- non-audit fees:				
- auditors of the Company	17	31	17	31
Depreciation:				
- property, plant and equipment	2,165	2,263	-	-
- right-of-use assets	22	98	-	-
Directors' remuneration (Note 26(a))	3,482	3,463	378	382
Rental of premises	123	124	-	-
Rental of office equipment	23	9	-	-
Equipment written off	17	48	-	-
Staff costs (including other key management personnel as disclosed in Note 26(b)):				
- short-term employee benefits	17,676	17,411	-	-
- defined contribution benefits	2,232	2,033	-	-
- others	370	565	-	-
Accretion of fair value on non-current trade receivables	(23,784)	(25,383)	-	-
Dividend income	-	-	(3,000)	(8,000)
Gain on modification of leases	-	(5)	-	-
Gain on disposal of property, plant and equipment	(1)	(87)	-	-
Government grant	(5,650)	(5,650)	-	-
Finance income	(1,427)	(993)	(1,830)	(1,390)
Rental income	(83)	(89)	-	-

23. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Current tax expense	13,341	11,004	392	315
Underprovision in the previous financial year	384	6	#	2
	13,725	11,010	392	317
Deferred tax (Note 16):				
- origination and reversal of temporary differences	(1,819)	(2,369)	-	-
- underprovision in the previous financial year	317	-	-	-
	(1,502)	(2,369)	-	-
	12,223	8,641	392	317

 # - Amount below RM1,000

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Profit before taxation	17,805	6,048	3,815	8,393
Tax at the statutory tax rate of 24% (2022 - 24%)	4,273	1,452	916	2,014
Tax effects of:-				
Non-deductible expenses	4,369	5,399	196	221
Non-taxable income	(2,033)	(1,778)	(720)	(1,920)
Utilisation of deferred tax assets previously not recognised	(379)	(382)	-	-
Deferred tax assets not recognised during the financial year	5,292	3,944	-	-
Underprovision of current tax in the previous financial year	384	6	#	2
Underprovision of deferred taxation in the previous financial year	317	-	-	-
	12,223	8,641	392	317

 # - Amount below RM1,000

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 24%) of the estimated assessable profit for the financial year.

24. EARNINGS/(LOSS) PER SHARE

The basic earnings per share and the diluted earnings per share are calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after deducting for treasury shares.

	The Group	
	2023	**2022**
Profit/(Loss) attributable to owners of the Company (RM'000)	2,433	(3,378)
Weighted average number of ordinary shares in issue ('000)	753,000	753,000
Basic earnings/(loss) per share (sen)	0.32	(0.45)

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share.

25. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	
	2023 RM'000	**2022 RM'000**
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 5)	2,747	1,302
Less: Acquired through hire purchase arrangements (Note 25 (b))	(2,131)	-
	616	1,302
Right-of-use assets		
Cost of right-of-use assets acquired (Note 8)	-	41
Less: Addition of new lease liabilities (Note 25(b))	-	(41)
	-	-

25. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	**Term loans RM'000**	**Islamic financing facilities RM'000**	**Lease liabilities RM'000**	**Hire purchase payables RM'000**	**Hire purchase payables (Ijarah) RM'000**	**Bonds RM'000**	**Total RM'000**
2023							
At 1 January	1,437	209,119	40	713	480	100,000	311,789
Changes in Financing Cash Flows							
Proceeds from drawdown	-	32,839	-	-	-	-	32,839
Acquisition of new hire purchase	-	-	-	2,131	-	-	2,131
Derecognition due to lease modification	-	-	(3)	-	-	-	(3)
Repayment of borrowing principal	(1,134)	(131,791)	(23)	(484)	(236)	(20,000)	(153,668)
Repayment of finance charges	(45)	(9,853)	-	(85)	(16)	(4,326)	(14,325)
	(1,179)	(108,805)	(26)	1,562	(252)	(24,326)	(133,026)
Non-cash Changes							
Finance charges recognised in profit or loss	45	9,853	-	85	16	4,326	14,325
At 31 December	303	110,167	14	2,360	244	80,000	193,088

25. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Group	**Term loans RM'000**	**Islamic financing facilities RM'000**	**Lease liabilities RM'000**	**Hire purchase payables RM'000**	**Hire purchase payables (Ijarah) RM'000**	**Bonds RM'000**	**Total RM'000**
2022							
At 1 January	2,535	185,852	167	1,184	711	120,000	310,449
Changes in Financing Cash Flows							
Proceeds from drawdown	-	40,396	-	-	-	-	40,396
Acquisition of new lease	-	-	41	-	-	-	41
Derecognition due to lease modification	-	-	(73)	-	-	-	(73)
Repayment of borrowing principal	(1,098)	(17,129)	(95)	(471)	(231)	(20,000)	(39,024)
Repayment of finance charges	(81)	(10,856)	(2)	(48)	(27)	(5,208)	(16,222)
	(1,179)	12,411	(129)	(519)	(258)	(25,208)	(14,882)
Non-cash Changes							
Finance charges recognised in profit or loss	81	10,856	2	48	27	5,208	16,222
At 31 December	1,437	209,119	40	713	480	100,000	311,789

25. CASH FLOW INFORMATION (CONT'D)

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed deposits with licensed banks	38,698	41,940	-	-
Cash and bank balances	77,077	52,314	5,588	3,921
Bank overdrafts	(4,909)	(4,925)	-	-
	110,866	89,329	5,588	3,921
Less: Fixed deposits pledged to licensed banks and fixed deposits with tenure more than 3 months	(17,244)	(17,371)	-	-
	(17,244)	(17,371)	-	-
	93,622	71,958	5,588	3,921

26. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(a) Directors				
Directors of the Company				
Short-term employee benefits:				
- fees	360	360	360	360
- salaries, bonuses and other benefits	2,504	2,507	18	22
	2,864	2,867	378	382
Defined contribution benefits	298	298	-	-
	3,162	3,165	378	382
Directors of the Subsidiaries				
Short-term employee benefits:				
- salaries, bonuses and other benefits	286	266	-	-
Defined contribution benefits	34	32	-	-
	320	298	-	-
Total directors' remuneration (Note 22)	3,482	3,463	378	382
(b) Other Key Management Personnel				
Short-term employee benefits	1,467	1,470	-	-
Defined contribution benefits	165	175	-	-
Total compensation for other key management personnel	1,632	1,645	-	-

27. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries as disclosed in Note 7 to the financial statements.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

		The Group		The Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Subsidiaries					
- Dividend income		-	-	3,000	8,000
- Inter-company loan interest income		-	-	1,749	1,330
Related Parties					
- Consultation fee	(a)	150	100	-	-

(a) Entity in which a director of a subsidiary and a person connected to a director of the Company have substantial financial interests.

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

28. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purpose, the Group is organised into business units based on their services provided.

The Group is organised into 4 main reportable segments as follows:-

- Construction segment - involved in the provision of conceptual design and advisory, design development, liaison with relevant authorities for approvals and the provision of complete services including design, coordination and obtaining authorities approvals and underwriting complete cost and financing.
- Concession and facility management segment - undertaking and providing various concession and asset management services involving comprehensive maintenance and schedule refurbishment and replacement of assets.
- Utility segment - involved in the setting up of thermal energy storage plant which forms part of a district cooling system where thermal energy is stored in a storage tank during low-energy demand hours and discharged for usage during high energy demand hours resulting in energy conservation and cost efficiency for the cooling system.
- Property development segment - involved in the development of residential, commercial and industrial properties.
- Other segments - properties investment and management services.

(a) The Group Managing Director assesses the performance of the reportable segments based on their profit before finance costs and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to reportable segments.

(b) Each reportable segment assets is measured based on all assets of the segment other than investments in associates and tax-related assets.

(c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

(d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

28. OPERATING SEGMENTS (CONT'D)

28.1 BUSINESS SEGMENTS

The Group	Construction Segment RM'000	Concession and Facility Management Segment RM'000	Utility Segment RM'000	Property Development Segment RM'000	Others Segments RM'000	Consolidation Adjustments RM'000	Total RM'000
2023							
Revenue							
External revenue	114,115	15,764	10,725	177,745	-	-	318,349
Inter-segment revenue	81,536	3,879	1,699	(10,805)	8,520	(84,829)	-
	195,651	19,643	12,424	166,940	8,520	(84,829)	318,349
Results							
Segment (loss)/profit	(604)	3,550	2,590	20,257	2,480	(18,338)	9,935
Accretion of fair value on non-current trade receivables	-	23,784	-	-	-	-	23,784
Impairment losses	(3,121)	-	(8)	-	-	-	(3,129)
Depreciation:							
- property, plant and equipment	(1,202)	(64)	(502)	(163)	-	(234)	(2,165)
- right-of-use assets	(577)	-	-	-	-	555	(22)
Gain on disposal of property, plant and equipment	1	-	-	-	-	-	1
Finance income	1,831	609	125	326	1,830	(3,294)	1,427
Finance costs	(525)	(10,034)	-	(7,494)	(45)	3,356	(14,742)
Reversal of impairment losses	543	497	5	1,671	-	-	2,716
(Loss)/Profit before taxation	(3,654)	18,342	2,210	14,597	4,265	(17,955)	17,805
Income tax expense	-	(5,169)	(906)	(5,569)	(579)	-	(12,223)
(Loss)/Profit after taxation	(3,654)	13,173	1,304	9,028	3,686	(17,955)	5,582

28. OPERATING SEGMENTS (CONT'D)

28.1 BUSINESS SEGMENTS (CONT'D)

The Group	Construction Segment RM'000	Concession and Facility Management Segment RM'000	Utility Segment RM'000	Property Development Segment RM'000	Others Segments RM'000	Consolidation Adjustments RM'000	Total RM'000
2023							
Assets							
Segment assets	116,270	508,807	16,392	220,660	21,700	(7,132)	876,697
Unallocated asset:							
- current tax assets							6,277
Consolidated total assets							882,974
Additions to non-current assets other than financial instruments are:							
- property, plant and equipment	2,605	2	26	114	-	-	2,747
- inventories - properties held for future development	-	-	-	13,490	-	-	13,490
Liabilities							
Segment liabilities	117,446	167,180	4,536	65,925	2,006	(1,438)	355,655
Unallocated liabilities:							
- deferred tax liabilities							73,797
- current tax liabilities							3,534
Consolidated total liabilities							432,986

28. OPERATING SEGMENTS (CONT'D)

28.1 BUSINESS SEGMENTS (CONT'D)

The Group	Construction Segment RM'000	Concession and Facility Management Segment RM'000	Utility Segment RM'000	Property Development Segment RM'000	Others Segments RM'000	Consolidation Adjustments RM'000	Total RM'000
2022							
Revenue							
External revenue	111,315	15,767	4,779	101,656	-	-	233,517
Inter-segment revenue	98,870	3,733	707	4,942	8,520	(116,772)	-
	210,185	19,500	5,486	106,598	8,520	(116,772)	233,517
Results							
Segment profit	1,387	3,575	1,253	16,777	6,915	(27,357)	2,550
Accretion of fair value on non-current trade receivables	-	25,383	-	-	-	-	25,383
Impairment losses	(896)	(522)	(15)	(2,615)	-	-	(4,048)
Depreciation:							
- property, plant and equipment	(1,267)	(148)	(485)	(129)	-	(234)	(2,263)
- right-of-use assets	(627)	-	-	(22)	-	551	(98)
Gain on disposal of property, plant and equipment	40	-	47	-	-	-	87
Finance income	1,817	530	76	67	1,390	(2,887)	993
Finance costs	(526)	(11,093)	-	(7,807)	(81)	2,942	(16,565)
Reversal of impairment losses	-	-	9	-	-	-	9
(Loss)/Profit before taxation	(72)	17,725	885	6,271	8,224	(26,985)	6,048
Income tax expense	-	(4,853)	(168)	(3,277)	(435)	92	(8,641)
(Loss)/Profit after taxation	(72)	12,872	717	2,994	7,789	(26,893)	(2,593)

28. OPERATING SEGMENTS (CONT'D)

28.1 BUSINESS SEGMENTS (CONT'D)

The Group	**Construction Segment RM'000**	**Concession and Facility Management Segment RM'000**	**Utility Segment RM'000**	**Property Development Segment RM'000**	**Others Segments RM'000**	**Consolidation Adjustments RM'000**	**Total RM'000**
2022							
Assets							
Segment assets	130,368	547,213	15,260	282,244	18,945	(16,874)	977,156
Unallocated asset:							
- current tax assets							6,713
Consolidated total assets							983,869
Additions to non-current assets other than financial instruments are:							
- property, plant and equipment	208	-	383	711	-	-	1,302
Liabilities							
Segment liabilities	121,159	197,410	4,138	141,611	3,240	(7,133)	460,425
Unallocated liabilities:							
- deferred tax liabilities							75,299
- current tax liabilities							1,739
Consolidated total liabilities							537,463

28. OPERATING SEGMENTS (CONT'D)

28.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segment is not presented.

28.3 MAJOR CUSTOMERS

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

	The Group		Segment
	2023 RM'000	2022 RM'000	
Customer A	-	61,413	Construction
Customer B	35,938	37,446	Construction

29. CAPITAL COMMITMENTS

	The Group	
	2023 RM'000	2022 RM'000
Purchase of property, plant and equipment	-	967

30. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

30.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate/Islamic Profit Rate Risk

Interest rate/Islamic profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates/Islamic profit rates. The Group's exposure to interest rate/Islamic profit rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates/Islamic profit rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate debt instruments are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate/Islamic profit rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 15(d), 15(e) and 15(g) to the financial statements.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate/Islamic Profit Rate Risk (Cont'd)

Interest Rate/Islamic Profit Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates/Islamic profit rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2023 RM'000	**2022 RM'000**
Effects on Profit/(Loss) After Taxation		
Increase of 100 basis points	(877)	(1,638)
Decrease of 100 basis points	877	1,638

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balance), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 2 customers which constituted approximately 88% of its trade receivables (including related parties) at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group's exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulties of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 1 year past due unless the Group has reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments an external credit rating, where applicable.

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than 1 year are deemed credit impaired and assesses for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 1 year from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have a low risk of default as they have a strong capacity to meet their debts.

For property development, purchasers are generally financed by loan facilities from banks and therefore, there is minimal exposure to credit risk. In addition, the credit risk is limited as the ownership and rights to the properties sold will not transfer to cash purchasers in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk from its property development activities.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
The Group				
2023				
Current (not past due)	508,644	(1,090)	(5)	507,549
1 to 30 days past due	9,012	-	(8)	9,004
31 to 60 days past due	1,072	-	(5)	1,067
More than 60 days but less than a year past due	18,008	-	(1,399)	16,609
Trade receivables	536,736	(1,090)	(1,417)	534,229
Contract assets	52,234	-	-	52,234
	588,970	(1,090)	(1,417)	586,463

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
The Group				
2022				
Current (not past due)	536,454	(1,587)	(257)	534,610
1 to 30 days past due	1,703	-	(206)	1,497
31 to 60 days past due	900	-	(127)	773
More than 60 days but less than a year past due	6,515	-	(2,712)	3,803
Trade receivables	545,572	(1,587)	(3,302)	540,683
Contract assets	143,639	-	-	143,639
	689,211	(1,587)	(3,302)	684,322

The identified impairment loss of contract assets was immaterial and hence, it is not provided for.

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 9 and 10 to the financial statements respectively.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

Allowance for Impairment Losses

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
The Group				
2023				
Low credit risk	7,781	-	(1,788)	5,993
Credit impaired	8,121	(8,121)	-	-
	15,902	(8,121)	(1,788)	5,993
2022				
Low credit risk	11,099	-	(2,114)	8,985
Credit impaired	5,000	(5,000)	-	-
	16,099	(5,000)	(2,114)	8,985

The movements in the loss allowances in respect of other receivables are disclosed in Note 11 to the financial statements.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries (Non-trade Balances) (Cont'd)

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the amount owing is not recoverable.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2023						
Non-derivative Financial Liabilities						
Lease liabilities	4.42	14	15	15	-	-
Hire purchase payables	4.09 - 5.67	2,360	2,639	758	1,881	-
Hire purchase payables (Ijarah)	4.22 - 4.83	244	250	207	43	-
Term loans	4.36	303	305	305	-	-
Islamic financing facilities	3.45 - 6.00	110,167	129,103	17,180	88,175	23,748
Bonds	4.90 - 5.20	80,000	90,211	24,051	66,160	-
Bank overdrafts	5.54 - 7.74	4,909	4,909	4,909	-	-
Trade payables	-	88,325	88,325	88,325	-	-
Other payables and accruals	-	32,216	32,216	32,216	-	-
		318,538	347,973	167,966	156,259	23,748

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Group	Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2022						
Non-derivative Financial Liabilities						
Lease liabilities	4.42	40	37	22	15	-
Hire purchase payables	4.09 - 5.65	713	761	347	414	-
Hire purchase payables (Ijarah)	4.22 - 4.83	480	503	253	250	-
Term loans	4.36	1,437	1,474	1,179	295	-
Islamic financing facilities	3.45 - 6.45	209,119	232,519	17,586	176,675	38,258
Bonds	4.75 - 5.20	100,000	111,751	24,335	87,416	-
Bank overdrafts	4.45 - 7.53	4,925	4,925	4,925	-	-
Trade payables	-	97,506	97,506	97,506	-	-
Other payables and accruals	-	14,924	14,924	14,924	-	-
		429,144	464,400	161,077	265,065	38,258

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interests payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Company	**Interest/ Profit Rate %**	**Carrying Amount RM'000**	**Contractual Undiscounted Cash Flows RM'000**	**Within 1 Year RM'000**
2023				
Non-derivative Financial Liabilities				
Other payables and accruals	-	263	263	263
2022				
Non-derivative Financial Liabilities				
Other payables and accruals	-	345	345	345

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

30.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interests. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2023 RM'000	**2022 RM'000**
Borrowings (Note 15)	197,997	316,714
Less: Cash and cash equivalents (Note 25(c))	(93,622)	(71,958)
Net debt	104,375	244,756
Total equity	449,988	446,406
Debt-to-equity ratio	0.23	0.55

There was no changes in the Group's approach to capital management during the financial year.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial Assets				
Amortised Cost				
Trade receivables	534,229	540,683	-	-
Other receivables	5,993	8,985	-	-
Amount owing by subsidiaries	-	-	61,909	60,778
Fixed deposits with licensed banks	38,698	41,940	-	-
Cash and bank balances	77,077	52,314	5,588	3,921
	655,997	643,922	67,497	64,699
Financial Liabilities				
Amortised Cost				
Lease liabilities	14	40	-	-
Hire purchase payables	2,360	713	-	-
Hire purchase payables (Ijarah)	244	480	-	-
Term loans	303	1,437	-	-
Islamic financing facilities	110,167	209,119	-	-
Bonds	80,000	100,000	-	-
Bank overdrafts	4,909	4,925	-	-
Trade payables	88,325	97,506	-	-
Other payables and accruals	32,216	14,924	263	345
	318,538	429,144	263	345

30.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial Assets				
Amortised Cost				
Net gains/(losses) recognised in profit or loss	1,014	(3,046)	1,830	1,390
Financial Liabilities				
Amortised Cost				
Net losses recognised in profit or loss	14,742	16,565	-	-

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

As the Group does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
The Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**RM'000**	**RM'000**
2023					
Financial Asset					
Trade receivables	-	534,229	-	534,229	534,229
Financial Liabilities					
Lease liabilities	-	14	-	14	14
Hire purchase payables	-	2,360	-	2,360	2,360
Hire purchase payables (Ijarah)	-	244	-	244	244
Term loans	-	303	-	303	303
Islamic financing facilities	-	110,167	-	110,167	110,167
Bonds	-	80,000	-	80,000	80,000
Bank overdrafts	-	4,909	-	4,909	4,909
2022					
Financial Asset					
Trade receivables	-	540,683	-	540,683	540,683
Financial Liabilities					
Lease liabilities	-	40	-	40	40
Hire purchase payables	-	713	-	713	713
Hire purchase payables (Ijarah)	-	480	-	480	480
Term loans	-	1,437	-	1,437	1,437
Islamic financing facilities	-	209,119	-	209,119	209,119
Bonds	-	100,000	-	100,000	100,000
Bank overdrafts	-	4,925	-	4,925	4,925

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 FAIR VALUE INFORMATION (CONT'D)

Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair values of trade receivables are measured at the Malaysian Government 20 years' Quasi Government Bond at the end of the reporting period.

(ii) The fair values of the bonds are estimated based on their indicative market prices as at the end of reporting period.

(iii) The fair values of the Group's term loans and bank overdrafts that carry floating interest/profit rates approximated their carrying amounts as they are repriced to market interest/profit rates on or near the reporting date.

(iv) The fair values of lease liabilities that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest/profit rates for similar instruments at the end of the reporting period.

31. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 28 June 2023, Nadi Cergas Sdn. Bhd. ("NCSB") accepted a Letter of Award ("LOA") from Paramount Property Construction Sdn. Bhd. in respect of a sub-contract for the superstructure works for Atera (Phase 1), a development project consisting of 1 block 47 floors of 756 units affordable serviced apartment, 4 units business lot and 6 floors podium car park at Seksyen 51A, Bandar Petaling Jaya, Daerah Petaling, Selangor Darul Ehsan for Aneka Sepakat Sdn. Bhd., at a sub-contract sum of RM75,738,000.

32. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 17 January 2024, the Company accepted a Letter of Award ("LOA") from Kwasa Land Sdn. Bhd. ("KWASALAND"), a wholly owned subsidiary of Employees Provident Fund ("EPF"), as its development partner to develop affordable housing on one (1) parcel of land in Kwasa Damansara Township, District of Petaling, Selangor Darul Ehsan with a total land size of approximately 34.86 acres. The LOA shall be binding and valid pending the finalisation and execution of the Development Rights Agreement between KWASALAND and the Company for a Development Land Value of RM35,555,500.

33. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM'000	As Restated RM'000
Consolidated Statement of Financial Position (Extract):-		
Non-current assets		
Property, plant and equipment	27,655	29,375
Right-of-use assets	1,759	39
Non-current liabilities		
Lease liabilities	412	14
Hire purchase payable	-	398
Current liabilities		
Lease liabilities	341	26
Hire purchase payable	-	315
Consolidated Statement of Cash Flows (Extract):-		
CASH FLOWS FROM OPERATING ACTIVITIES		
Depreciation of property, plant and equipment	1,549	2,263
Depreciation of right-of-use assets	812	98
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of lease liabilities	566	95
Repayment of hire purchase payable	-	471

>> LIST OF PROPERTIES

No	Location	Description/ Existing Use	Area (Sq. Metres)	Tenure	Age of Building (Years)	Carrying Amount as at 31/12/2023 (RM'000)	Year of Acquisition
1	8 Suria Block F, 33, Jalan PJU 1/42, 47301 Petaling Jaya, Selangor.	6 storey office building	Built-up area: 880.07	Freehold	10	4,734	2013
2	8 Suria Block G, 33, Jalan PJU 1/42, 47301 Petaling Jaya, Selangor.	6 storey office building	Built-up area: 866.04	Freehold	10	4,668	2013
3	A-1-11, Jalan PJU 1A/20A, Dataran Ara Damansara 47301 Petaling Jaya, Selangor	3 storey shop office	Land area: 176.00 Built-up area: 473.39	Freehold	17	1,067	2007
4	A-1-11A, Jalan PJU 1A/20A, Dataran Ara Damansara 47301 Petaling Jaya, Selangor.	3 storey shop office	Land area: 176.00 Built-up area: 473.39	Freehold	17	1,067	2007
5	PT 13079 – 13643, PT 13645 – 13646, PT 13648, PT 13660, Mukim Ulu Yam, Daerah Ulu Selangor, Selangor.	Land under development	Land area: 469,881	Leasehold 99 years expiring between 06.03.2083 to 12.03.2083	-	42,090	2015
6	Lot 1246, GRN 26312 Lot 1247, GRN 26313 Lot 1248, GRN 26314 Lot 1249, GRN 28311 Lot 1250, GRN 28312 Lot 1251, GRN 28313 Lot 1252, GRN 28314 Lot 1253, GRN 28315 Lot 1254, GRN 28316 Lot 1255, GRN 26315 Seksyen 41, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	Land for proposed mixed development	Land area: 2,047.00	Freehold	-	15,584	2016
7	PT 70677, HS(D) 135577 Pekan Kampung Sungai Tangkas, Daerah Ulu Langat, Selangor.	Agriculture land	Land area: 16,056.00	Freehold	-	4,000	2006
8	PT 51723, HS(D) 322717, PT 51727, HS(D) 322721, PT 53775, HS(D) 308786, Mukim Sungai Buloh, Daerah Petaling, Selangor.	Land for proposed mixed development	Land area: 105,809.78	Freehold	-	20,549	2020
9	Lot 93270, GRN 338148, Mukim Damansara, Daerah Petaling, Selangor.	Land under development	Land area: 42,480.00	Freehold	-	16,777	2020

>> ANALYSIS OF SHAREHOLDING

STATISTICS OF ORDINARY SHAREHOLDINGS AS AT 1 APRIL 2024

Class of Shares : Ordinary Shares
Total Number of Issued Shares : 753,000,000
Issued and Paid-up Capital : RM136,444,000.00
Voting Rights : One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 1 APRIL 2024

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES HELD	%
1 – 99	2	0.24	100	0.00
100 – 1,000	169	20.22	104,300	0.01
1,001 – 10,000	231	27.63	1,452,800	0.19
10,001 – 100,000	277	33.13	11,667,500	1.55
100,001 – 37,649,999*	155	18.54	196,575,300	26.11
37,650,000 and above**	2	0.24	543,200,000	72.14
Total	**836**	**100.00**	**753,000,000**	**100.00**

**Less than 5% of Issued Shares*
***5% and above of Issued Shares*

SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2024

		No. of Shares held		No. of Shares held	
No.	**Name of Substantial Shareholders**	**Direct**	**Percentage (%)**	**Indirect**	**Percentage (%)**
1	WAN AZMAN BIN WAN KAMAL	492,116,663	65.35	-	-
2	SUBAHAN BIN KAMAL	51,083,337	6.78	-	-
	Total	**543,200,000**	**72.13**	**-**	**-**

DIRECTORS' INTERESTS IN SHARES AS AT 1 APRIL 2024

		No. of Shares held		No. of Shares held	
No.	**Name of Substantial Shareholders**	**Direct**	**Percentage (%)**	**Indirect**	**Percentage (%)**
1	MUHAMAD FUAD BIN ABDULLAH	400,000	0.05	-	-
2	WAN AZMAN BIN WAN KAMAL	492,116,663	65.35	-	-
3	SUBAHAN BIN KAMAL	51,083,337	6.78	-	-
4	CHNG BOON HUAT	500,000	0.07	-	-
5	SITI NAAISHAH BINTI HAMBALI	500,000	0.07	-	-
	Total	**544,600,000**	**72.32**	**-**	**-**

LIST OF TOP 30 HOLDERS AS AT 1 APRIL 2024

(Without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name of Shareholders	No. of Shares	Percentage of shares held (%)
1	WAN AZMAN BIN WAN KAMAL	194,362,540	25.812
2	WAN AZMAN BIN WAN KAMAL	102,518,041	13.615
3	WAN AZMAN BIN WAN KAMAL	97,618,041	12.964
4	WAN AZMAN BIN WAN KAMAL	97,618,041	12.964
5	SUBAHAN BIN KAMAL	30,219,419	4.013
6	LIM ENG KEONG	25,781,800	3.424
7	SUBAHAN BIN KAMAL	20,863,918	2.771
8	SERI DELIMA ANGGUN SDN. BHD.	18,940,000	2.515
9	CHONG NGU CHONG	17,196,000	2.284
10	LOO TANG KIM	9,870,000	1.311
11	RHB NOMINEES (TEMPATAN) SDN BHD OOI TENG KOK	9,337,800	1.240
12	CHONG NGU CHONG	6,654,100	0.884
13	JENNY WONG	6,373,600	0.846
14	CHONG SHEN CHONG	3,715,400	0.493
15	DAVID LIM KERN YEN	3,445,000	0.457
16	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	2,500,000	0.332
17	SAW LIP HEAN	2,426,100	0.322
18	CHONG FUN LING	2,310,000	0.307
19	CHONG YAW TING	2,218,000	0.295
20	CHANG AH KAU @ CHONG HON CHONG	2,200,000	0.292
21	KHAW CHONG JIN	2,032,000	0.270
22	SAW HOAY THENG	1,955,000	0.260
23	CHONG YAW WEN	1,935,000	0.257
24	LAU HENG KENG	1,917,800	0.255
25	LIM YOKE CHIN	1,900,000	0.252
26	BO CHUN PING	1,850,000	0.246
27	CHONG YAW TING	1,774,200	0.235
28	LIEW CHOOI LYNN	1,773,000	0.235
29	OOI CHIN SOON	1,750,000	0.232
30	NIK PA'EZAH BINTI ISMAIL	1,720,500	0.228
	Total	**674,775,300**	**89.611**

>> NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting ("7th AGM") of Gagasan Nadi Cergas Berhad ("the Company") will be conducted on a fully virtual basis by way of live streaming and online remote voting through the online meeting platform of **TIIH Online** using Remote Participation and Voting ("RPV") facilities via its website at https://tiih.online or https://tiih.com.my (Domain Registration No. MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia on **Thursday, 6 June 2024 at 10.00 a.m.** for the following purposes:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' and Auditors' Reports.

   [Please refer to Note (a)]

2. To re-elect the following Directors retiring in accordance with Clause 125 of the Constitution of the Company and being eligible, have offered themselves for re-election:

i. Ir. Dr. Hj Muhamad Fuad Bin Abdullah	**(Ordinary Resolution 1)**
ii. Hj Wan Azman Bin Wan Kamal	**(Ordinary Resolution 2)**

   [Please refer to Note (b)]

3. To approve the payment of Directors' fees to the following Directors for the financial year ending 31 December 2024:

i. Ir. Dr. Hj Muhamad Fuad Bin Abdullah: RM126,000.00.	**(Ordinary Resolution 3)**
ii. Professor Emerita Siti Naaishah Bt. Hambali: RM114,000.00.	**(Ordinary Resolution 4)**
iii. Chng Boon Huat: RM120,000.00.	**(Ordinary Resolution 5)**
iv. Additional Directors' fees: RM140,000.00.	**(Ordinary Resolution 6)**

   [Please refer to Note (c)]

4. To approve the payment of Directors' benefits of up to RM100,000.00 from the date of the forthcoming Annual General Meeting until the next Annual General Meeting of the Company. **(Ordinary Resolution 7)**

   [Please refer to Note (d)]

5. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 8)**

   [Please refer to Note (e)]

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following resolutions:-

6. **PROPOSED RENEWAL OF AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** (Ordinary Resolution 9)

   "THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed Mandate").

THAT such approval on the Proposed Mandate shall continue to be in force until:

a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed Mandate."

[Please refer to Note (f)]

7. To transact any other business of the Company of which due notice shall have been given in accordance with the Act and the Constitution of the Company.

BY ORDER OF THE BOARD

Kuan Hui Fang (SSM PC No. 202008001235) (MIA 16876)
Ong Wai Leng (SSM PC No. 202208000633) (MAICSA No. 7065544)
Company Secretaries

29 April 2024
Kuala Lumpur

NOTES: -

1. The Company's Annual General Meeting ("AGM") will be conducted on a fully virtual basis through live streaming and online remote voting through the online meeting platform of TIIH Online using Remote Participation and Voting ("RPV") facilities via Tricor Investor & Issuing House Services Sdn Bhd's ("**Share Registrar**", "**Tricor**" or "**TIIH**") websites at https://tiih.online or https://tiih.com.my Shareholders may exercise their rights to participate (including to post questions to the Board) and vote at the AGM by using the RPV facilities. Please follow the procedures provided in the Administrative Guide for the 7th AGM in order to register, participate and vote remotely via the RPV facilities.

   A fully virtual general meeting is conducted online in line with Section 327(2) of the Companies Act where all meeting participants including the Chairman of the meeting, board members, senior management and shareholders are required to participate the meeting via online.

2. For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a **Record of Depositors as at 29 May 2024** and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the meeting or appoint proxies to attend and vote in his stead.

3. A member of a Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at meeting of members of the Company. A member may appoint more than one proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.

4. Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

6. Where a member or the authorised nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints more than one (1) proxy in respect of each omnibus account to attend and vote at the same meeting, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.

7. The instrument appointing a proxy shall be in writing signed by the appointor or by his attorney who is authorised in writing. In the case of a corporation, the instrument appointing a proxy or proxies must be made either under its common seal or signed by an officer or an attorney duly authorised.

8. A member who has appointed a proxy or attorney or corporate representative to participate and vote at this AGM must request his/her proxy or attorney or corporate representative to register himself/herself for RPV at **TIIH Online** website at https://tiih.online. Please follow the Procedures for RPV in the Administrative Guide for the 7th AGM.

9. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned meeting at which the person named in the appointment the proxies:-

   (a) In hard copy form

   In the case of an appointment made in hard copy form, the Proxy Form must be deposited at the Company's Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (b) By Electronic Form

   The Proxy Form can be electronically lodged via **TIIH Online** website at https://tiih.online. Please refer to the Administrative Guide for the 7th AGM on the procedure for electronic lodgement of Proxy Form via TIIH Online.

10. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.

11. Last date and time for lodging the Proxy Form is on **Tuesday, 4 June 2024 at 10.00 a.m.**

12. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the share registrar in accordance with Note (9)(a) above **not less than forty-eight (48) hours before the time appointed for holding the AGM** or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

13. For a corporate member who has appointed a representative, please deposit the **ORIGINAL OR DULY CERTIFIED** certificate of appointment with the share registrar in accordance with Note (9)(a) above. The certificate of appointment should be executed in the following manner:

    (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

    (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

       1. at least two (2) authorised officers, of whom one shall be a director; or
       2. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Explanatory Notes:

a. Agenda No. 1

This item is meant for discussion only. The provisions of Section 340(1)(a) of the Companies Act 2016 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

b. Ordinary Resolutions No. 1 and 2

The Nomination Committee ("NC"), with the assistance of the Company Secretaries, had conducted a Board effectiveness Assessment ("BEA") of the Directors, in the areas of performance, contribution to interaction, quality of input, understanding of their roles and independence of Independent Directors, including fit and proper assessment.

Based on the results of the BEA for the financial year 2023, the Board approved the NC's recommendation on the re-election of Ir. Dr. Hj Muhamad Fuad Bin Abdullah and Hj Wan Azman Bin Wan Kamal who are due to retire at the 7th AGM in accordance with Clause 125 of the Company's Constitution based on the following justifications:

- They have relevant mix of experience, skills, industry knowledge on engineering, property development and construction, expertise and core competency that is beneficial to the Company.
- They have met the fit and proper criteria as stated in the Directors' Fit and Proper Policy in discharging their roles and responsibilities.
- They are unafraid to express independent views or opinions on matters presented to the Board.
- They devote adequate time in discharging their duties and responsibilities as Directors, work constructively with other Board members, attend meetings with well preparation and add values to Board meetings.

c. Ordinary Resolutions No. 3 to 6

Resolutions no. 3 to 5 are to facilitate payment of Directors' fees for the financial year ending 31 December 2024, while resolution no. 6 is to facilitate payment of additional Directors' fees for the financial year ending 31 December 2024 in the event the Company appoints additional Independent Non-Executive Director(s).

d. Ordinary Resolution No. 7

This resolution is to facilitate payment of Directors' benefits from the date of the forthcoming AGM until the next AGM in 2025. In the event the Directors' benefits proposed are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

Directors' benefits include allowances for travel and training programmes for directors and other emoluments payable to Directors and in determining the estimated total the Board had considered various factors including the number of scheduled meetings for the Board and Board Committees and covers from the date of the forthcoming AGM until the next AGM.

e. Ordinary Resolution No. 8

The Board had its meeting held on 22 April 2024 approved the recommendation by the Audit and Risk Management Committee to re-appoint Messrs Crowe Malaysia PLT. The Board and Audit and Risk Management Committee collectively agreed that Messrs Crowe Malaysia PLT has met the relevant criteria prescribed by Rule 15.21 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

f. Ordinary Resolution No. 9

The proposed ordinary resolution, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed Mandate").

The authority for the Proposed Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed Resolution is a renewal of the previous year's mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the 6th AGM held on 7 June 2023 and will lapse at the conclusion of the 7th AGM to be held on 6 June 2024. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

>> STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. The Directors who retire in accordance with Clause 125 of the Constitution and being eligible to offer themselves for re-election at the upcoming AGM are Ir. Dr. Hj Muhamad Fuad Bin Abdullah and Hj Wan Azman Bin Wan Kamal ("Retiring Directors").

   The details of the Retiring Directors who are standing for re-election as per Agenda Item 2 of the Notice of 7th AGM are as follows:

I. IR. DR. HJ MUHAMAD FUAD BIN ABDULLAH

(Independent Non-Executive Chairman)

Nationality | Malaysian
Age | 70
Gender | Male
Date of Appointment | 15 September 2017
Length of Tenure (as at 1 April 2024) | 6 years 6 months

MEMBERSHIP OF BOARD COMMITTEES

- Chairman of Nomination Committee
- Member of Audit and Risk Management Committee
- Member of Remuneration Committee

QUALIFICATION

- Bachelor of Science Honours Degree in Electrical Engineering, University of Southampton, United Kingdom
- Master of Philosophy in Electrical Engineering, University of Southampton, United Kingdom
- Bachelor of Arts in Shariah, University of Jordan, Amman (Jordan)
- PhD in Muslim Civilisation, University of Aberdeen, United Kingdom
- Professional Engineer of the Board of Engineers Malaysia
- APEC Engineer and an International Professional Engineer of the International Engineering Alliance
- ASEAN Engineer of ASEAN Federation of Engineering Organisations
- ASEAN Chartered Professional Engineer

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ENTITIES

- Nil

INTEREST IN THE SECURITIES OF GAGASAN NADI CERGAS BERHAD

- 400,000 Ordinary Shares

RELEVANT EXPERIENCE

Ir. Dr. Muhamad Fuad bin Abdullah was appointed to the Board on 15 September 2017. He is a Fellow of the Institution of Engineers, Malaysia since 2004. He has been a member of the Institute of Corporate Directors Malaysia since September 2018 and a registered Shariah Adviser with the Securities Commission Malaysia since 2010.

His career started in 1977 as an Electrical Engineer with the Public Works Department at its headquarters in Kuala Lumpur. He left in 1983 to join Uniphone Sdn Bhd, a telecommunications company as an Engineering Logistics Manager up to 1991. From 1991 to 1996, he was a Tutor in Muslim Civilisation at Universiti Kebangsaan Malaysia. He was a Director of Five-H Associates Sdn Bhd, an engineering consultancy company, from 1996 to 2006, and during his tenure held the position of Managing Director from 2003 to 2006. He served as the Chief Executive Officer of Kausar Corporation Sdn Bhd, a construction company from 2002 to 2003.

Ir. Dr. Muhamad Fuad bin Abdullah possess relevant qualification, knowledge and experience which complement the current Board's competencies. The Board is of the opinion that he has exercised due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Chairman and remains objective and independent in expressing his view and participating in Board's deliberation and decision-making process.

The Board hereby recommends the re-election of Ir. Dr. Muhamad Fuad bin Abdullah as an Independent Non-Executive Chairman of the Company for shareholders' approval.

II. HJ WAN AZMAN BIN WAN KAMAL

(Group Managing Director)

Nationality | Malaysian
Age | 63
Gender | Male
Date of Appointment | 15 September 2017
Length of Tenure (as at 1 April 2024) | 6 years 6 months

MEMBERSHIP OF BOARD COMMITTEES

- Nil

QUALIFICATION

- Diploma in Quantity Surveying, Universiti Teknologi Malaysia
- Advanced Diploma in Quantity Surveying, MARA Institute of Technology
- Registered Quantity Surveyor of the Board of Quantity Surveyors Malaysia
- Member of the Institute of Surveyors Malaysia

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED ENTITIES

- Nil

INTEREST IN THE SECURITIES OF GAGASAN NADI CERGAS BERHAD

- 487,116,663 Ordinary Shares

RELEVANT EXPERIENCE

Hj Wan Azman bin Wan Kamal was appointed to the Board on 15 September 2017. He has extensive experience in the property development and construction industry with a career that spans approximately 37 years. His career started in 1982 as a Technical Assistant at Jabatan Kerja Raya Pahang. He left in 1984 to pursue his Advanced Diploma in Quantity Surveying from 1984 to 1986. Subsequently from 1986 to 1989, he joined QS Associates, a quantity surveying firm, as a Quantity Surveyor. In 1990, he joined Sime UEP Development Sdn Bhd, a property development company, as a Quantity Surveyor and was promoted to the position of Cost Controller in 1992, before he left in 1998. In 1998, he took up the position of Director of Business Development at Juwana Construction Sdn Bhd, a construction company, before leaving in 1999 to become the major shareholder and Managing Director of Nadi Cergas Sdn Bhd. As Group Managing Director, he has been instrumental in the growth and development of the Group.

He is responsible for the strategic direction of our Group including the implementation of future plans and strategies, including the property development segment of our business. He is also involved in managing the day-to-day operations of our Group.

Hj Wan Azman bin Wan Kamal possess relevant qualification, knowledge and experience which complement the current Board's competencies. The Board is of the opinion that he has exercised due care and carried out his professional duties proficiently during his tenure as Group Managing Director.

The Board hereby recommends the re-election of Hj Wan Azman bin Wan Kamal as Group Managing Director.

2. General mandate for issue of securities

   Kindly refer to the Explanatory Notes (f) on Special Business – Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.

GAGASAN NADI CERGAS
BERHAD 201701024800(1238966-U)
(Incorporated in Malaysia)

PROXY FORM

(Before completing this form please refer to the notes below)

Number of Shares held	
CDS Account	

I/We ______________________________ Tel: ______________
[Full name in block and as per NRIC/passport, NRIC/Passport/Company No.]

of ______________________________
[Full address]

being member(s) of **GAGASAN NADI CERGAS BERHAD**, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and (if more than one (1) proxy)

Full Name (in Block and as per NRIC/Passport)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

Or failing ^him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the Seventh Annual General Meeting ("7th AGM") of the Company to be conducted on a fully virtual basis by way of live streaming and online remote voting through the online meeting platform of TIIH Online using Remote Participation and Voting ("RPV") facilities via its website at https://tiih.online or https://tiih.com.my (Domain Registration No. MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia on **Thursday, 6 June 2024 at 10.00 a.m.** and any adjournment thereof, to vote as indicated below:

RESOLUTIONS	DESCRIPTION OF RESOLUTION	FOR	AGAINST
Ordinary Resolution 1	To re-elect Ir. Dr. Hj Muhamad Fuad Bin Abdullah as Director of the Company.		
Ordinary Resolution 2	To re-elect Hj Wan Azman Bin Wan Kamal as Director of the Company.		
Ordinary Resolution 3	To approve the payment of Directors' fees to Ir. Dr. Hj Muhamad Fuad Bin Abdullah amounting to RM126,000.00 in respect of financial year ending 31 December 2024.		
Ordinary Resolution 4	To approve the payment of Directors' fees to Professor Emerita Siti Naaishah Bt. Hambali amounting to RM114,000.00 in respect of financial year ending 31 December 2024.		
Ordinary Resolution 5	To approve the payment of Directors' fees to Chng Boon Huat amounting to RM120,000.00 in respect of financial year ending 31 December 2024.		
Ordinary Resolution 6	To approve the payment of additional Directors' fees amounting to RM140,000.00 in respect of financial year ending 31 December 2024.		
Ordinary Resolution 7	To approve the payment of Directors' benefits of up to RM100,000.00 from the date of the forthcoming Annual General Meeting until the next Annual General Meeting of the Company.		
Ordinary Resolution 8	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 9	Proposed Renewal of Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Dated this ______ day of ______________ 2024.

____
Signature*
Member

^ Delete whichever is inapplicable
* Manner of execution:

(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES: -

1. The Company's Annual General Meeting ("AGM") will be conducted on a fully virtual basis through live streaming and online remote voting using the online meeting platform of TIIH Online using Remote Participation and Voting ("RPV") facilities via Tricor Investor & Issuing House Services Sdn Bhd's ("**Share Registrar**", "**Tricor**" or "**TIIH**") websites at https://tiih.online or https://tiih.com.my. Shareholders may exercise their rights to participate (including to post questions to the Board) and vote at the AGM by using the RPV facilities. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely via the RPV facilities.

   A fully virtual general meeting is conducted online in line with Section 327(2) of the Companies Act where all meeting participants including the Chairman of the meeting, board members, senior management and shareholders are required to participate the meeting via online.
2. For the purpose of determining a member who shall be entitled to attend and vote at the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a **Record of Depositors as at 29 May 2024** and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the meeting or appoint proxies to attend and vote in his stead.
3. A member of a Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at meeting of members of the Company. A member may appoint more than one proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
4. Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (**"SICDA"**), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. For a member of the Company who is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (**"omnibus account"**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
6. Where a member or the authorized nominee appoints more than two (2) proxies, or where an exempt authorised nominee appoints more than one (1) proxy in respect of each omnibus account to attend and vote at the same meeting, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
7. The instrument appointing a proxy shall be in writing signed by the appointor or by his attorney who is authorised in writing. In the case of a corporation, the instrument appointing a proxy or proxies must be made either under its common seal or signed by an officer or an attorney duly authorised.
8. A member who has appointed a proxy or attorney or corporate representative to participate and vote at this AGM must request his/her proxy or attorney or corporate representative to register himself/herself for RPV at **TIIH Online** website at https://tiih.online. Please follow the Procedures for RPV in the Administrative Guide for the 7th AGM.

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AFFIX
STAMP

GAGASAN NADI CERGAS BERHAD

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

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9. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned meeting at which the person named in the appointment the proxies:-
   (a) In hard copy form

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

   (b) By Electronic Form

   The Proxy Form can be electronically lodged via **TIIH Online** website at https://tiih.online. Please refer to the Administrative Guide on the procedure for electronic lodgement of Proxy Form via TIIH Online.
10. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
11. Last date and time for lodging the Proxy Form is on **Tuesday, 4 June 2024 at 10.00 a.m.**
12. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the share registrar in accordance with Note (9)(a) above **not less than forty-eight (48) hours before the time appointed for holding the AGM** or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
13. For a corporate member who has appointed a representative, please deposit the **ORIGINAL OR DULY CERTIFIED** certificate of appointment with the share registrar in accordance with Note (9)(a) above. The certificate of appointment should be executed in the following manner:
    (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
    (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
        1. at least two (2) authorised officers, of whom one shall be a director; or
        2. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

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