GAGASAN NADI CERGAS
BERHAD 201701024800(1238966-U)

ANNUAL
REPORT
2024

# Building Futures Shaping Communities

# WHAT'S INSIDE THIS REPORT



## 8th ANNUAL GENERAL MEETING

**Wednesday | 4 June 2025 | 10.00 a.m.**

**Ballroom V, Main Wing,**
**Tropicana Golf & Country Resort,**
**Jalan Kelab Tropicana, 47410 Petaling Jaya,**
**Selangor Darul Ehsan.**

## COVER RATIONALE

"**Building Futures**" highlights the significant role of the property development segment in creating modern living spaces, particularly through its growing portfolio of affordable high-rise homes in key urban areas. "**Shaping Communities**" underscores the broader social impact of these developments, fostering vibrant and accessible neighborhoods. This vision is made possible by the increasingly efficient and dependable performance of the construction segment.

# CORPORATE INFORMATION



## BOARD OF DIRECTORS

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

**Dato' Sr Hj Wan Azman Bin Wan Kamal**
(Group Managing Director)

**Dato' Sri Subahan Bin Kamal**
(Executive Director)

**Professor Emerita Siti Naaishah Binti 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 Binti Hambali**

## REMUNERATION COMMITTEE

**Professor Emerita Siti Naaishah Binti Hambali**
(Chairperson)
**Ir. Dr. Muhamad Fuad Bin Abdullah**
**Chng Boon Huat**

## NOMINATION COMMITTEE

**Ir. Dr. Muhamad Fuad Bin Abdullah** (Chairman)
**Professor Emerita Siti Naaishah Binti Hambali**
**Chng Boon Huat**

## COMPANY SECRETARIES

**Te Hock Wee**
(SSM PC No. 202008002124)
(MAICSA 7054787)

**Tan Bee Hwee**
(SSM PC No. 202008001497)
(MAICSA 7021024)

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## REGISTERED OFFICE

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## AUDITORS

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## SHARE REGISTRAR

**Tricor Investor & Issuing House Services Sdn Bhd**
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No. 8, Jalan Kerinchi
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F +603-27839222
E is.enquiry@vistra.com

## 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 ("NCSB") commenced business as a contractor of building construction works. In over two decades, NCSB 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 of 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.

NCSB 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, NCSB 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 the Group 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".

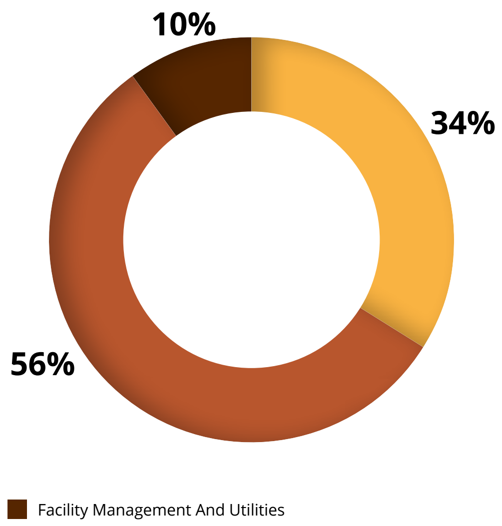
# FINANCIAL HIGHLIGHTS

## REVENUE

RM262.8m

FY2023: RM318.3m

**FY2024 Revenue By Segment**




| OPERATING PROFIT | SHAREHOLDERS' EQUITY | TOTAL ASSETS |
|---|---|---|
| RM27.2m | RM450.4m | RM885.9m |
| FY2023: RM31.1m | FY2023: RM444.6m | FY2023: RM883.0m |

## KEY PERFORMANCE INDICATORS

### CONSTRUCTION

| Order Book | FY2024 New Wins | Segment Revenue |
|---|---|---|
| RM454.9 million | RM23.1 million | RM90.5 million |
| | | FY2023: RM114.1m |

### PROPERTY DEVELOPMENT

Segment Revenue

RM146.0 million

FY2023: RM177.7 m

4 Major Ongoing Projects in Greater KL

### FACILITY MANAGEMENT AND UTILITIES

Segment Revenue

RM26.3 million

FY2023: RM26.5m

*All data presented as at 31 Dec 2024*

## 5-YEAR GROUP FINANCIAL HIGHLIGHTS

| Financial Summary | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| **For the Financial Year Ended 31 December (RM'000)** | | | | | |
| Revenue | 206,902 | 199,256 | 233,517 | 318,349 | **262,817** |
| Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") | 31,833 | 35,297 | 23,981 | 33,307 | **29,361** |
| Operating Profit | 29,369 | 32,968 | 21,620 | 31,120 | **27,208** |
| Profit before Tax ("PBT") | 14,813 | 17,855 | 6,048 | 17,805 | **17,870** |
| Net Profit/(Loss) Attributable to Shareholders | 11,813 | 3,460 | (3,378) | 2,433 | **5,866** |
| **As At 31 December (RM'000)** | | | | | |
| Shareholders' Funds | 445,810 | 445,505 | 442,127 | 444,560 | **450,426** |
| Share Capital | 136,444 | 136,444 | 136,444 | 136,444 | **136,444** |
| Reserves (Net of Treasury Shares at Cost) | 309,366 | 309,061 | 305,683 | 308,116 | **313,982** |
| Total Assets | 921,318 | 975,306 | 983,869 | 882,974 | **885,929** |
| Total Current Assets | 303,087 | 359,041 | 417,663 | 323,024 | **365,527** |
| Total Borrowings | 298,580 | 315,216 | 316,714 | 197,997 | **169,160** |
| Cash and Bank Balances and Fixed Deposits with Licensed Banks | 109,470 | 104,733 | 94,254 | 115,775 | **88,509** |
| **Per Share*** | | | | | |
| Basic Earnings/(Loss) per Share (sen) | 1.57 | 0.46 | (0.45) | 0.32 | **0.78** |
| Net Tangible Assets per Share (sen) | 59.20 | 59.16 | 58.72 | 59.04 | **59.82** |
| **Returns (%)** | | | | | |
| Return on Average Shareholders' Equity (%) | 2.7 | 0.8 | (0.8) | 0.5 | **1.3** |
| Return on Average Total Assets (%) | 1.3 | 0.4 | (0.3) | 0.3 | **0.7** |
| **Financial Analysis** | | | | | |
| Operating Margin (%) | 14.2% | 16.5% | 9.3% | 9.8% | **10.4%** |
| PBT Margin (%) | 7.2% | 9.0% | 2.6% | 5.6% | **6.8%** |
| Net Margin (%) | 5.7% | 1.7% | (1.4%) | 0.8% | **2.2%** |
| Net Debt to equity (Times) | 0.52 | 0.53 | 0.55 | 0.23 | **0.22** |

**Based on share base of 753 million shares*

# CORPORATE STRUCTURE

AS AT 22 APRIL 2025

**GAGASAN NADI CERGAS**
BERHAD 201701024800 (1238966-U)

- **100%** Nadi Cergas Sdn Bhd
  - **100%** Sasaran Etika Sdn Bhd
  - **100%** Naluri Etika Sdn Bhd
- **100%** Nadi Cergas Urus Harta Sdn Bhd
- **60%** Naditech Utilities Sdn Bhd
  - **95%** Naditech Power Sdn Bhd
    - **100%** Naditech Icon Sdn Bhd
  - **95%** Naditech Energy Sdn Bhd
- **70%** Nadi Cergas Development Sdn Bhd
  - **95%** Ringgit Muhibbah Sdn Bhd
    - **100%** RM Fuel Sdn Bhd
  - **75%** Nadi Emery Sdn Bhd
    - **100%** Nadi Emery (KKD) Sdn Bhd
    - **100%** Nadi Emery (KKD2) Sdn Bhd
    - **100%** Nadi Emery (KL) Sdn Bhd
  - **70%** Nadi Embun Sdn Bhd
- **100%** Nadi Cergas Medik Sdn Bhd
- **100%** Nadi Cergas Hartanah Sdn Bhd
- **100%** Nadi Cergas Management Services Sdn Bhd
- **100%** GNCB Capital Sdn Bhd

- Construction segment
- Concession and facility management segment
- Utilities segment
- Property development segment
- Others

# CHAIRMAN'S STATEMENT

## DEAR ESTEEMED SHAREHOLDERS,

Salam and Peace!

Malaysia's construction sector saw significant improvement in 2024, driven by a rise in residential projects. The uptrend provided much-needed respite after a year of slow growth caused by volatile material prices.

At the same time, demand for affordable housing continued unabated during the year, supported by government policies designed to enhance housing affordability and promote sustainable socio-economic development.

Against the favourable backdrop, Gagasan Nadi Cergas Berhad ("Gagasan Nadi Cergas" or "the Group") delivered commendable financial results for the financial year ended 31 December 2024 ("FY2024"), with net profit surging 135% to RM5.9 million from RM2.4 million in the previous year.

The Group's property development segment continued to make significant strides in the affordable housing sector, capitalising on strong demand and supportive government policies. Meanwhile, the construction arm remained resilient, reflecting the strength of our integrated business model. Additionally, strategic in-progress acquisitions by our concession and facility management segment further solidified our market position, enhancing our long-term growth trajectory.

With pride in our track record and confidence in our prospects, it is my privilege to present to you the Group's Annual Report and Audited Financial Statements for FY2024.

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

## OPERATIONS REVIEW

The Group achieved improved profitability in FY2024 despite lower revenue, primarily due to the completion of legacy construction projects that had previously been impacted by high material costs.

As these projects neared completion, cost pressures eased, enabling the Group to recognise higher profit margins. Additionally, the decline in revenue was attributed to lower contributions from the property development segment following the completion of Antara Residence and Selindung Daun Ulu Yam in FY2023.

Our property development segment remains a key growth driver for the Group. Through close collaboration with the Selangor state government under the Rumah Idaman scheme, we continue to deliver timely and impactful solutions to address housing affordability in Malaysia.

Across our developments in the City of Elmina, Kwasa Damansara, and Bukit Jelutong, we are currently undertaking the construction of 7,500 affordable homes, with gross development value ("GDV") of RM1.9 billion. The sizeable number of housing projects indeed solidifies our position as a key player in the affordable housing sector.

The Group marked another milestone with the launch of Idaman Amani affordable housing project in the City of Elmina in partnership with Permodalan Negeri Selangor Berhad (PNSB). The project features semi-furnished affordable apartments within one of Malaysia's most advanced mega townships, reinforcing our commitment to addressing housing affordability.

Building on this momentum, the Group has also signed a development rights agreement to undertake a second affordable housing project in Kwasa Damansara, further expanding our footprint in this segment.

As we move into the new financial year ending 31 December 2025 ("FY2025"), we have commenced acquisition of a land in Bandar Rimbayu for a new affordable homes project. In a separate transaction, the Group also secured an en-bloc sale of apartments under development in the City of Elmina to the Selangor Housing and Property Board (LPHS).

Meanwhile, our construction segment, supported by improving market conditions, is showing signs of recovery, achieving a profit in FY2024 compared to a loss in FY2023. The segment also maintains a healthy order book of RM454.9 million.

Recognising the importance of diversifying our revenue sources, we initiated the acquisition of facility management firm Konsortium PAE Sepakat Sdn Bhd. The latest development will certainly expand our portfolio with a concession to manage student hostels across seven polytechnic campuses.

## DIVIDENDS

The Board of Directors has decided not to declare any dividends for FY2024 as a prudent measure, given that our construction segment is still in the process of recovery. The approach ensures that the Group retains sufficient funds to not only navigate potential challenges in the current year but also support funding for the property development segment's large GDV.

## PROSPECTS

The Group is well-positioned to capitalise on Malaysia's projected 4.5% to 5.5% economic growth into 2025, which is expected to be driven by robust global trade, strong private sector investments, and a thriving services sector.

The positive momentum in construction is anticipated to continue into 2025, supported by public-private partnerships, infrastructure developments, and sustained demand for affordable housing. We remain focused on strengthening our construction segment's recovery and will work diligently with our business partners and vendors to mitigate potential volatility in construction material prices.

Our property development segment will remain a key driver in FY2025, with the continued progress of multiple Rumah Idaman projects. The segment currently has total unbilled sales of RM313 million which are expected to be recognised as revenue over the next four years, bolstering our long-term earnings visibility.

With a solid foundation and clear growth strategy, the Group remains focused and well positioned to deliver value to our shareholders in particular and stakeholders in general.

## ACKOWLEDGEMENTS

I wish to express my appreciation to our shareholders for their continuing support; to my fellow Directors of the Board for their leadership and wise counsel, and I commend the management team for their unwavering dedication in driving the Group forward. I would also like to pay tribute to the hard work and integrity of all our employees, whose contributions are the foundation of our achievement. With their collective efforts, I am confident that Gagasan Nadi Cergas will continue to move forward boldly, unlocking new opportunities for unprecedented growth.

Sincerely,

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

# MANAGEMENT'S DISCUSSION & ANALYSIS

## BUSINESS OVERVIEW

**Gagasan Nadi Cergas Berhad ("Gagasan Nadi Cergas" or "the Group") is a construction and property development group operating across four segments, namely Construction, Property Development, Concession and Facilities Management, and Utility Services.**

**Dato' Sr Hj Wan Azman Bin Wan Kamal**
**Group Managing Director**

### CONSTRUCTION

Nadi Cergas Sdn Bhd ("NCSB"), a wholly owned subsidiary of the Group, is the construction arm of Gagasan Nadi Cergas. NCSB, a Grade G7 contractor accredited with Pusat Khidmat Kontraktor ("PKK") and Construction Industry Development Board ("CIDB"), participates in both open and Bumiputera-allocated projects of all scales. Additionally, NCSB also holds a Code B29 certification by CIDB for the construction of public healthcare facilities in Malaysia.

With a track record spanning two decades, the construction segment has delivered projects across diverse sectors. Notable completed projects include the 4th Military Camp of the General Operations Force in Semenyih, the Malaysian Institute of Aviation Technology building in Subang, Maktab Rendah Sains MARA campuses in Bagan Datuk and Dungun, the Serdang Hospital Cardiology Centre in Serdang, and the Merdeka 118 Mosque in Kuala Lumpur.

To successfully navigate a competitive market environment, the segment deploys several modern construction solutions namely the Design and Build Model, the Industrialised Building System, and Building Information Modelling.

Under the Design and Build model, the Group, as a main contractor, streamlines the construction process by executing both the design and construction phases, leading to lower risk of complications and timely project completion.

The Industrialised Building System uses prefabricated components and on-site instalments to speed up construction, while Building Information Modeling, a three-dimensional modelling system, detects flaws and optimises the usage of building materials.

### PROPERTY DEVELOPMENT

Since its inception in 2017, the property development segment has grown substantially, leveraging on the strength of the Group's integrated business model. Key completed projects include the Antara Residence services apartments in Putrajaya and the Selindung Daun Ulu Yam township in Batang Kali. The latter was developed in collaboration with Perumahan Penjawat Awam Malaysia (PPAM) and the Rumah Selangorku housing programme.

In recent years, the segment has built a sizeable and fast-expanding presence in the affordable housing sector, undertaking large-scale affordable housing projects in Bukit Jelutong, Kwasa Damansara, City of Elmina, and more recently Bandar Rimbayu, in collaboration with the Selangor state government's Rumah Idaman scheme with the goal of delivering up to 15,000 affordable houses in the next eight years.

### CONCESSION AND FACILITY MANAGEMENT

The Group currently has a mandate to provide hostel maintenance and management services for International Islamic University Malaysia ("IIUM") in Kuantan and Universiti Teknikal Malaysia Melaka (UTeM) until 2034 and 2037, respectively.

The segment is set to expand upon the completion of the Group's proposed acquisition of a concession for facility management across nine Polytechnic campuses in multiple states.

### 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

The Group's revenue declined 17.4% to RM262.8 million in FY2024 from RM318.3 million previously. The lower revenue was primarily attributed to lower contributions from the property development segment following the completion of Antara Residence and Selindung Daun Ulu Yam in the financial year ended 31 December 2023 ("FY2023").

Despite the contraction in revenue, the Group posted a healthy net profit attributed to shareholders of RM5.9 million in the financial year ended 31 December 2024 ("FY2024"), a 145.8% increase from RM2.4 million in the previous year. The higher net profit attributed to shareholders was mainly due to the completion of legacy construction projects that had previously been affected by high material costs.

Meanwhile, the Group achieved profit before tax of RM17.9 million in FY2024, a slight increase compared to RM17.8 million previously.

The earnings per share stood at 0.78 sen in FY2024 compared to 0.32 sen in FY2023.

### SEGMENTAL FINANCIAL PERFORMANCE

**Construction**

The construction segment generated RM90.5 million in revenue in FY2024, a 20.7% decline from RM114.1 million in FY2023.

However, the construction segment is on a trajectory of gradual recovery, achieving a profit before tax of RM9.6 million in FY2024, compared to a loss before tax of RM3.7 million in FY2023.

**Facility Management and Utility Services**

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

The two segments collectively recorded revenue of RM26.3 million in FY2024, a slight decrease compared to RM26.5 million in FY2023.

The segments jointly posted a marginally lower profit before tax of RM20.2 million in FY2024, relative to RM20.6 million in the previous year.

**Property Development**

The property development segment was the Group's biggest source of revenue in FY2024, achieving RM146.0 million in revenue in FY2024, declining 17.8% from RM177.7 million in the previous year. The lower revenue follows the completion and handover of Antara Residence and phases 1 and 2 of Selindung Daun Ulu Yam.

The segment's profit before tax was RM3.5 million in FY2024, a significant decrease from the RM14.6 million recorded in the previous year, in line with the completion of the two projects.

## STATEMENT OF FINANCIAL POSITION

**Group Assets**

The Group's total assets increased to RM885.9 million in FY2024 from RM883.0 million in the previous year, mainly due to an increase in inventories and other receivables, deposits, and prepayments.

**Liquidity and Capital Resources**

The Group's total borrowings decreased to RM169.2 million as at 31 December 2024 from RM198.0 million in the previous year while cash and bank balances and fixed deposits declined to RM88.5 million in FY2024 from RM115.8 million in FY2023.

The Group's total equity attributed to shareholders increased marginally to RM450.4 million in FY2024 from RM444.6 million in the previous year. The Group's net gearing level declined to 0.18 times in FY2024 from 0.19 times in FY2023.

**Capital Expenditure**

The Group spent a marginal amount of RM1.0 million on capital expenditure in FY2024 on plant and equipment.

## DIVIDEND

The Board of Directors elected not to declare any dividends for FY2024 as a prudent measure, given that our construction segment is still in the process of recovery. The strategy allows the Group to retain sufficient funds to navigate potential challenges in the current year.


## SEGMENTAL REVIEW

### CONSTRUCTION SEGMENT

The Malaysian construction sector recorded RM158.8 billion in total work value in 2024, an impressive 20.2% increase compared to the previous year, driven by increased construction activity in both private and public sectors, especially in civil engineering and residential buildings.

As at the last quarter of 2024, the industry recorded 11 consecutive quarters of expansion underpinned by growth across all construction sub-sectors, signaling a decisive recovery from the pandemic era slowdown.

The Group's construction order book stands at a healthy RM454.9 million as at 31 December 2024. Notable completed projects last year include the Sakura Residence apartment complex in Putrajaya for Putrajaya Homes Sdn Bhd.

### PROPERTY DEVELOPMENT SEGMENT

Malaysia recorded the highest volume and value of property transactions over the past decade in 2024 as total property transactions rose 18.0% to RM223.2 billion versus RM196.8 billion in 2023.

The property market's momentum bodes well for our property development segment, which is currently developing 7,500 Rumah Idaman affordable homes across City of Elmina, Kwasa Damansara, and Bukit Jelutong, with a gross development value of RM1.9 billion. All projects have enjoyed high take-up rates.

In FY2024, we launched our Galeri Idaman showroom in Kwasa Damansara to serve as a central hub for showcasing our various Rumah Idaman projects. The showroom reflects our commitment to enhancing customer engagement.

A major achievement for our property development segment last year was the launch and subsequent groundbreaking of the Idaman Amani affordable housing project in Elmina 4, City of Elmina, in partnership with Permodalan Negeri Selangor Berhad (PNSB). The project features 1,063 semi-furnished affordable apartments within one of Malaysia's largest and most advanced mega townships.

Idaman Amani offers partially furnished three-bedroom units with built-up spaces of 1,000 and 1,120 square feet, starting from RM250,000 per unit. Each unit comes equipped with amenities such as a television, refrigerator, kitchen cabinets, closets, water heaters, and air conditioners, ensuring a comfortable and modern living experience.

In another project, located in Elmina 5, City of Elmina, the Group sold en-bloc 523 affordable housing units under development to the Selangor Housing and Property Board ("LPHS") early this year. Upon completion of the development project, LPHS will avail these housing units for rental to the B40 and M40 residents in the state, under the Selangor state government's Skim Smart Sewa initiative.

Furthermore, we also signed another development rights agreement with Kwasa Land Sdn Bhd to develop 4,183 units of affordable housing in Kwasa Damansara. The agreement is the Group's second collaboration with Kwasa Land, following the previous year's groundbreaking of Idaman Kwasa Damansara's 4,694 affordable housing units.

The Group's footprint in affordable housing is set to expand even further with the planned development of a new Rumah Idaman project, encompassing 1,932 affordable housing units, in Bandar Rimbayu. Earlier this year, the Group initiated the acquisition of land for the project from the premier township's master developer, IJM Corporation Berhad.

## RECURRING INCOME SEGMENT

In the facilities management segment, the Group's subsidiary, Nadi Cergas Urus Harta Sdn Bhd, currently maintains student hostels and related facilities at the IIUM campus in Kuantan.

The segment is poised for remarkable growth after the Group initiated a RM185.0 million acquisition of Konsortium PAE Sepakat Sdn Bhd ("KPSSB"). KPSSB holds a facility management concession for student accommodation across seven polytechnic campuses, housing up to 10,000 students.

The acquisition, subject to shareholders' approval at an upcoming Extraordinary General Meeting, will enlarge the Group's revenue and earnings base through sustainable income and cash flows generated from the concession.

Meanwhile, 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 revenue tonnes (RT) of chilled water.

## RISKS FACED BY THE GROUP

### COMPETITION AND BUSINESS RISKS

While the Malaysian construction and property development industries experienced a resurgence last year, both sectors remain highly competitive with many key players vying for projects.

We are confident of remaining competitive as our market position remains strong on the back of our distinguished track record, having delivered numerous construction projects across diverse sectors while achieving high take-up rates for our property developments.

### RISKS POSED BY VOLATILITY IN BUILDING MATERIAL PRICES

The government's decision to implement a carbon tax and revision of RON95 subsidies under Budget 2025, as well as the intensified trade war between the United States and China, may impact the pricing of key construction materials.

Cost management is also crucial for the Group as it undertakes multiple affordable housing projects with fixed selling prices.

To hedge against any risk caused by volatility in material prices, the Group will closely monitor our supply chain management and utilise value engineering.

### POLITICAL, ECONOMIC AND REGULATORY RISKS

Projects funded or supported by the government continue to constitute a large proportion of our projects. Hence, significant changes in public policy would likely impact our operations. Given the current climate of political stability and our long-standing relationship with various government agencies, we are confident of continuing our active role in public sector construction projects and government-supported affordable housing developments with minimal disruption.

While the Malaysian economy charted a robust economic expansion last year, the recent imposition of unprecedented reciprocal tariffs on Malaysia by the United States government has created some uncertainty in the country's economic outlook.

To ensure the Group's resilience, we will continue to work closely with all our stakeholders to identify challenges while also expanding our project portfolio and diversifying our revenue sources.

## GROWTH STRATEGIES

### TARGETING MORE CONSTRUCTION OPPORTUNITIES

The Ministry of Works anticipates the total value of construction works in Malaysia to exceed RM200.0 billion in 2025, compared to RM158.8 billion last year. The increase will be driven by a RM86.0 billion development expenditure allocation under Budget 2025, RM32.0 billion in investments by government-linked companies, and an estimated RM80.0 billion in construction-related expenditure by the private sector.

From high-rise condominiums to colleges and hospitals, we have proven ourselves as a reliable and quality builder for projects of various scales and complexities across Malaysia. Leveraging our reputation and track record, we will replenish and increase our construction order book by tendering for more construction projects across the public and private sectors.

### ACCELERATING INVOLVEMENT IN AFFORDABLE HOUSING

The government continues to proactively support affordable housing projects, which are crucial for sustainable and balanced socio-economic development.

We take pride in contributing towards nation-building through our instrumental role in increasing homeownership among B40 and M40 Malaysians, particularly through our Rumah Idaman projects in Selangor.

Our property development segment's expanded involvement in numerous affordable housing projects in Greater Kuala Lumpur also augurs well for our long-term financial performance. We look forward to growing even further in this sector, as demand for affordable housing is expected to remain strong in the coming years.

### UNLEASHING POTENTIAL OF PROPERTY DEVELOPMENT SEGMENT

Our property development segment is on the cusp of significant growth, buoyed by favourable economic conditions as well as government incentives for homebuyers.

The Ministry of Housing and Local Government is anticipating RM180.0 billion in property sales across all sectors this year. Meanwhile, the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS), forecasts moderate growth in the property market in 2025, with property prices projected to rise between 2% and 5%.

In Budget 2025, the government announced giving first-time home buyers a tax relief of RM7,000 for the purchase of residential properties priced below RM500,000. Additionally, under the Housing Credit Guarantee Scheme ("SJKP"), the government has approved RM12.8 billion in government guarantees for over 57,000 Malaysians purchasing their first home. The SJKP also offers a step-up financing scheme which provides government guarantees of up to RM5.0 billion for young first-time homebuyers, with lower loan repayments for the initial five years.

Meanwhile, Bank Negara's decision to maintain the Overnight Policy Rate (OPR) at 3.0% will also incentivise more Malaysians to purchase houses.

### 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 reduce overdependence on the construction and property development segments.

We have made good on our strategy to expand our recurring income segments by embarking on the acquisition of a large facility management concession for nine polytechnic campuses. We look forward to similar opportunities in the future.

## ACKNOWLEDGEMENTS

Reflecting our theme of "Building Futures, Shaping Communities", we have emerged as visionary builder and property developer with a legacy that will benefit the nation for generations to come. With the wise guidance of the Board of Directors, the profound dedication of our management team and employees, and the loyal support of our business partners, I am confident that Group will chart a new era of elevated growth and success.

Sincerely,

**Dato' Sr Hj Wan Azman bin Wan Kamal**
*Group Managing Director*

# DIRECTORS' PROFILE

## Ir. Dr. Muhamad Fuad Bin Abdullah

**Independent Non-Executive Chairman**

Male | Malaysian | Aged 71

**Ir. Dr. Muhamad Fuad bin Abdullah was appointed to the Board as the Chairman of the Group 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.

# Dato' Sr Hj Wan Azman Bin Wan Kamal

**Group Managing Director**

Male | Malaysian | Aged 64

**Dato' Sr Hj Wan Azman Bin Wan Kamal was appointed to the Board as Group Managing Director 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. He is a major shareholder of Gagasan Nadi Cergas.

# Dato' Sri Subahan Bin Kamal

**Executive Director**

Male | Malaysian | Aged 59

**Dato' Sri Subahan bin Kamal was appointed to the Board as Executive Director 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.

Currently, Dato' Sri Subahan is a Senior Independent Non-Executive Chairman of Alcom Group Berhad, an entity listed on Bursa Malaysia Securities Berhad.

# Professor Emerita Siti Naaishah Binti Hambali

**Independent Non-Executive Director**

Female | Malaysian | Aged 70

**Professor Emerita Siti Naaishah Binti Hambali was appointed to the Board as Independent Non-Executive Director on 15 September 2017. She also serves as the Chairperson 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 65

**Chng Boon Huat was appointed to the Board as Independent Non-Executive Director 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).

*Notes:*

*Save as disclosed above, none of the Directors have any family relationship with other directors and/or major shareholders with Gagasan Nadi Cergas Berhad and have no conflicts of interest. None of the Directors have convictions of any offenses within the past five years, nor has he had any public sanctions or penalties imposed by regulatory bodies during the current financial year.*

# KEY SENIOR MANAGEMENT'S PROFILES

## Quah Hooi Eng

**Chief Operating Officer of Construction, Contract & Procurement**

**Male, Malaysian, Aged 68**

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 64**

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.


**Chief Financial Officer**
**Male, Malaysian, Aged 53**

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

Gagasan Nadi Cergas Berhad's ("GNCB" or "the Group") annual Sustainability Statement ("this Report") highlights our sustainability efforts and discloses the Group's Economic, Environmental, and Social (EES) performance for 2024. This marks the Group's seventh statement communicating the sustainability initiatives that we have implemented to generate positive impacts for the economy, environment and people.

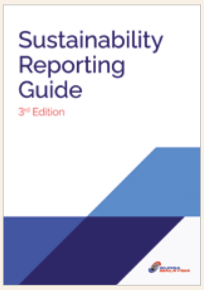
At GNCB, we are dedicated to developing a sustainable and resilient business capable of thriving in today's constantly changing environment. Our goal is to establish a long-term sustainability initiative that will improve our operations, ensure our competitiveness, and future-proof the communities we serve.

Our Sustainability Statement and Annual Report for 2024 provide transparency and accountability regarding our progress. These reports share how our sustainability journey has evolved over the years to continue creating value for our shareholders and other key stakeholder groups. We hope that sharing this information will help you gain a deeper understanding of our approach and inspire confidence in our commitment to sustainable practices.

## SUSTAINABILITY FRAMEWORK

We ensure that the content of this Report meets the highest reporting standards and aligns with the best industry practices. It has been prepared with reference to:

We have also aligned our sustainability framework with the Sustainable Development Goals (SDGs) to contribute to global sustainability efforts. By integrating six relevant SDGs into our strategies, we aim to address key EES challenges and drive positive change in our communities.

| Principle Guideline | International Framework | Global Initiative |
|---|---|---|
|  | GRI Empowering Sustainable Decisions | SUSTAINABLE DEVELOPMENT GOALS<br>3 GOOD HEALTH AND WELL-BEING<br>4 QUALITY EDUCATION<br>8 DECENT WORK AND ECONOMIC GROWTH<br>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE<br>13 CLIMATE ACTION<br>16 PEACE, JUSTICE AND STRONG INSTITUTIONS |

By adhering to these frameworks, we aim to offer a clear and transparent overview of our sustainability efforts.

## REPORTING PERIOD

The reporting period for this Statement is from 1 January 2024 to 31 December 2024, summarizing our sustainability initiatives for 2024. It outlines the principal activities of GNCB and all its subsidiaries.

## SCOPE AND BOUNDARIES

The scope of this Report comprises key sustainability issues from the Group's core business operations, which comprises of:

| Construction Services & Concessions | Facility Management Services | Utilities Services | Property Development |
|---|---|---|---|
| Nadi Cergas Sdn. Bhd. | Nadi Cergas Urus Harta Sdn. Bhd. | Naditech Utilities Sdn. Bhd. | Nadi Cergas Development Sdn. Bhd. |

We have defined our statement boundaries through an analysis of GNCB's key sustainability issues, ensuring our report aligns with industry standards by following the GRI Reporting Principles.

**Stakeholder Inclusiveness** → **Sustainability Context** → **Materiality** → **Completeness Outlining Report Content**

This report includes comparative historical data wherever relevant. We have closely monitored and disclosed established targets and key performance indicators to the best of our ability within this report. All information and data presented are internally sourced and collected from the Group's records and documents.

## STATEMENT EXCLUSION

The Group acknowledges potential gaps in the availability of sustainability performance disclosures for its supply chain. We are taking steps to enhance our data collection processes. Please note that outsourced operations are excluded unless stated otherwise.

## STATEMENT OF ASSURANCE

The Statement has not been reviewed by our Internal Auditor or independently assured; however, the data, including targets, have been reviewed and approved by the Board. As part of our commitment to enhance the accuracy and quality of our disclosures to further strengthen the credibility of this Statement, we are working towards obtaining external assurance in future reports.

## FEEDBACK

GNCB is committed to fostering ongoing engagement with its valued stakeholders. The Group encourages feedback, inquiries, suggestions, and concerns to promote continuous improvement at GNCB. The Group can be contacted at:

**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

## SUSTAINABILITY APPROACH

Our comprehensive approach to sustainability is deeply rooted in the Group's guiding "4D" core values: Durable, Do It Right, Diligence, and Dynamic. These values serve not only as a framework for our operations but also as a commitment to fostering long-term environmental responsibility and social accountability. Together, these core values form the foundation of GNCB's sustainability principles, guiding us in our mission to create a positive impact on the environment and the communities we serve.

### Sustainability "4D" Core Values

| DURABLE | DO IT RIGHT | DILIGENCE | DYNAMIC |
|---|---|---|---|
| • Durable commitment to promoting quality excellence in sustainability | • Do it right the first time and every time | • Diligence by complying with the needs and expectations of interested parties | • Dynamic business interactions in managing and upholding enterprise risk through professionalism, harmonisation, ethics, and integrity |

## SUSTAINABILITY PRINCIPLES

Our sustainability principles guide the development and implementation of initiatives across the Group, aligning our strategies with our commitment to meaningful environmental and social impact. By fostering these principles, we ensure our efforts address immediate challenges while benefiting both our organization and the communities we serve.

| | |
|---|---|
| **SHAREHOLDERS** | Creating strong returns through sustainable growth in both sales and profitability. |
| **CUSTOMERS** | Consistently provide products and services of the highest quality at a competitive price. |
| **ENVIRONMENT** | Pollution prevention, environmental protection and resource conservation are essential to sustainable development. |
| **WORKPLACE** | Creating a safe working environment and upholding the highest safety and health standards for everyone. |
| **ETHICS & TRANSPARENCY** | Uphold the highest standards of integrity and governance practices. |
| **LOCAL COMMUNITY** | Embed community investment considerations and values into our decision-making and business practices. |

## SUSTAINABILITY STRATEGY

| Sustainability Strategy | Material Sustainability Matters | GRI Indicators | SDGs |
|---|---|---|---|
| **Robust Governance Structure** | • Leadership and Governance<br>• Ethics and Integrity | • 205: Anti-Corruption<br>• 418: Customer Privacy | 16 Peace, Justice and Strong Institutions |
| **Sustainable Economic Strength** | • Economic Growth | • 201: Economic Performance<br>• 203: Indirect Economic Impacts<br>• 204: Procurement Practices | 8 Decent Work and Economic Growth<br>9 Industry, Innovation and Infrastructure |
| **Safeguarding the Environment** | • Environmental Requirements Compliance<br>• Environmental Footprint | • 302: Energy<br>• 303: Water and Effluents<br>• 305: Emissions<br>• 306: Waste | 13 Climate Action<br>16 Peace, Justice and Strong Institutions |
| **Enhancing Our Product Quality** | • Products and Services Quality<br>• Customer Satisfaction | - | 8 Decent Work and Economic Growth<br>9 Industry, Innovation and Infrastructure |
| **Workforce Empowerment** | • Workplace Environment<br>• Diversity and Inclusion<br>• Learning and Development | • 401: Employment<br>• 403: Occupational Health & Safety<br>• 404: Training and Education<br>• 405: Diversity and Equal Opportunity | 3 Good Health and Well-Being<br>4 Quality Education<br>16 Peace, Justice and Strong Institutions |
| **Serving the Community** | • Community Investment | 413: Local Communities | 3 Good Health and Well-Being |

## SUSTAINABILITY JOURNEY

As we envision the future, we take this opportunity to reflect on our sustainability journey and to acknowledge the significant milestones we have accomplished 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 & Conduct

**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 certified with ISO 14001:2015 (EMS) & ISO 45001:2018 (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**

- Disclosed Scope 1, Scope 2, & Scope 3 (Categories 5 & 7) baseline GHG emissions data.
- Has set out the target for and reported on the Group's supply chain management.
- Has started reporting on the Group's data privacy & security.

## SUSTAINABILITY GOALS AND TARGETS

As a company, we are committed to aligning our operations with sustainable practices. To this end, we have established clear goals and targets that reflect our dedication to sustainability.

We conduct regular evaluations of our performance to track our progress toward these objectives. The following section of this statement offers a detailed overview of our advancements in relation to each of our sustainability initiatives.

## STAKEHOLDER ENGAGEMENT

GNCB recognizes that continuous communication and engagement with its valued stakeholders are vital for fostering an inclusive sustainability approach. This strategy allows us to gain valuable insights into their perspectives, concerns, and feedback, enabling us to align our strategies, goals, and actions effectively.

The Group defines its stakeholders as individuals, entities, or organizations affected by GNCB's business model and operations, as well as those with the potential to influence these areas. Therefore, maintaining open communication with them is essential to ensure their interests are acknowledged and their voices are heard.

**Stakeholder Engagement Table**

| Stakeholder | Needs and Expectations | Engagement Methods |
|---|---|---|
| **Customer** | Quality construction and property development<br>Timely delivery of projects<br>Competitive pricing | Regular project updates<br>Customer feedback surveys<br>Customer service hotlines |
| **Employees** | Clear targets and goals<br>Employee well-being<br>Long-term value creation<br>Increase trust and credibility | Employee training programs<br>Safety briefings and workshops<br>Regular team meetings |
| **Regulators and Local Authorities** | Compliance with regulations<br>Environmental sustainability<br>Transparent reporting | Regular compliance audits<br>Submission of environmental and safety reports<br>Formal consultations |
| **External Providers** | Timely payments<br>Strong partnerships<br>Clear contract terms | Supplier evaluation programs<br>Contractual agreements<br>Supplier relationship management |
| **Shareholders and investors** | Consistent financial performance<br>Transparency<br>Sustainable growth | Annual general meetings<br>Quarterly financial reports<br>Investor relations initiatives |
| **Financial Institutions** | Loan repayment schedules<br>Creditworthiness<br>Transparent financial reporting | Timely financial updates<br>Regular meetings<br>Compliance with financing terms |
| **Local Communities** | Employment opportunities<br>Community development<br>Minimal environmental impact | Corporate social responsibility (CSR) programs.<br>Collaboration with local stakeholders<br>Donations |
| **Project Partners (Concessions)** | Efficient project management<br>Adherence to agreed terms<br>Effective communication | Joint steering committees<br>Progress reports<br>Conflict resolution mechanisms |

## MEMBERSHIP IN ASSOCIATIONS

GNCB recognizes the importance of building strong relationships with associations in the construction industry, as these partnerships facilitate collaboration, knowledge sharing, and innovation. By engaging with these associations, we can stay informed about industry trends, best practices, and regulatory developments, which ultimately enhances our ability to address challenges and seize opportunities. Additionally, fostering these connections allows us to contribute to the collective efforts aimed at promoting sustainability and advancing industry standards, reinforcing our commitment to responsible practices within the sector.

As of FY2024, GNCB holds membership in the following professional bodies and associations:

**CONSTRUCTION INDUSTRY DEVELOPMENT BOARD (CIDB)**

**REAL ESTATE AND HOUSING DEVELOPERS' ASSOCIATION (REHDA)**

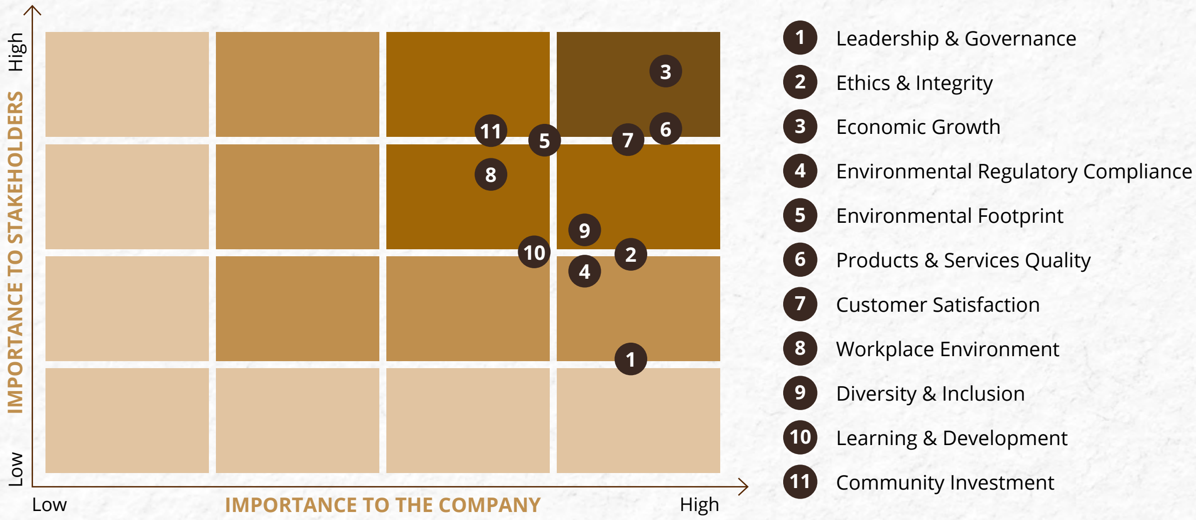
**MASTER BUILDERS ASSOCIATION MALAYSIA (MBAM)**

**HUMAN RESOURCE DEVELOPMENT CORPORATION (HRDC)**

## MATERIAL SUSTAINABILITY MATTERS

To enhance our sustainable value creation journey, we systematically identify and evaluate sustainability issues that are material to our business and stakeholders. We conduct a comprehensive materiality assessment every three years to ensure our priorities are aligned with current sustainability trends, global risks, and industry benchmarks. In addition, we review these sustainability issues annually to address stakeholder concerns, mitigate risks, and seize opportunities.

We plan to conduct a full materiality assessment for the next reporting period. Feedback from internal and external stakeholders will be gathered through a materiality survey, allowing us to better understand the ESG impacts of our operations and assess GNCB's position in sustainability.




## STRATEGY 1 ROBUST GOVERNANCE STRUCTURE

### PROGRESS ON THE SUSTAINABILITY TARGETS SET FOR STRATEGY 1

| Sustainability Matters | Target(s) | Progress | | | Performance (FY2024) |
|---|---|---|---|---|---|
| | | FY2022 | FY2023 | FY2024 | |
| **Leadership and Governance** | Zero non-compliance to the Malaysia Employment (Amendment) Act 2022. | Zero Non-compliance | 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 | 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 | Zero Confirmed case | On track as per target. |

## LEADERSHIP AND GOVERNANCE PERFORMANCE

### Sustainability Governance Structure

GNCB's commitment to sustainability is deeply embedded in a robust governance framework that serves as the foundation for the Group's corporate governance system. This comprehensive framework not only establishes clear guidelines and responsibilities but also actively drives sustainable initiatives across all levels of the Group. By ensuring that sustainability is a priority, the framework facilitates the implementation of various eco-friendly practices and projects that align with the Group's objectives. Moreover, it is seamlessly integrated into the overall corporate governance structure, allowing for a cohesive approach that harmonizes business operations with sustainability goals, thereby promoting accountability and transparency throughout the organization.

**Board of Directors**

**Sustainability Management Committee ("SCM")**
Represented by Group Managing Director ("GMD"), Chief Financial Officer ("CFO"), Chief Operating Officer ("COO"), Head of Departments ("HODs")

**Sustainability Steering Committee ("SSC")**
Represented by Key Business Segments and Departments

| | | |
|---|---|---|
| Finance & Account | Compliance | Human Resource |
| Administration & IT | Utility & Facility Management | Concession & Property Development |
| Contract & Procurement | Construction | Environment, Safety & Health |

### Group Corporate Policies

To align with the core Group-wide policy of "Do it right the first time and every time," GNCB ensures that its corporate governance, sustainability governance, and related policies reflect its dedication to sustainability. By adopting sustainable practices, GNCB seeks to foster significant social and environmental change while advancing long-term business growth and success. This dedication to sustainability is an essential part of GNCB's corporate identity and forms a key component of its overall business strategy.

For further information, please visit our official company website at ***www.nadicergas.com***.

**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

**Corporate Policies**

- Code of Ethics & Conduct Policy
- 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 are committed to maintaining high ethical standards and robust corporate governance, ensuring trust and integrity in all our operations. To uphold these principles, we adhere to a Group-Wide Anti-Bribery and Corruption (ABC) Policy and Handbook in compliance with Malaysia's Anti-Corruption Commission Act. These guidelines establish clear expectations for ethical conduct. We assess bribery and corruption risks through an ABC risk assessment, and our ABC register is updated annually to monitor progress. Comprehensive assessments are conducted every three years or as needed when new activities emerge. Additionally, GNCB emphasizes ABC training for both Board members and employees, ensuring all Board members receive ABC briefings as part of their training program.

Anti-bribery and anti-corruption are critical issues for the Group, as any confirmed incidents could harm its reputation and potentially lead to criminal cases. Ineffective anti-corruption governance may make it challenging to prevent or monitor existing corruption, increasing the likelihood of further incidents. Consequently, these matters are tightly governed and considered a key element of GNCB's corporate governance. The Board emphasizes a zero-tolerance approach to bribery, corruption, and unethical behaviour throughout the organization.

This year, 115 employees attended the ABC awareness sessions. Employees were provided with a detailed briefing on the Group's ABC Policy, the Code of Ethics and Conduct, and other compliance-related policies and corporate governance matters.

Number of employees who received ABC-related training and briefings:

FY2022 (New Hires)
**61**

FY2023
**0**

FY2024 (Employees)
**115**

**46%**
of employees have received training on anti-corruption

Number & percentage of employees who received ABC-related training and briefings by category in 2024:

| Category | Number | Percentage |
|---|---|---|
| **Top Management** | 0 | 0% |
| **Senior Management** | 5 | 4% |
| **Executive** | 72 | 63% |
| **Non-executive** | 38 | 33% |

### Whistleblowing Mechanism and Reported Corruption Cases

GNCB upholds high ethical standards and accountability through its whistleblowing procedure, encouraging employees and third parties to report misconduct, including corruption, fraud, abuse of power, and actions that could harm the company's reputation or violate legal and ethical standards.

The whistleblowing process is designed to ensure individuals feel safe when raising concerns. It guarantees anonymity and protects against retaliation, in line with the Whistleblower Protection Act of 2010, reflecting the company's commitment to a supportive reporting environment.

Once a report is submitted, it undergoes review and investigation. Upon verification, GNCB will proceed with disciplinary actions in accordance with established procedures, thereby underscoring its commitment to ethical conduct and accountability.

To make a whistleblowing report, individuals can send an email to the Audit and Risk Management Committee (ARMC) Chairman at chngboonhuat@hotmail.com or mail it to the following address:

**The Chairman,**
**Audit and Risk Management Committee,**
F-1 @ 8 Suria, Jalan PJU 1/42, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan.

**0**
corruption cases were reported during FY2024

**0**
number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies in FY2024

***REGULATORY COMPLIANCE***

*GNCB is committed to upholding laws and regulations and its corporate policies, guidelines, and procedures. In FY2024, the Group has been compliant with environmental and social regulations, and there have been no regulatory sanctions taken related to corporate ethics and integrity, corporate governance, and anti-corruption matters.*

### Data Privacy and Security

GNCB collects a significant amount of customer data for business purposes, making it crucial to secure this data and ensure its confidentiality. The Group complies with the Personal Data Protection Act 2010 (PDPA). FY2024 has observed the Group's commitment to safeguarding company assets by actively monitoring cybersecurity threats, implementing fail-safe mechanisms, and utilizing monitoring tools for quick responses. Additionally, the Group has enhanced GNCB employees' awareness of cybersecurity and data privacy best practices through knowledge-sharing initiatives in their daily work.

**0**

substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2024

## STRATEGY 2 SUSTAINABLE ECONOMIC STRENGTH

### SUSTAINABILITY TARGETS FOR STRATEGY 2

| Sustainability Matters | Target(s) | Progress | |
|---|---|---|---|
| | | FY2024 | Performance |
| Economic growth | Maintain 100% appointment of local suppliers and subcontractors yearly. | 100% | On track as per target. |

### ECONOMIC GROWTH PERFORMANCE

GNCB has earned a strong reputation as a responsible organization, dedicated to generating sustainable economic value for both itself and its stakeholders. Its diverse operations have driven direct economic contributions while fostering positive impacts on local economies and societal development. This approach has enabled GNCB to consistently strengthen its financial performance while simultaneously advancing its sustainability goals.

**RETURN ON EQUITY (%)**
1.30 %
Year 2023 > 0.54%

**NET DEBT TO EQUITY RATIO**
0.22 Ratio
Year 2023 > 0.23 Ratio

**CONSTRUCTION ORDER BOOK**
455 million
Year 2023 > 513 million

### Economic Value Generated and Distributed

When evaluating a company's financial performance, it is essential to consider the distribution of economic value among stakeholders. At GNCB, our commitment lies in creating and responsibly distributing this value through operational efficiency, sustainability, and ethical practices. By investing in our personnel, processes, and technological advancements, we aim to provide quality products and services that consistently exceed customer expectations.

We believe that long-term success is defined not solely by financial results but also by the value generated for employees, customers, suppliers, and shareholders. A fair distribution of value fosters trust and strengthens relationships among all stakeholders. We are dedicated to offering competitive compensation, establishing robust partnerships with suppliers, and ensuring equitable returns for shareholders.

GNCB integrates stakeholder responsibility into its strategy for sustainable growth, aiming to create value that supports the long-term interests of all parties involved while also considering the social and environmental impacts on the communities we serve.

| ECONOMIC VALUE GENERATED ('000) | ECONOMIC VALUE DISTRIBUTED ('000) | |
|---|---|---|
| **REVENUE**<br>RM **262,817**<br>YEAR 2023 > RM 318,349 | **REPAYMENT TO FINANCIERS**<br>RM **10,872**<br>YEAR 2023 > RM 14,742 | **PAYMENT TO DIRECTORS & EMPLOYEE**<br>**(Salaries, Remuneration, etc.)**<br>RM **26,392**<br>YEAR 2023 > RM 23,760 |
| **NET PROFIT/(LOSS)**<br>RM **7,060**<br>YEAR 2023 > RM 5,582 | **GOVERNMENT (INCOME TAX)**<br>RM **10,810**<br>YEAR 2023 > RM 12,223 | **COMMUNITY INVESTMENT**<br>RM **56**<br>YEAR 2023 > RM 12 |
| **MARKET CAPITALISATION**<br>RM **218,370**<br>YEAR 2023 > RM 218,370 | | |

## Value Creation from Projects

GNCB's core business includes building construction, facility management, district cooling systems for chilled water, electricity distribution, and property development.

In line with the 12th Malaysia Plan (12MP), GNCB is actively involved in affordable housing development. In 2024, GNCB, together with Permodalan Negeri Selangor Bhd (PNSB), launched the RM286 million Idaman Amani affordable housing project in Elmina. The development will cover 3.6 hectares and include two 32-story towers with 1,063 semi-furnished apartments. The project is expected to be completed by the third quarter of 2028 (3Q28). This project supports the Selangor State Government's goal of increasing homeownership for B40 and M40 income groups, offering affordable homes in a vibrant community.

With a total gross development value (GDV) of RM 1.7 billion, GNCB's ongoing affordable housing projects are expected to boost the company's financial performance in the coming years. Over the next eight years, GNCB plans to deliver up to 14,000 affordable housing units.

Besides Idaman Amani, Gagasan Nadi Cergas is also developing two other Rumah Idaman projects with PNSB: Rumah Idaman Bukit Jelutong (GDV: RM304 million) and Rumah Idaman Kwasa Damansara (GDV: RM1 billion). Rumah Idaman Bukit Jelutong is 70% complete, with a 94% take-up rate and is expected to be finished by the end of 2025. Rumah Idaman Kwasa Damansara is nearly 50% sold and is set to be completed in 2027.

GNCB is committed to contributing to the country's affordable housing goals while delivering long-term value to the community and our stakeholders.

## Supply Chain Management

GNCB is dedicated to enhancing supplier standards and establishing a value chain that complies with industry regulations. The company promotes local procurement to improve risk management through timely deliveries and reduce environmental impacts. Efficient supply chain management influences construction timelines and Vacant Possession (VP) dates, making timely material delivery crucial. Securing material pricing during the tender phase helps mitigate cost fluctuations and maintain the construction budget. This is achieved through a balance of cost reduction, supplier quality, and innovation. Local procurement not only creates jobs and facilitates skill transfer but also strengthens domestic business networks. It involves sourcing, negotiating, and purchasing goods and services nearby, with the Procurement Department overseeing these centralized efforts.

**100%**
of *local suppliers and subcontractors were appointed in FY2024

*Note:*
**Local suppliers and subcontractors are defined as those located within Peninsular Malaysia.*

## STRATEGY 3 SAFEGUARDING THE ENVIRONMENT

### PROGRESS ON THE SUSTAINABILITY TARGETS SET FOR STRATEGY 3

| Sustainability Matters | Target(s) | Progress | | | Performance |
|---|---|---|---|---|---|
| | | **FY2022** | **FY2023** | **FY2024** | |
| Environmental Requirements' Compliance | Maintain ISO 14001:2015 EMS certification. | **Successfully Re-certified** | **Successfully Maintained** | **Successfully Maintained** | On track as per target. |
| | 99% compliance with environmental quality monitoring activities (air, water and noise) conducted at all operations. | **99%** | **99%** | **99%** | On track as per target. |
| | Zero incidents and fines due to severe environmental pollution. | **0** | **0** | **0** | On track as per target. |
| Environmental Footprint | 5% reduction in electricity consumption at GNCB head office and Property Development office by 2026. | **242.24** MWh | **239.14** MWh | **257.99** MWh | An 8% rise in electricity use due to expansion of operational activities. |
| | 5% reduction in water consumption at GNCB head office and Property Development office by 2026. | **78,635** $m^3$ | **87,885** $m^3$ | **67,176** $m^3$ | A 24% drop in water consumption reflects improved employee awareness of conservation. |
| | 2% reduction in Scope 1 emissions by 2026. | **N/A** | **N/A** | **Base Year** | The baseline data for Category 7 has been included in this year's report. However, we are unable to report on Category 6 due to gaps encountered during the data collection process, which are being addressed accordingly. |
| | 2% reduction in Scope 2 emissions by 2026. | **N/A** | **N/A** | **Base Year** | |
| | 2% reduction in Scope 3 emissions by 2026 for Category 6 (Business Travel) and Category 7 (Employee Commuting). | **N/A** | **N/A** | **Base year** | |

### ENVIRONMENTAL COMPLIANCE PERFORMANCE

**Certified ISO14001 Environmental Management System**

In our commitment to environmental management and sustainability, we have adopted MS ISO 14001, an internationally recognized standard that provides a framework for establishing, implementing, and maintaining an effective environmental management system (EMS). GNCB successfully maintained this certification in 2024 through LRQA Malaysia.

This certification underscores our dedication to minimizing environmental impacts, improving resource efficiency, and ensuring compliance with environmental regulations while continuously enhancing our sustainability practices.

LRQA CERTIFIED ISO 14001

### Environment Regulatory Compliance

At GNCB, we uphold a strong commitment to environmental sustainability by maintaining a high level of compliance with all relevant environmental legal requirements. In 2024, we are proud to report that no instances of noncompliance have been recorded, reflecting our dedication to regulatory adherence. Our team works collaboratively to ensure that all activities align with both government regulations and industry best practices for environmental compliance.

In addition to our proactive approach to compliance, we continuously review and update our processes and procedures to ensure they meet the latest regulatory standards. This commitment to staying current with evolving environmental laws and industry guidelines allows us to mitigate potential risks and maintain operational excellence. By fostering a culture of compliance, we aim to contribute positively to environmental protection while enhancing the sustainability of our operations.

**0**

incidents of non-compliance with water quality/ quantity permits, standards, and regulations

### Environment Monitoring and Protection

To demonstrate our commitment to legal compliance and environmental protection, we closely monitor air quality, noise levels, and water quality at all project sites. SAMM-accredited laboratories have been appointed to oversee the monitoring, sampling, and reporting processes, ensuring the accuracy of our results. This rigorous monitoring ensures that our operations meet or exceed regulatory standards, allowing us to promptly address any environmental concerns. By proactively managing our impact, we aim to safeguard the environment and protect the health of nearby communities.

#### ▶ Air quality

Construction activities can potentially have a significant impact on the surrounding air quality, primarily due to dust emissions, exhaust fumes from machinery, and other airborne pollutants generated during the construction process. As part of our ongoing commitment to minimizing these environmental impacts, we implement a range of proactive measures to control and reduce air pollution at all our project sites.

These measures include the use of dust suppression techniques, such as water spray, water bowser, and netting, to minimize airborne dust. Regular maintenance of construction equipment is also conducted to reduce emissions, ensuring that all machinery operates efficiently and within environmental compliance. Additionally, we adopt best practices to guarantee that our operations adhere to air quality standards set by local and international regulations.

Furthermore, we actively monitor air pollution by measuring levels of Total Suspended Particles (TSP) and Particulate Matter (PM10) in ongoing projects. This allows us to detect and address any potential pollutants, protecting both the environment and the health of surrounding communities.

**Air Monitoring Results FY2024**

| Current Project | Permissible Limit | Average Reading |
|---|---|---|
| **MRSM Dungun** | 260 µg/$m^3$ (TSP) | 64.8 µg/$m^3$ |
| **Rumah Idaman Bukit Jelutong** | 260 µg/$m^3$ (TSP) | 192.3 µg/$m^3$ |
| **Rumah Idaman Kwasa Damansara** | 100 µg/$m^3$ (PM10) | 58.0 µg/$m^3$ |

Our monitoring results indicate that all recorded values are within the permissible limits set by environmental regulations. This demonstrates our commitment to maintaining air quality at our construction sites and ensuring the well-being of the surrounding communities.

### Water Quality

The Group recognizes that our development activities have disrupted the surrounding ecosystem, potentially affecting local flora, fauna, and environmental health. In response, we have implemented a comprehensive set of environmental Best Management Practices (BMPs) outlined in our approved Erosion and Sediment Control Plan (ESCP) to mitigate the impact of construction on natural habitats and water systems.

To maintain the effectiveness of these BMPs, we have established a robust monitoring system, including monthly water quality assessments that focus on Total Suspended Solids (TSS) and oil concentration in runoff. Our preventive measures include the installation of silt traps and silt fences, which help control sedimentation and prevent soil erosion from affecting nearby water bodies.

We regularly review water quality results to adapt our practices and address any signs of environmental degradation, aiming to minimize long-term ecological impact and promote sustainable development in line with our environmental responsibility goals.

**Water Quality Monitoring Result FY2024**

| | TSS | | **Oil and Grease | |
|---|---|---|---|---|
| **Current Project** | **Permissible Limit** | **Average Reading** | **Permissible Limit** | **Average Reading** |
| **MRSM Dungun** | 50 mg/L | 10.25 mg/L | N/A | N/A |
| **Rumah Idaman Bukit Jelutong** | 50 mg/L | 30.8 mg/L | 10 mg/L | 2.4 mg/L |
| **Rumah Idaman Kwasa Damansara** | 50 mg/L | 14.24 mg/L | 10 mg/L | 4.8 mg/L |

Our monitoring results indicate that all recorded values are within the permissible limits set by environmental regulations. We continue to refine our Best Management Practices (BMPs) and Erosion and Sediment Control Plan (ESCP) to enhance water quality protection, ensuring sustainable development and environmental responsibility.

### Noise Monitoring & Mitigation

The monitoring of ambient noise constitutes a fundamental aspect of our initiatives aimed at evaluating and mitigating the effects of construction activities on the surrounding environment and local communities. To effectively minimize these impacts, we have instituted a range of mitigation measures, including:

- Installation of noise barriers and hoardings to reduce the transmission of construction noise.
- Regular inspection and maintenance of machinery and equipment to ensure optimal performance and minimize excessive noise.
- Restrictions on nighttime work, which is permitted only upon approval from local authorities through a valid permit.

In conclusion, noise monitoring is a vital part of our commitment to reducing noise pollution, safeguarding public health, and fostering strong, positive relationships with the communities where we operate. Our continued efforts ensure that we minimize disturbances while maintaining sustainable development practices.

**Noise Levels Monitoring Results FY2024**

| Current Project | Duration | Permissible Limit | Average Reading |
|---|---|---|---|
| **MRSM Dungun** | Day | 55 dB(A) | 53.6 dB(A) |
| | Night | 50 dB(A) | 47.2 dB(A) |
| **Rumah Idaman Bukit Jelutong** | Day | 65 dB(A) | 63.05 dB(A) |
| | Night | 55 dB(A) | 48.15 dB(A) |
| **Rumah Idaman Kwasa Damansara** | Day | 65 dB(A) | 60.1 dB(A) |
| | Night | 55 dB(A) | 51.2 dB(A) |

## ENVIRONMENTAL FOOTPRINT PERFORMANCE

### Energy Consumption

At GNCB, we are dedicated to fostering a culture of energy management throughout our organization. Although there is an increase in our energy consumption for FY2024, we are committed to implementing energy-efficient practices in our daily operations and engaging our employees in promoting sustainable energy use. By doing so, we intend to reduce our environmental footprint, lower costs, and encourage innovative solutions for long-term efficiency. Through education and collective action, we strive to make energy management a core aspect of our workplace culture.

Since our utility services are the largest consumers of energy, we have implemented a comprehensive approach to monitoring consumption. Our strategy involves tracking annual electricity and diesel usage across both our corporate offices and energy facilities.

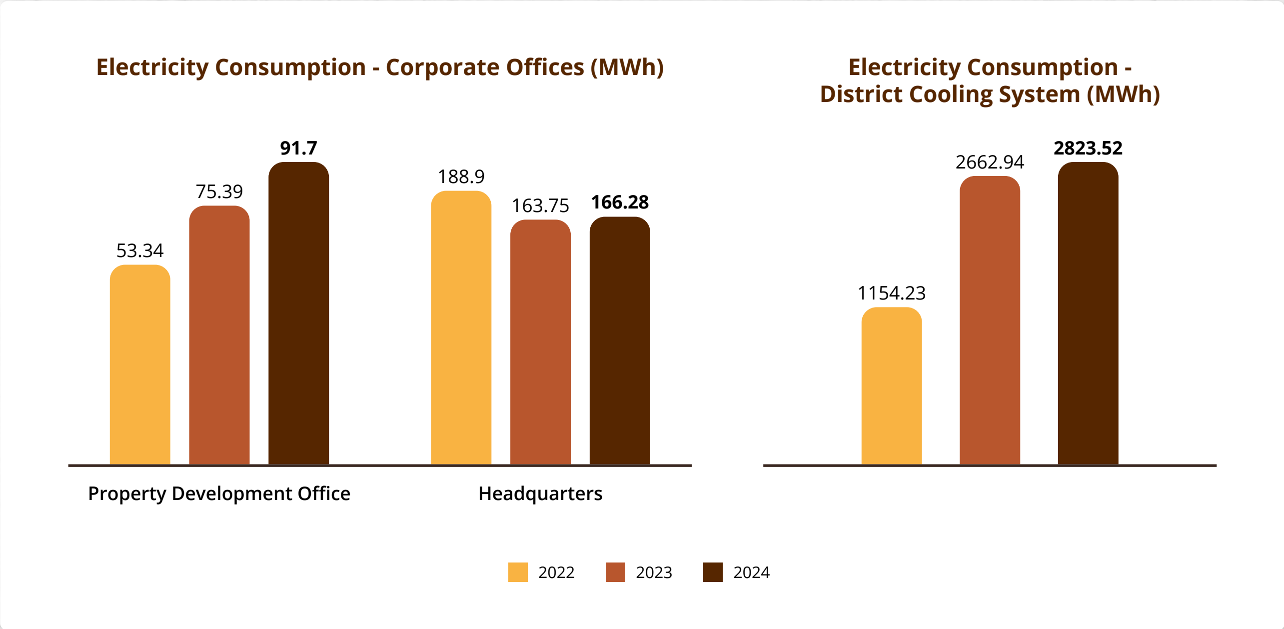
This year marks the third consecutive year of reporting energy consumption, allowing us to identify trends and implement targeted energy-saving measures. Notable observations include:

- A gradual increase in corporate energy consumption due to operational expansion.
- A significant energy usage in the utilities sector, reflecting the higher level of operations.
- An upward trend in construction energy consumption, requiring further efficiency measures.

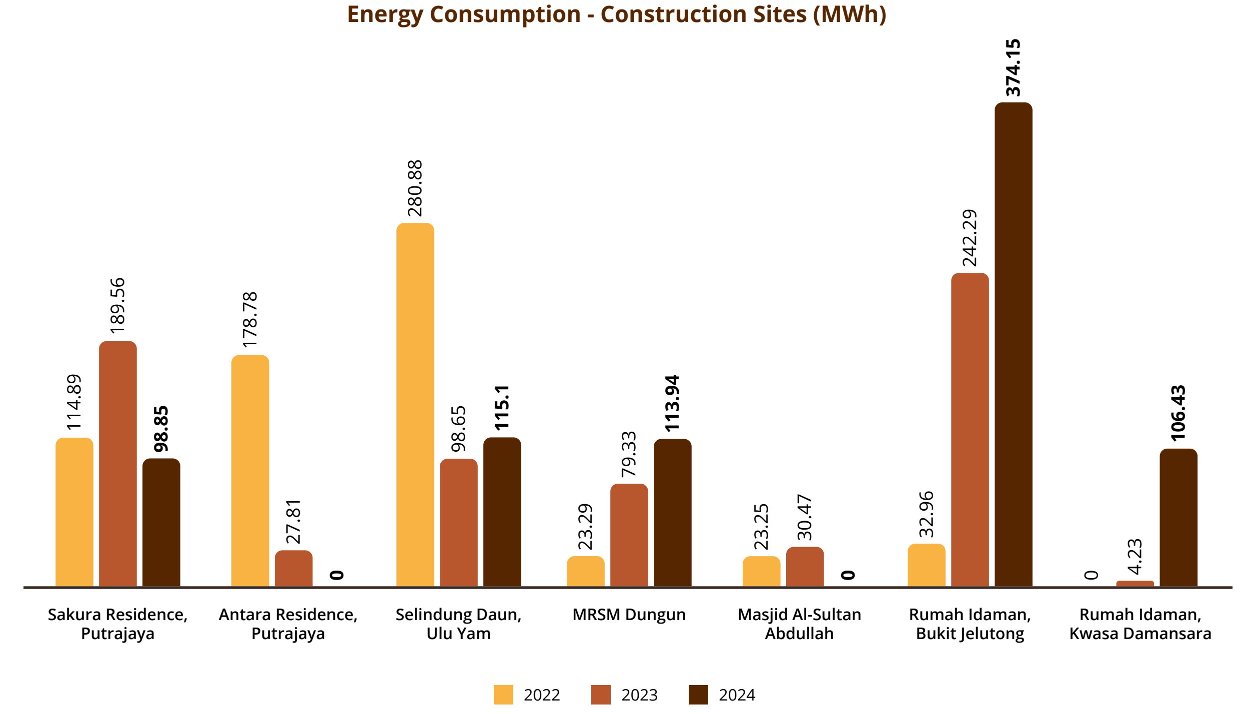
To address these trends, we have introduced several energy-saving initiatives, including:

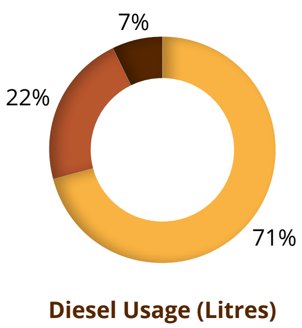
- Ensuring lights, air-conditioning, and office equipment are turned off when not in use.
- Implementing a preventative maintenance schedule for air-conditioning systems to improve efficiency.
- Prioritizing the use of high Energy Star-rated office equipment.
- Encouraging employee participation in energy-saving efforts through awareness campaigns.

| | Energy Consumption (MWh) | | |
|---|---|---|---|
| **Breakdown by Business** | **2022** | **2023** | **2024** |
| Corporate | 242.24 | 239.14 | 257.98 |
| Utilities services | 1154.23 | 2662.94 | 2823.52 |
| Construction | 654.05 | 672.34 | 808.47 |
| **Total** | **2050.52** | **3574.42** | **3889.97** |



By implementing these measures, we continue to make progress toward our goal of reducing energy consumption while promoting sustainability across all business units.




| Project | Diesel Usage |
|---|---|
| **MRSM Dungun** | 177, 533 Litres |
| **Rumah Idaman Bukit Jelutong** | 55, 600 Litres |
| **Rumah Idaman Kwasa Damansara** | 17,063 Litres |

## Sustainable Energy Solution

In 2017, Naditech Energy Sdn. Bhd. (NESB) entered into a 30-year chilled water supply agreement with DatumCorp International Sdn Bhd (DCI), a company wholly owned by Perbadanan Kemajuan Negeri Selangor (PKNS). As part of this agreement, NESB is responsible for the design, construction, and operation of the district cooling system, including ownership of all related equipment, with the obligation to transfer these assets at the end of the term. The chilled water supply will be integrated into the Datum Jelatek mall. By utilizing Thermal Energy Storage (TES), the NESB District Cooling Plant efficiently delivers chilled water from a centralized source to the mall, optimizing cooling performance and energy efficiency. The TES tank also enables overnight chilled water storage, reducing electricity consumption during peak demand hours.

From November 2022 to May 2023, the chiller plant achieved an efficiency rating of 0.60 kW/ton, classified as excellent according to industry standards. Data from the SCADA system confirms that energy efficiency was prioritized during the design phase to ensure optimal plant performance. Despite the significant investment in the chiller plant, NESB is committed to its long-term sustainability and operational efficiency.

The TES system also contributes to reducing electricity costs by shifting demand to off-peak hours and utilizing lower energy tariffs, resulting in an approximate 47% reduction in electricity expenses. NESB remains dedicated to supporting environmental sustainability through energy efficiency initiatives. As a result, NESB has been awarded the Green Technology Tax Incentive (GITA) Project from the Malaysian Green Technology and Climate Change Corporation (MGTC), amounted to RM 5,380,500.

Additionally, NESB is exploring carbon credit opportunities. Carbon credits, certified by relevant authorities, represent emission reductions and can be traded in the marketplace. The SCADA system captures daily data to track carbon credit generation.

Considering the growing threat of global warming due to increasing CO2 emissions, NESB's commitment to reducing energy consumption in air conditioning systems is critical. The use of ozone-safe refrigerant HFC134a in NESB's chillers further supports the company's dedication to minimizing greenhouse gas emissions and protecting the environment.

Ultimately, NESB's district cooling solution represents a significant advancement in sustainable energy management and environmental stewardship. By integrating cutting-edge technology, energy-efficient design, and a strong commitment to emissions reduction, NESB is not only enhancing the operational performance of the Datum Jelatek mall but also contributing to a more sustainable and environmentally responsible future for both the community and the broader ecosystem.

## Emissions

Climate change remains a critical Environmental, Energy, and Sustainability (EES) issue for GNCB, driving our focus on emissions monitoring and control. This focus is essential, given that our operations contribute significantly to greenhouse gas (GHG) emissions across Scope 1, Scope 2, and Scope 3.

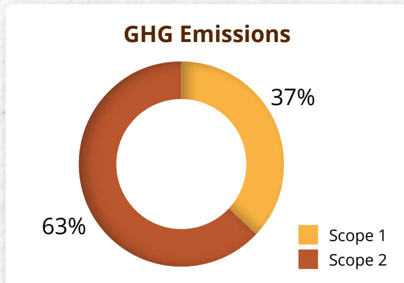
Scope 1 emissions include direct emissions from fuel usage in all operations and company-owned vehicles. Scope 2 emissions account for indirect emissions from purchased electricity used in our corporate offices and utility operations. As part of regulatory compliance, tracking and reporting Scope 1 & 2 emissions is compulsory, ensuring transparency and accountability in our sustainability journey.

GNCB follows the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol") to maintain accurate and transparent emissions reporting. In addition to our mandatory Scope 1 & 2 tracking, we also prioritize Scope 3 emissions to develop a comprehensive view of our carbon footprint. Our Scope 3 emissions cover all employees across the Group, encompassing employee commuting (Category 7) and waste disposal (Category 5), which includes landfill treatment and recycling from our headquarters and site operations.

Recognizing the importance of establishing a baseline, we have systematically collected emissions data to measure, analyze, and refine our carbon reduction strategies. This data-driven approach allows us to track our progress, set meaningful reduction targets, and identify opportunities to improve energy efficiency and waste management across our operations.

By embedding sustainability into our corporate strategy, we remain committed to reducing emissions, enhancing resource efficiency, and contributing to a lower-carbon future.

| Scope | GHG Emissions ($tCO_2e$) |
|---|---|
| 1 | 1,384.91 |
| 2 | 2,335.78 |




**Scope 3**

| Category | Emission ($tCO_2e$) |
|---|---|
| Employee commuting | 882.82 |
| Recycled waste | 478.94 |
| Landfilled waste | 422,339.94 |

## Water Consumption

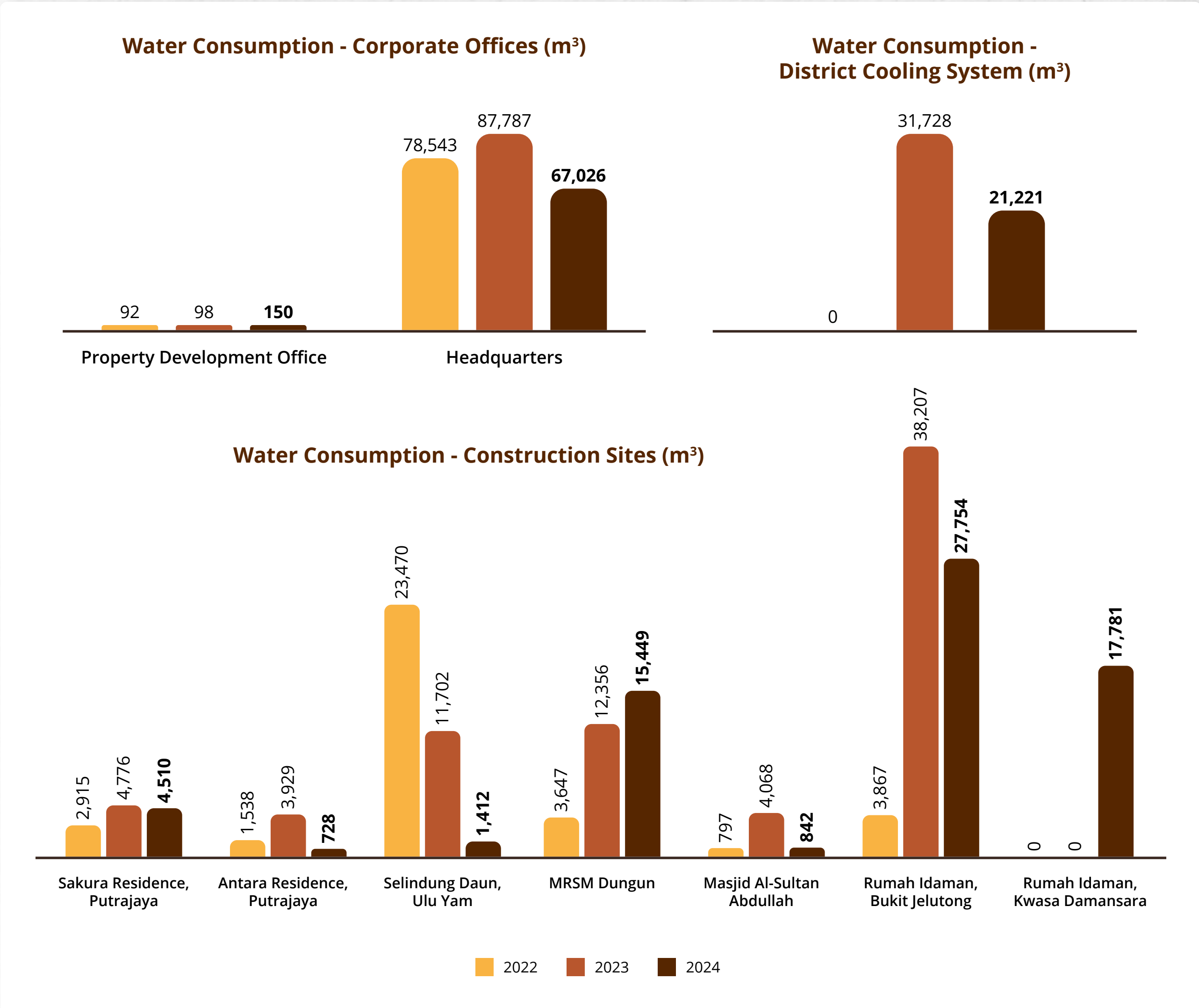
| | Water Consumption (m³) | | |
|---|---|---|---|
| Breakdown by operation | 2022 | 2023 | 2024 |
| Corporate | 78,635 | 87,885 | 67,176 |
| Utilities | 0 | 31,728 | 21,221 |
| Construction | 36,234 | 75,038 | 68,475 |

Climate change has intensified the global water shortage crisis, and as an organization, we recognize the urgency of addressing this challenge. We are fully committed to adopting sustainable water management practices throughout our operations, including reducing water consumption, utilizing water-efficient technologies, and fostering conservation initiatives among our employees, stakeholders, and the communities where we operate.

By integrating continuous campaigns into our corporate strategy, we aim to minimize our environmental impact while contributing to broader efforts to mitigate climate change and ensure a reliable water supply for future generations. In 2022, we initiated the collection of baseline data to track and manage our water usage responsibly. This year marks the third consecutive year of reporting our water consumption, reinforcing our ongoing commitment to improving water efficiency and ensuring the sustainability of our operations.

Our efforts have already yielded significant progress. In 2024, we successfully reduced water consumption in our corporate sector by 24% compared to the previous year. Similarly, our Utilities sector (District Cooling System) saw a 33% reduction in water consumption from 2023 to 2024. These achievements demonstrate our proactive approach to water conservation and the effectiveness of our initiatives.

We remain dedicated to further enhancing our sustainability efforts, continuously identifying areas for improvement, and setting ambitious targets to optimize water efficiency across all our operations.



### Waste Management

The construction industry is a major contributor to global solid waste, including wood, metals, concrete, and mixed materials. As economic and population growth drive increased waste generation, the challenge lies in providing sustainable disposal solutions. Landfills, the most common option, are increasingly viewed as an unsustainable approach due to their environmental impact.

| Breakdown by waste type | Waste generated (%) | | |
|---|---|---|---|
| | **2022** | **2023** | **2024** |
| Construction | 70.45 | 53.39 | 20.12 |
| Domestic | 7.24 | 20.79 | 75.15 |
| Timber | 22.31 | 25.83 | 4.73 |

At GNCB, we take full responsibility for the waste we generate and are committed to managing it sustainably. This year marks the third report on the total waste produced across our operations, helping us track progress and identify opportunities for improvement. We recognize the significant environmental impact of waste and are dedicated to reducing this through practices such as source segregation for recycling and proper disposal. Additionally, we recycle materials like concrete, metal, and wood to minimize landfill waste and ensure compliance with local regulations to prevent environmental contamination.

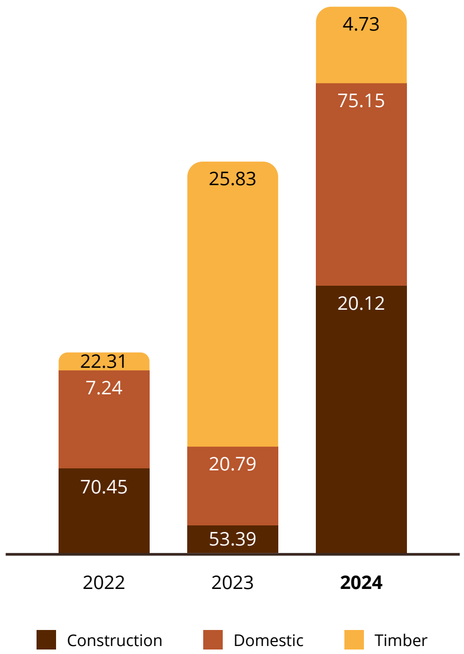
By continuously improving our waste management practices, we aim to contribute to a more sustainable future and reduce our environmental footprint.

A Recycling Campaign was launched at our HQ to raise awareness about recycling, educate employees on proper waste disposal, promote responsible electronic waste management, and implement initiatives to reduce office waste. This demonstrates our commitment to sustainability and responsible waste management. Last year, our recycling materials comprised of:

- 84% Paper;
- 10% Textile;
- 5% Cardboard; and
- 1% Plastic.

These results highlight the effectiveness of our recycling initiatives and the positive impact of employee participation in reducing office waste. We remain dedicated to improving our sustainability practices and further enhancing our waste reduction efforts.

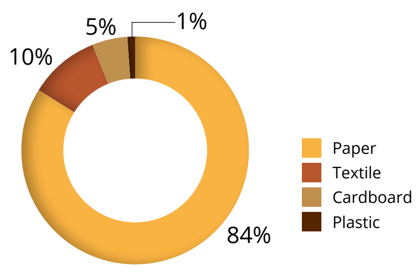
**Percentage of construction waste, %**




**1,464mt**

of total waste generated in FY2024

**Percentage of recycled material, %**



## STRATEGY 4 ENHANCING PRODUCT QUALITY

### PROGRESS ON THE SUSTAINABILITY TARGETS SET FOR STRATEGY 4

| Sustainability Matters | Target(s) | Progress | | | |
|---|---|---|---|---|---|
| | | FY2022 | FY2023 | FY2024 | Performance |
| Products and Services Quality | Maintain ISO 9001:2015 QMS certification. | **Successfully Re-certified** | **Successfully Maintained** | **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 %** | **74%** | Did not achieve the set target.<br>To increase efforts. |

### PRODUCTS AND SERVICES QUALITY PERFORMANCE

#### Certified ISO 9001 Quality Management System

GNCB is committed to delivering exceptional products and services through a strong management approach focused on quality excellence. We are proud to announce that our MS ISO 9001 Quality Management System (QMS) has been successfully maintained in 2024. Achieving compliance with LRQA's standards reinforces our dedication to upholding the highest quality benchmarks and consistently providing outstanding service to our clients.

#### Certified CIDB Construction Quality Management System (CQMS)

The Certified Construction Quality Management System (CQMS) is an accreditation program from the Construction Industry Development Board Malaysia (CIDB), awarded to companies that maintain the highest quality standards across their operations.

In 2023, Nadi Cergas Sdn Bhd achieved CQMS certification, ensuring our projects meet CIDB's regulatory, technical, and performance standards. The CQMS helps us implement structured processes for continuous improvement, adopt best practices, and enhance operational efficiency, all while upholding our reputation for delivering quality projects. In recognition of these efforts, Nadi Cergas Sdn Bhd was named Best Contractor by CIDB in 2024, highlighting our commitment to product quality, efficiency, and client satisfaction.

The system also provides a clear framework to monitor quality at each stage of the project, enabling us to quickly identify and resolve any issues. This certification not only drives superior results but also gives us a competitive edge as clients increasingly prioritize quality assurance.

In summary, the Certified CIDB CQMS is a mark of professionalism and excellence, demonstrating our ability to meet both client expectations and industry regulations.

#### CIDB QLASSIC Achievement

As construction plays a vital role in our business, we are fully committed to delivering work that meets the highest standards and exceeds our customers' expectations. To ensure we consistently uphold this commitment, we have integrated the Construction Industry Development Board Malaysia's (CIDB) Quality Assessment System in Construction (QLASSIC) into our quality assurance and control processes for all construction projects.

QLASSIC is a comprehensive system designed to assess and evaluate the quality of workmanship in building construction. Based on the Construction Industry Standard (CIS 7:2014), it enables objective comparisons of workmanship quality across different projects through a robust scoring mechanism.

The evaluation process assigns a score ranging from 0 to 100%, factoring in elements such as attention to detail, accuracy, completeness, and adherence to guidelines. A higher score signifies superior workmanship, while a lower score highlights areas requiring improvements. This system provides a clear, measurable approach to assessing quality and identifying opportunities for enhancement.

The QLASSIC assessment focuses on four key areas:

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

As of 2024, we have completed QLASSIC assessments for seven projects, summarized in the table below.

| 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% |
| 2024 | Sakura Residence, Putrajaya | 76% |
| | Masjid Al-Sultan Abdullah | 86% |

We are proud to report that all seven of our completed construction projects have achieved satisfactory QLASSIC scores, reflecting our unwavering dedication to delivering high-quality work. Looking ahead, we aim to assess all our construction projects using the QLASSIC system, ensuring consistent, high-quality delivery. This will strengthen our reputation as a trusted construction partner and contribute to a sustainable built environment.

**Client Satisfaction Performance**

At GNCB, we understand that maintaining strong, lasting relationships with our clients is essential to our success. To ensure we consistently meet their expectations and deliver exceptional service, we have implemented a systematic approach to gathering feedback on our products and services.

Upon the completion of each project, we distribute detailed client satisfaction surveys, which assess ten key areas. These surveys are carefully designed to capture meaningful insights that allow us to evaluate our performance and identify areas for continuous improvement.

By systematically collecting and analyzing client feedback, we are able to refine our processes, enhance our service offerings, and ensure that we consistently deliver results that align with our clients' needs. This commitment to feedback-driven improvement not only helps us build stronger, long-term client relationships but also reinforces our reputation as a trusted and reliable partner in every project

| 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 |
| 2024 | Sakura Residence, Putrajaya | 68 |
| | Masjid Al-Sultan Abdullah | 80 |

**74%**
of the average client satisfaction rate achieved in FY2024

Despite our continuous efforts, we deeply regret not achieving the set target we had established for this reporting period. Regardless of our team's dedication, hard work, and strategic efforts, we fell short of our expected goals. We acknowledge the challenges and unforeseen obstacles that contributed to this outcome; however, we take full responsibility for the results. Moving forward, we are committed to analyzing our shortcomings, refining our approach, and implementing stronger strategies to ensure future success.

## STRATEGY 5 WORKFORCE EMPOWERMENT

### PROGRESS ON THE SUSTAINABILITY TARGETS SET FOR STRATEGY 5

| Sustainability Matters | Target (s) | Progress | | | Performance |
|---|---|---|---|---|---|
| | | FY2022 | FY2023 | FY2024 | |
| Workplace Environment | Maintain ISO 45001:2018 OH&SMS certification. | **Successfully Re-certified** | **Successfully Maintained** | **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** | **1** | One incident was recorded in FY2024, indicating a deviation from the zero-incident target. |
| Diversity and Inclusion | Achieve 30% representation of women in Senior Management positions by 2026. | **28 %** | **28 %** | **28%** | Progress remains the same. |
| | 35% of employees comprise of women by 2026. | **34 %** | **34 %** | **35%** | On track as per target. |

| Sustainability Matters | Target (s) | Progress | | | |
|---|---|---|---|---|---|
| | | FY2022 | FY2023 | FY2024 | Performance |
| Learning and Development | At least 55% of employees attended a minimum of 8 hours of training. | **53 %** | **70 %** | **76%** | On track as per target. |
| | Maintain a minimum of 200 hours of occupational health and safety-related training. | **361 Hours** | **366 Hours** | **820 Hours** | On track as per target. |

## WORKPLACE ENVIRONMENT PERFORMANCE

At GNCB, we prioritize the safety and well-being of all employees and stakeholders, recognizing that a safe workplace goes beyond accident prevention. We are committed to creating an environment that fosters both physical safety and mental well-being. Through a combination of safety protocols, mental health support, and a focus on work-life balance, we aim to enhance employee morale, performance, loyalty, and retention.

### Governance of Occupational Safety and Health

At GNCB, we are dedicated to fostering a safe and supportive workplace that promotes a positive and productive environment. We understand that creating a safe space goes beyond minimizing accidents and health risks; it also involves nurturing employee morale, well-being, and overall job satisfaction. By prioritizing safety protocols, providing mental health support, and encouraging work-life balance, we empower our employees to thrive both personally and professionally. These initiatives not only enhance performance, loyalty, and retention but also help cultivate a culture of care, respect, and responsibility. Ultimately, a safe and compassionate workplace is essential for our long-term success and the sustainable growth of the organization.

GNCB is committed to the safety and well-being of its employees and stakeholders, complying with the relevant safety and health acts, regulations, and Codes of Practice set by the government and applicable agencies. To further strengthen our Occupational Safety and Health (OSH) framework, we have adopted and are certified under the MS ISO 45001 OHS Management System. Additionally, we are guided by the Group's OSH Policy, which outlines our unwavering commitment to maintaining a safe and healthy working environment.

### ▶ *OSH Performance*

At GNCB, we remain committed to upholding the highest Occupational Safety and Health (OSH) standards, continuously evaluating and improving our safety practices across all operations.

LRQA CERTIFIED ISO 45001

Despite a strong safety focus at our project sites, we tragically recorded one fatality and one lost-time injury (LTI) in 2024, raising our LTI frequency rate to 5.3. This marks a shift from the previous two years of zero fatalities and LTIs and serves as a critical reminder of the need for continuous improvement in our safety protocols.

We have thoroughly investigated these incidents in collaboration with the Department of Occupational Safety and Health (DOSH) to identify root causes and implement corrective actions. As part of our commitment to employee welfare, we ensure fair compensation for affected individuals and their families, in line with regulatory requirements.

Our approach includes comprehensive reporting, enhanced safety training, and stronger risk assessments to prevent future incidents. We are reinforcing accountability at all levels, improving hazard identification, and strengthening preventive measures. These setbacks, while concerning, provide valuable insights that drive us to refine our safety practices and reinforce our commitment to zero fatalities.

| OSH Performance Parameter | FY2022 | FY2023 | FY2024 |
|---|---|---|---|
| Number of active project sites | 6 | 7 | 5 |
| Total hours worked | 4,213,255 | 2,931,006 | 3,850,480 |
| Absolute number of fatalities | 0 | 0 | 1 |
| Number of LTI/accidents with lost workdays | 0 | 0 | 1 |
| LTI frequency rate (Number of LTI cases per 1-million hours worked) | 0 | 0 | 5.3 |

### ▶ *Hazard identification and risk assessment*

Identifying hazards in the workplace and across operational sites is essential for mitigating health and safety risks. At GNCB, we employ structured methodologies to systematically identify, assess, and control workplace hazards, ensuring a safe working environment for all employees.

- Hazard Identification, Risk Assessment, and Determining Controls (HIRADC)
  - HIRADC is a systematic process that helps us identify hazards, assess associated risks, and determine appropriate control measures. By evaluating workplace activities and potential hazards, we can implement preventive actions that enhance safety and reduce the likelihood of accidents or incidents.
- Fishbone Analysis & Swiss Cheese Accident Causation Model
  - Fishbone Analysis (Ishikawa Diagram): This method helps identify the root causes of hazards by analyzing factors such as equipment, processes, and the environment. By understanding these underlying causes, we can implement more targeted and effective interventions.
  - Swiss Cheese Accident Causation Model: This model illustrates how multiple layers of defense (such as policies, procedures, and safeguards) can prevent accidents. However, if weaknesses or "holes" in these defenses align, hazards can bypass safety measures and lead to incidents. By identifying and reinforcing these weak points, we can enhance overall safety and prevent accidents.

By integrating these methodologies into our OSH management system, GNCB not only strengthens its commitment to workplace safety but also actively works to reduce risks and foster a culture of continuous improvement in hazard management. This proactive approach helps to ensure that we maintain a safe and healthy working environment for all employees, mitigating risks before they escalate into incidents.

### OSH Training

To uphold a high standard of workplace safety and health, we prioritize comprehensive Occupational Safety and Health (OSH) training for all employees. This training equips individuals with the knowledge and skills to identify hazards, understand safety protocols, and prevent accidents. We offer a range of programs, including onboarding for new hires, refresher courses for existing staff, and specialized training for high-risk roles. In 2024, a total of 298 participants completed OSH training, comprising 110 employees who underwent internal training and 188 employees who received external training. By investing in ongoing training, we ensure that every employee and partner is equipped to contribute to a safe and healthy work environment, thereby reducing risks and fostering a strong culture of safety throughout the organization.

**298**
employees trained on health and safety standards

### OSH Campaign

#### Dengue Awareness

As part of our commitment to workplace safety and employee well-being, GNCB organized the Gotong Royong Perdana Campaign (Dengue Prevention) at project sites, involving all employees in a collective effort to promote a clean and safe working environment while preventing the spread of dengue. This initiative aimed to eliminate potential mosquito breeding grounds by cleaning up stagnant water, removing waste, and ensuring proper sanitation in and around the worksite. Through this campaign, employees were also educated on the dangers of dengue, the importance of maintaining cleanliness, and effective preventive measures. By fostering teamwork and active participation, GNCB reinforces its dedication to occupational safety and health (OSH), creating a safer and healthier workplace for everyone.


#### Employee Engagement & Welfare

To foster its ideal organizational culture, GNCB engages with employees through various channels, allowing them to share opinions, insights and contribute to shaping the company's values and work environment. GNCB also promotes open communication, ensuring all employees feel informed, valued, and integral to the company's culture.

The communication strategy encourages employees to provide feedback and aspirations to management. By fostering continuous two-way communication, the company keeps employees informed and motivated, ensuring their perspectives are reflected in policies such as talent development and employee welfare.

### ▶ *Employee Remuneration and Employment Benefits*

At GNCB, we provide competitive compensation packages that are consistent with industry standards, considering qualifications, experience, and performance. We are committed to recognizing and rewarding employees based on their contributions and accomplishments.

We uphold a strong commitment to equal opportunity and strictly prohibit any form of discrimination or favouritism based on gender, ethnicity, age, religion, disability, or any other demographic characteristic. As a responsible employer, we fully adhere to the provisions of the Employment Act 1955, ensuring that all employees receive fair and equitable remuneration.

**0**

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

### ▶ *Health & Welfare benefits*

As part of GNCB's commitment to employee well-being, the company continues to provide comprehensive health and welfare benefits to support employees' medical needs. In 2024, the total claims under these benefits were as follows:

- Health Care (Outpatient): RM 122,911.37
- Group Hospitalisation & Surgical: RM 379,497.19

These benefits reflect GNCB's dedication to ensuring employees have access to quality healthcare, whether for routine outpatient treatments or more extensive hospitalisation and surgical needs.

| | 2022 | | 2023 | | 2024 | |
|---|---|---|---|---|---|---|
| **BENEFITS** | **Head Count** | **Claim Amount** | **Head Count** | **Claim Amount** | **Head Count** | **Claim Amount** |
| Health Care (Outpatient) | 156 | RM85,047 | 197 | RM113,696 | 212 | RM122,911 |
| Group Hospitalization & Surgical | 58 | RM170,079 | 75 | RM313,088 | 26 | RM379,497 |

### ▶ *Newborn Token*

As part of our commitment to employee well-being and support, Gagasan Nadi Cergas is proud to introduce the Newborn Token initiative. This program celebrates the arrival of new family members by providing RM 300 per recipient, recognizing this joyous milestone in our employees' lives. This initiative underscores our dedication to fostering a supportive and inclusive workplace, ensuring that our employees feel valued during life's significant moments.

### ▶ *Mariage Token Distribution*

At GNCB, we celebrate and support our employees during life's significant milestones. As part of our commitment to employee well-being, we offer the Marriage Token, providing RM1,000 to each employee in recognition of this special occasion. This initiative reflects our dedication to fostering a supportive and appreciative workplace, ensuring our employees feel valued as they embark on this new chapter in their lives.

### ▶ *Family Bereavement Assistance*

GNCB remains committed to supporting our employees during times of loss and grief. Through our Family Bereavement Assistance, we provide financial aid to employees who have experienced the passing of a family member. In 2024, a total of RM 8,000 was allocated to eight employees, offering relief during these difficult moments. This initiative underscores our dedication to employee well-being, ensuring that our team members receive the support and assistance they need during challenging times.

### Employee Recognition

We are committed to fostering a positive and supportive workplace culture. As part of our efforts to recognize and reward dedication, we have implemented employee recognition programs that reflect our appreciation for long-term service and academic excellence.

### *Long Service Award*

To honour employees who have demonstrated unwavering commitment and loyalty, we present a 50-gram gold bar as a token of appreciation for their long-standing service. In 2024, we awarded the gold bar to Encik Ahmad Kamil bin Saha in recognition of his dedication to the company.


### *"Kurma" Distribution*

During Ramadan, Kurma Distribution activities have become an integral part of our annual program, reflecting our commitment to supporting employees who observe fasting. The company provides boxes of dates to all employees to ensure they have nutritious food to break their fast, offering a moment of care and consideration during this special time.

This initiative not only honours the cultural and religious practices of many staff members but also fosters a sense of community, inclusivity, and mutual support. Moreover, the distribution serves as a reminder of our dedication to employee well-being and helps create a positive, supportive atmosphere throughout the holy month.

### *Children Excellence Award*


We support the pursuit of education and excellence among our employees' families. Through the Children Excellence Award, a total of RM9,500 was allocated to seven recipients, recognizing outstanding academic achievements.

These initiatives align with our commitment to employee well-being and social sustainability, fostering a culture of appreciation and continuous growth within our organization.

## Employee Engagement Activities

GNCB fosters a positive and inclusive workplace through various employee engagement activities, including cultural celebrations, team-building events, and wellness initiatives. These activities strengthen relationships, enhance well-being, and create a supportive work environment.

### *Hari Raya Aidilfitri Celebration*

Hari Raya Aidilfitri is a significant celebration for our Muslim employees, marking the end of Ramadan. At GNCB, we celebrate this occasion to honour and appreciate the cultural and religious diversity of our workforce. The celebration includes a festive gathering where employees come together to enjoy traditional food, exchange greetings, and strengthen interdepartmental relationships.

The organization also ensures a welcoming and inclusive environment through decorations and treats that reflect the spirit of the holiday. By celebrating Hari Raya Aidilfitri, the organization fosters unity, inclusivity, and mutual respect, enhancing both employee well-being and workplace camaraderie.

### ▶ *Company Trip*

To enhance employee satisfaction and create a positive work environment, the Group organized a staff trip to five exciting destinations: Phuket, Chiang Mai, Chiang Rai, Komodo Island, Chengdu, and Seoul. This initiative aimed to recognize your hard work, promote team bonding, and provide a much-deserved break from our daily routines.

The trip not only offered relaxation but also strengthened our relationships and collaboration as a cohesive team. Shared experiences helped create lasting memories that fostered camaraderie and support in the workplace.

We believe that investing in our employees' well-being is vital for a more engaged and productive workforce. When team members feel valued, it positively impacts our organization's success.


### ▶ *KL City Day Half Marathon 2024*

To promote a healthy lifestyle among employees, GNCB is sponsoring 43 employees to participate in the KL City Day Half Marathon 2024. This initiative reflects the company's commitment to physical well-being and a culture of health within the workplace. By encouraging participation in the marathon, GNCB fosters teamwork, personal achievement, and a sense of community while helping employees adopt healthier habits and improve their fitness levels. Stepping outside the office allows colleagues to bond and enhances their overall well-being. By investing in employee health, GNCB reinforces its dedication to a supportive work environment that values both personal growth and professional development.

### ▶ *Paintball*


To promote teamwork and camaraderie, GNCB organized an exciting paintball session at Mudtrekker Paintball Park, bringing together 40 employees for a day of strategy, collaboration, and friendly competition. This activity encouraged teamwork, communication, and quick decision-making in a fun and dynamic setting. Beyond the thrill of the game, it provided an opportunity for colleagues to bond, relieve stress, and strengthen workplace relationships. Events like these reflect GNCB's commitment to fostering a positive and engaged workforce.

### *Nadi Movie Night*

On Friday, August 23, 2024, we hosted Nadi Movie Night at GSC Citta Mall, Ara Damansara, bringing employees together for an exciting evening of entertainment and engagement.

We booked an entire cinema hall, where employees enjoyed a special screening of Deadpool & Wolverine, complete with free popcorn and drinks. Before the movie, we organized an interactive quiz session during registration to boost engagement among staff. The quiz featured 10 questions covering company-related topics, general knowledge, and current affairs.

Winners of the quiz received exclusive goodies, including a limited-edition tumbler and a Deadpool & Wolverine-themed bag. This initiative not only provided a fun and relaxing experience but also strengthened team bonds, fostering a positive workplace culture.

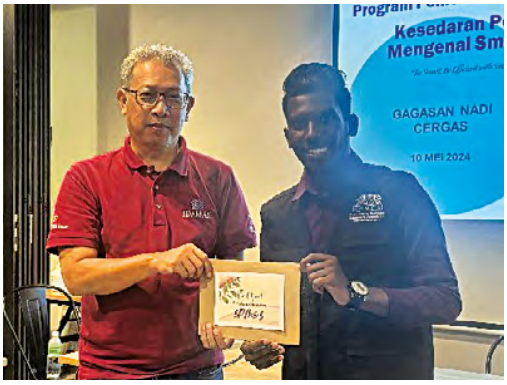
### *PJH-P11 Friendly Match*

Nadi Cergas Sdn. Bhd. (NCSB) and Putrajaya Homes (PJH) participated in a Football Friendly Match at Putrajaya Sports Arena, Presint 4. This event was organized to strengthen relationships and foster teamwork between NCSB staff and our client (PJH). By encouraging collaboration beyond the workplace, we aim to enhance our partnership for current and future projects, reinforcing a spirit of camaraderie and mutual support.

### *5@5 Program*

At GNCB, our 5@5 event series is designed to enhance awareness and provide new knowledge to our HQ staff. For 2024, we hosted a 5@5 Consumerism Talk on May 10, 2024, featuring a representative from the Federation of Malaysian Consumer Associations (FOMCA). The session, titled "Program Pemerkasaan Pengguna 2024: Kesedaran Pengguna Mengenai Smart Meter," aimed to empower employees with insights into consumer rights and smart meter awareness.

The event included a presentation by FOMCA, followed by an interactive Q&A session where employees engaged directly with the speaker. This initiative reflects our commitment to continuous learning and keeping our workforce informed about important consumer-related topics.



## DIVERSITY AND INCLUSION PERFORMANCE

As a Group, we recognize that our workforce is diverse, comprising skilled individuals from various ethnic and demographic backgrounds. Our organization maintains balanced representation across key age groups, supporting a sustainable talent pipeline for succession planning.

As GNCB's primary focus is on construction and property development, there is an inherent gender imbalance due to the nature of the industry, which typically attracts more male talent. However, GNCB is committed to equal opportunity in its hiring practices, making decisions based solely on merit without discrimination.

The Group is dedicated to fostering an inclusive work environment while ensuring that its talent acquisition practices reflect its commitment to excellence. By placing a strong emphasis on merit, GNCB not only drives long-term growth but also cultivates a diverse workforce. This approach has contributed to a positive work culture, enhanced performance, and strengthened the company's growth potential.

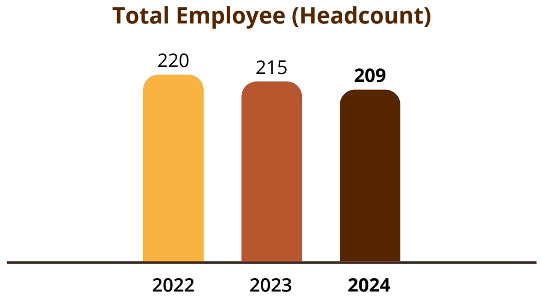
### Workforce Demographic Data

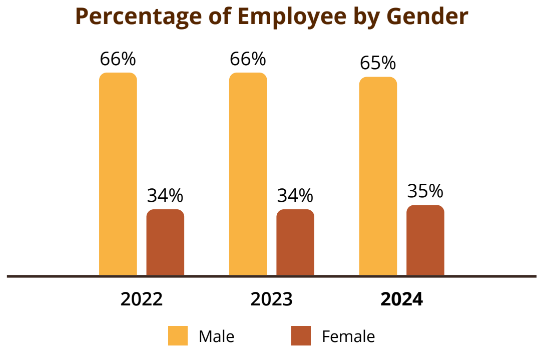
At GNCB, the workforce is predominantly male, particularly in roles that require physically demanding tasks on construction and operational sites, where such responsibilities are often better suited to male employees. In contrast, the company maintains a more balanced gender distribution in office-based positions, reflecting its commitment to providing equitable opportunities across all job functions.

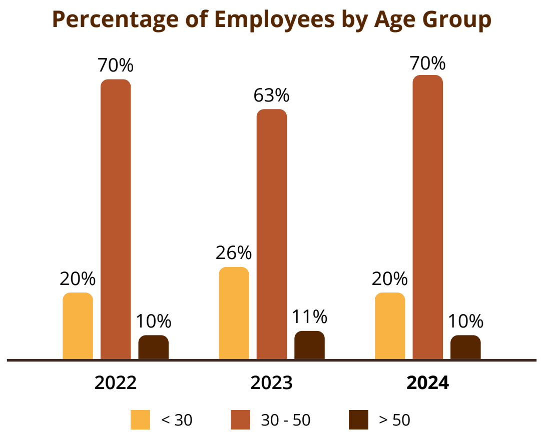
The Group is dedicated to improving gender balance across the organization. To achieve this, GNCB is implementing proactive measures to ensure that women have equal opportunities in all areas of the business. These initiatives include actively recruiting female candidates for open positions, offering targeted training and development programs for women, and fostering an inclusive and supportive workplace culture. By doing so, GNCB aims to build a more diverse and equitable workforce, which will drive innovation, enhance performance, and support the organization's long-term success.

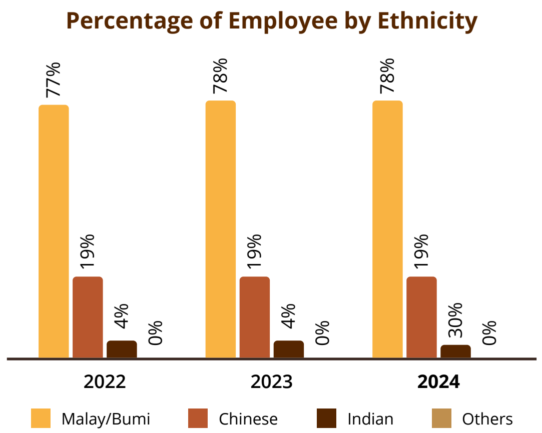
Most of our employees fall within the age range of 30 to 50 years, a demographic that plays a key role in the company's succession planning. This age group provides a skilled and experienced talent pool, ensuring a steady pipeline of resources essential for sustaining progress and long-term growth. Moreover, a workforce with significant experience in this age range enables us to efficiently address potential operational gaps, ensuring the continued delivery of high-quality products and services to our customers.

We also recognize the importance of fostering a diverse workforce, encompassing employees of different ages, genders, and backgrounds. We believe this diversity is crucial for fostering innovation, encouraging creativity, and promoting a positive, inclusive work environment. By nurturing a diverse and experienced workforce, we are not only ensuring operational stability and growth but also positioning ourselves to successfully adapt to evolving industry challenges and opportunities.

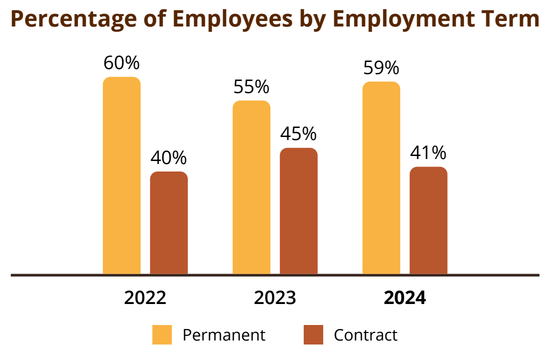


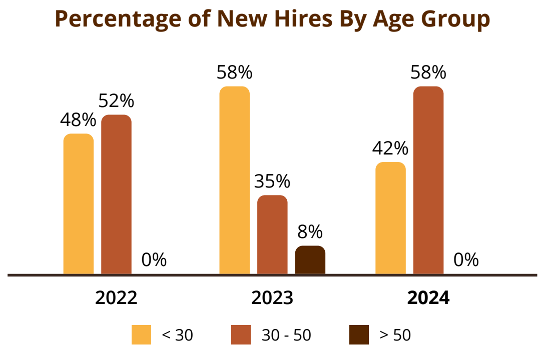



GNCB primarily employs local workers on a permanent basis, excluding foreign labour from this policy. This approach enhances job security and benefits for local employees. For FY2024, the Group is focusing on two key age groups for recruitment: those aged 30 to 50 and those under 30. This strategy reflects the Group's commitment to balancing experience and maturity with opportunities for younger talent to contribute to the organization's growth.




## LEARNING AND DEVELOPMENT PERFORMANCE

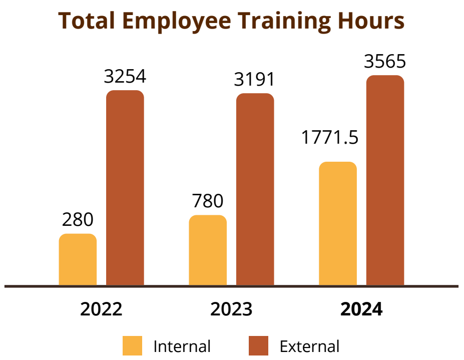
At GNCB, we conduct regular gap assessments and annual performance appraisals to identify areas where employees may benefit from additional training. Each employee undergoes a formal performance review at least once a year, and in FY2024, every employee received an appraisal.

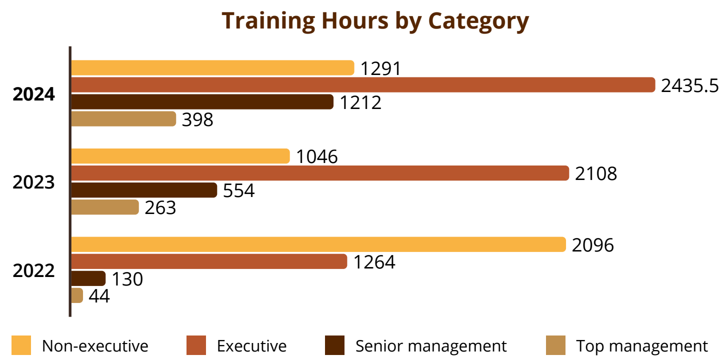
To ensure our employees possess the necessary skills for their roles, we provide ongoing training and development tailored to their specific needs. Alongside initial training, we offer regular refresher courses and workshops to keep employees updated on the latest industry regulations and standards, particularly in high-risk areas.

We have invested RM **149,452** for employee training and recorded **5,336.5** HOURS of training in FY2024

In FY2024, total training hours increased by approximately 38.36% compared to FY2023, reflecting our commitment to continuous learning and skill enhancement. This ongoing investment in professional development not only improves individual performance but also fosters a culture of safety, collaboration, and accountability. By equipping employees with up-to-date knowledge, we empower them to make informed decisions and contribute to a safe and efficient workplace.

| | FY2022 | | FY2023 | | FY2024 | |
|---|---|---|---|---|---|---|
| Gender | Total Training (Hrs) | Avg. Training (Hrs) | Total Training (Hrs) | Avg. Training (Hrs) | Total Training (Hrs) | Avg. Training (Hrs) |
| Male | 2,078 | 14.3 | 2,450 | 20.6 | **3,504.5** | **24.2** |
| Female | 1,456 | 19.4 | 1,521 | 17.5 | **1,832** | **23.2** |
| Total | 3,534 | - | 3,971 | - | **5,336.5** | **-** |



## STRATEGY 6 SERVING THE COMMUNITY

### PROGRESS ON THE SUSTAINABILITY TARGETS SET FOR STRATEGY 6

| Sustainability Matters | Target(s) | Progress | | | Performance (FY2024) |
|---|---|---|---|---|---|
| | | FY2022 | FY2023 | FY2024 | |
| Community Investment | Invest 0.01% of the previous year's revenue in CSR initiatives. | Revenue of RM233,517,000 generated. **RM34,000** was invested. | Revenue of RM318,349,000 generated. **RM12,000** was invested. | Revenue of RM262,817,000 generated. **RM56,000** was invested. | On track as per target. |

### COMMUNITY INVESTMENT PERFORMANCE

At GNCB, we recognize that investing in the community is vital for a strong and thriving society. This investment brings long-term social, economic, and environmental benefits. By supporting local initiatives in education, job creation, healthcare, and sustainability, we not only meet immediate needs but also create opportunities for future growth. Empowering individuals with skills fosters economic growth and innovation while improving living standards and promoting a healthier environment. These efforts strengthen the connections among businesses, government, and citizens, encouraging collaboration and shared responsibility. In essence, community investment is both a social obligation and a strategic approach that leads to a prosperous society. When communities succeed, everyone benefits, creating a cycle of growth and well-being.

RM **56,000**
was invested into our community

***Nadi Cergas "Jiwa Merdeka" Bersama Penduduk: Gotong-Royong with Arca U8 Community***

In celebration of Malaysia's 67th Independence Day, we had the privilege of collaborating with the Arca U8 community for the second time through Nadi Cergas "Jiwa Merdeka" Bersama Penduduk. This year, we organized a gotong-royong event to foster trust and strengthen our relationship with the residents. Recognizing that our project may have caused some disruptions to their daily lives, this initiative served as an opportunity to reassure them that our work will not negatively impact their environment or community. To further encourage participation, we also organized a lucky draw, which garnered enthusiastic interest from the locals.

A total of 55 participants came together to clear clogged drains, trim overgrown trees and shrubs, and clean the playground within the Arca U8 community. These collective efforts caught the attention of Majlis Perbandaran Shah Alam (MBSA), which generously sponsored two RORO bins to facilitate the event. Additionally, a fogging service was carried out throughout the residential area to promote public health and enhance the community's overall well-being.

This collaboration underscores our dedication to ensuring that our project not only contributes positively to the local economy but also benefits the community and ecosystem. Through this program, we reaffirm our commitment to uplifting the community and fostering a cleaner, healthier living environment for all.

### *Public Blood Donation Drive & Medical Check-Up*

We successfully organized a Public Blood Donation Drive & Medical Check-Up, reaffirming our commitment to community well-being and the accessibility of essential healthcare services. This initiative aimed to promote blood donation while providing vital health screenings, fostering greater awareness of personal health, and emphasizing the importance of contributing to those in need.

In collaboration with the National Kidney Foundation (NKF), the event received an outstanding response from donors and participants, many of whom stepped forward to support this life-saving cause. Medical professionals, including representatives from NKF, were present to conduct comprehensive health screenings, encompassing blood pressure monitoring, glucose level testing, kidney health assessments, and general medical consultations. These efforts not only provided direct benefits to individuals but also enhanced public awareness of preventive healthcare, particularly in relation to kidney disease and overall well-being.

This initiative exemplifies our dedication to fostering a healthier society and addressing critical healthcare needs. We extend our sincere appreciation to all donors, medical personnel, volunteers, and the National Kidney Foundation for their invaluable contributions in ensuring the success of this event. Together, we continue to create a meaningful and lasting impact on community health.

### *Merdeka Baby Celebration (S.M.I.L.E) at Hospital Tunku Azizah (HTA)*

On Malaysia's 67th Independence Day, we celebrated the arrival of 12 Merdeka babies born at Hospital Tunku Azizah (HTA) as of 10 AM. These newborns brought immense joy to their families and symbolized hope and a bright future for the nation.

To mark the celebration, we presented hampers filled with baby essentials to each of the 12 Merdeka babies, bringing smiles to the parents and making this moment even more memorable.

This initiative went beyond welcoming new life — it reinforced national unity and the spirit of independence within the community. We remain committed to fostering a positive impact on society and look forward to continuing initiatives that celebrate and support our communities.


***CSR Glow Project – Zoo Negara***

In November 2024, we successfully carried out the CSR Glow Project at Zoo Negara, reaffirming our commitment to environmental conservation and community engagement. This initiative highlighted our dedication to wildlife preservation and sustainability while fostering a sense of responsibility among our volunteers and the public.

A team of 30 staff members actively participated in various conservation efforts, including sweeping, removing moss, plant maintenance, pruning, and weeding within the zoo premises. These efforts played a crucial role in maintaining a clean and healthy environment, benefiting both the animals and visitors.

This CSR initiative not only strengthened our bond with the community but also reinforced our role in promoting a more sustainable future. We are proud to have made a positive impact at Zoo Negara and hope to have inspired others to take part in future conservation efforts.

## GRI CONTENT INDEX

| GRI Standard | Disclosure | Referenced Section | Page |
| --- | --- | --- | --- |
| **General Disclosures** | | | |
| GR1 2: General Disclosures 2021 | 2-1 Organisational details | • Corporate Profile<br>• Corporate Structure | 2<br>6 |
| | 2-2 Entities included in the organisation's sustainability reporting | • Corporate Profile<br>• Statement Scope and Boundaries | 2<br>24 |
| | 2-3 Reporting period, frequency and contact point | • Statement Reporting Period<br>• Feedback | 24<br>24 |
| | 2-5 External assurance | • Statement Assurance | 24 |
| | 2-6 Activities, value chain and other business relationships | • Corporate Profile<br>• Statement Exclusions | 2<br>24 |
| | 2-7 Employees | • Workforce Demographic Data | 52 |
| | 2-9 Governance structure and composition | • Corporate Governance Overview Statement<br>• Sustainability Governance Structure | 62<br>30 |
| | 2-10 Nomination and selection of the highest governance body | • Corporate Governance Overview Statement<br>• Sustainability Governance Structure | 62<br>30 |
| | 2-11 Chair of the highest governance body | • Corporate Governance Overview Statement<br>• Sustainability Governance Structure | 62<br>30 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | • Sustainability Governance Structure | 30 |
| | 2-13 Delegation of responsibility for managing impacts | • Sustainability Governance Structure | 30 |
| | 2-14 Role of the highest governance body in sustainability reporting | • Sustainability Governance Structure | 30 |
| | 2-15 Conflicts of interest | • Conflict of Interest Policy | 30, 74 |
| | 2-16 Communication of critical concerns | • Whistleblowing Mechanism & Reported Corruption Cases | 30, 31 |
| | 2-19 Remuneration policies | • Group Corporate Policies | 30 |
| | 2-20 Process to determine remuneration | • Group Corporate Policies | 30 |
| | 2-22 Statement on sustainable development strategy | • Sustainability Strategy | 26 |
| | 2-23 Policy commitments | • Group Corporate Policies | 30 |
| | 2-24 Embedding policy commitments | • Group Corporate Policies | 30 |
| | 2-26 Mechanisms for seeking advice and raising concerns | • Whistleblowing Mechanism & Reported Corruption Cases | 30, 31 |
| | 2-27 Compliance with laws and regulations | • Regulatory Compliance<br>• Environmental Regulatory Compliance | 31<br>34 |
| | 2-29 Approach to stakeholder engagement | • Stakeholder Engagement | 28 |

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| **Material Topics** | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | • Material Sustainability Matters | 29 |
| | 3-2 List of material topics | • Sustainability Strategy<br>• Materiality Matrix | 26<br>29 |
| | 3-3 Management of material topics | • Sustainability Goals and Targets | 27 |
| **Economic Performance** | | | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | • Economic Value Generated and Distributed | 32 |
| **Indirect Economic Impacts** | | | |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and services supported | • Value Creation from Projects | 33 |
| | 203-2 Significant indirect economic impacts | • Value Creation from Projects | 33 |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | • Supply Chain Management | 33 |
| **Anti-Corruption** | | | |
| GRI 205: Anti-Corruption 2016 | 205-1 Operations assessed for risks related to corruption | • Anti-Bribery and Corruption Program | 31 |
| | 205-2 Communication and training about anti-corruption policies and procedures | • Anti-Bribery and Corruption Training | 31 |
| | 205-3 Confirmed incidents of corruption and actions taken | • Regulatory Compliance | 31 |
| **Energy, Water & Effluents, and Waste** | | | |
| GRI 302: Energy<br><br>GRI 303: Water & Effluents 2018<br><br>GRI 305: Emissions 2016<br><br>GRI 306: Waste 2020 | 302-1 Energy consumption within the organisation | • Energy Consumption | 37 |
| | 303-1 Interactions with water as a shared resource | • Environmental Monitoring and Protection | 35-36 |
| | 303-2 Management of water discharge-related impacts | • Environmental Monitoring and Protection | 35-36 |
| | 303-5 Water consumption | • Water Consumption | 40 |
| | 305-1 Direct (Scope 1) GHG emissions | • Emission | 39 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | • Emission | 39 |
| | 305-3 Other indirect (Scope 3) GHG emissions | • Emission | 39 |
| | 306-1 Waste generation and significant waste-related impacts | • Waste Management | 41 |
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## GRI CONTENT INDEX (CONT'D)

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| **Occupational Health and Safety** | | | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 OSH management system | • Governance of OSH | 45 |
| | 403-4 Worker participation, consultation, and communication on OSH | • OSH Training & Campaigns | 47 |
| | 403-5 Worker training on OSH | • OSH Training & Campaigns | 47 |
| | 403-6 Promotion of worker health | • OSH Training & Campaigns | 47 |
| | 403-7 Prevention and mitigation of OSH impact | • Occupational Safety and Health | 45 |
| | 403-8 Workers covered by OSH management system | • Governance of OSH | 45 |
| | 403-9 Work-related injuries | • Construction Segment OSH Performance Data | 46 |
| **Employment** | | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | • Workforce Demographic Data | 52 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | • Employee Remuneration and Employment Benefits | 48 |
| **Training and Education** | | | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | • Learning and Development Performance | 53 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | • Learning and Development Performance | 53 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | • Learning and Development Performance | 53 |
| **Diversity and Inclusion** | | | |
| GRI 405: Diversity & Inclusion 2016 | 405-1 Diversity of governance bodies and employees | • Workforce Demographic Data | 52 |
| **Local Communities** | | | |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | • Community Investment Performance | 54 |
| **Data Privacy and Security** | | | |
| GRI 418: Customer Privacy 2018 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | • Data Privacy and Security | 32 |

## SUSTAINABILITY PERFORMANCE REPORT

| Indicator | Measurement Unit | 2024 |
|---|---|---|
| **Bursa (Anti-corruption)** | | |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category | | |
| Top Management | Percentage | 0.00 |
| Senior Management | Percentage | 4.00 |
| Executive | Percentage | 63.00 |
| Non-Executive | Percentage | 33.00 |
| BursaC1(c) Confirmed incidents of corruption and action taken | Number | 0 |
| Disclosure of number of staff disciplined ordismissed due to non-compliance with anti-corruption policy/policies | Number | 0 |
| **Bursa (Data privacy and security)** | | |
| BursaC8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 |
| **Bursa (Supply chain management)** | | |
| BursaC7(a) Proportion of spending on local suppliers | Percentage | 100.00 |
| **Bursa (Energy management)** | | |
| Bursa C4(a) Total energy consumption | Megawatt | 3,894.41 |
| **Bursa (Emissions management)** | | |
| BursaC11(a) Scope1 emissions in tonnes of CO2e | Metric tonnes | 1,384.91 |
| BursaC11(b) Scope2 emissions in tonnes of CO2e | Metric tonnes | 2,335.78 |
| **Bursa (Water)** | | |
| Bursa C9(a) Total volume of water used | Megalitres | 158.165000 |
| Does the company disclose the number of incidents of non-compliance with water quality/quantity permits, standards and regulations | Number | 0 |
| **Bursa (Waste management)** | | |
| Bursa C10(a) Total waste generated | Metric tonnes | 1,464.00 |
| **Bursa (Health and safety)** | | |
| BursaC5(a) Number of work-related fatalities | Number | 1 |
| Bursa C5(b) Lost time incident rate ("LTIR") | Rate | 5.30 |
| BursaC5(c) Number of employees trained on health and safety standards | Number | 298 |

## SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

| Indicator | Measurement Unit | 2024 |
|---|---|---|
| **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 | 0.00 |
| Top Management Above 50 | Percentage | 100.00 |
| Senior Management Under 30 | Percentage | 0.00 |
| Senior Management Between 30-50 | Percentage | 90.63 |
| Senior Management Above 50 | Percentage | 9.38 |
| Executive Under 30 | Percentage | 26.51 |
| Executive Between 30-50 | Percentage | 68.67 |
| Executive Above 50 | Percentage | 4.82 |
| Non-Executive Under 30 | Percentage | 22.35 |
| Non-Executive Between 30-50 | Percentage | 72.94 |
| Non-Executive Above 50 | Percentage | 4.71 |
| Gender Group by Employee Category | | |
| Top Management Male | Percentage | 78.00 |
| Top Management Female | Percentage | 22.00 |
| Senior Management Male | Percentage | 78.00 |
| Senior Management Female | Percentage | 22.00 |
| Executive Male | Percentage | 43.00 |
| Executive Female | Percentage | 57.00 |
| Non-Executive Male | Percentage | 79.00 |
| Non-Executive Female | Percentage | 21.00 |
| **Bursa (Labour practices and standards)** | | |
| BursaC6(a) Total hours of training by employee category | | |
| Top Management | Hours | 398 |
| Senior Management | Hours | 1,212 |
| Executive | Hours | 2,436 |
| Non-Executive | Hours | 1,291 |
| BursaC6(b) Percentage of employees that are contractors or temporary staff | Percentage | 41.00 |
| **Bursa (Community/Society)** | | |
| BursaC2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 56,000.00 |

# 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 2024. 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 2024, which is available on our corporate website at ***www.nadicergas.com***.

As at 31 December 2024, 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.

Although the company has not applied 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 six (6) 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:

| Director | Designation | Board attendance for 2024 | Attendance at Committee meetings in 2024 | | |
|---|---|---|---|---|---|
| | | | ARMC | NC | RC |
| Ir. Dr. Muhamad Fuad Bin Abdullah | Independent Non-Executive Chairman | 6/6 | 5/5 | 1/1 | 1/1 |
| Dato' Sr Hj Wan Azman Bin Wan Kamal | Group Managing Director | 6/6 | | | |
| Dato' Sri Subahan Bin Kamal | Non-Independent Executive Director | 6/6 | | | |
| Professor Emerita Siti Naaishah Binti Hambali | Independent Non-Executive Director | 6/6 | 5/5 | 1/1 | 1/1 |
| Chng Boon Huat | Independent Non-Executive Director | 6/6 | 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, Dato' Sr 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 Nomination 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.

The training programmes, seminars and/or conferences attended by the Directors during the financial year 2024 were as follows:

| Director | Training Programme | Date of Training |
|---|---|---|
| **Ir. Dr. Muhamad Fuad Bin Abdullah** | • Capturing Carbon: Carbon capture and storage (CCS) and carbon capture, utilisation and storage (CCUS) | 18 January 2024 |
| | • Mandatory Accreditation Programme (MAP) Part II: Leading For Impact (LIP) | 5 & 6 February 2024 |
| | • Singapore, Southeast Asia and Hong Kong Capital Markets: Annual Outlook | 7 February 2024 |
| | • Industry Dialogue: Shariah Advisers with SC | 8 March 2024 |
| | • ICDM PowerTalk: Future-Proofing Malaysian Businesses - Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape | 11 March 2024 |
| | • Decoding Hydrogen to support the Energy Transition | 19 March 2024 |
| | • Climate Governance 101: A Board's Guide to Effective Oversight | 21 March 2024 |
| | • Cybersecurity and Data Privacy - The Fight Against Financial Crime | 2 April 2024 |
| | • C4 Center Report Launch and Panel Discussion: Ending Waste Colonialism | 4 April 2024 |
| | • BIMB Training - The DARK PATTERN: How Big Corporate Scandals Happen and What Boards Can Do to Prevent It | 5 April 2024 |
| | • 2nd Nadwah of Shariah Advisers Islamic Capital Market 2024 | 25 April 2024 |
| | • TH Group Summit 2024 "Business Transformation Towards Sustainability" Tabung Haji Group and Companies | 7 & 8 May 2024 |
| | • ICDM Board Sustainability Committee Dialogue -Bio-Diversity & Nature-Related Risks | 14 May 2024 |
| | • Masterclass -Cultural Intelligence (CQ): How to make an impact in the Business World today | 24 May 2024 |
| | • Understanding Product Types and Product Pricing | 28 May 2024 |
| | • Understanding Agency Advisory Hierarchy Roadmap | 28 May 2024 |
| | • Global Forum on Islamic Economics and Finance (GFIEF) | 29 May 2024 |
| | • Jurisprudential Adaptation of Micro Financing using Zakat for lending by Ustaz Sallehuddin Abu Samah of Lenbaga Zakat Selangor. | 4 June 2024 |
| | • SIDC Sustainable and Responsible Investment Conference (SRI) 2024 | 20 June 2024 |
| | • Training and Engagement with regard to BNM Policy Document on Hajah and Darurah | 5 July 2024 |
| | • Bursa Carbon Exchange: Carbon Credit and Renewable Energy Certificates from Shariah Perspective | 10 July 2024 |

| Director | Training Programme | Date of Training |
|---|---|---|
| **Ir. Dr. Muhamad Fuad Bin Abdullah** | • Introduction to Energy Storage Solutions | 11 July 2024 |
| | • Climate Governance Malaysia Masterclass - Latest Developments in Climate: Aligned Executive Compensation | 17 July 2024 |
| | • 2024 PDPA (2010) e-Learning | 23 July 2024 |
| | • Muzakarah Cendikiawan Syariah Nusantara Ke-18 (MUZAKARAH 2024) | 24 & 25 July 2024 |
| | • Session on IEM Outcome-Based Professional Interview 2.0 | 27 July 2024 |
| | • Training on Conducting Effective Meetings and Listening Skills | 7 August 2024 |
| | • BEM Webinar: Updates on Professional Assessment Examination (PAE) | 8 August 2024 |
| | • AML/CFT/CPF and TFS: Key Challenges and Trend Updates 2024 | 9 August 2024 |
| | • Training: Understanding the Financial Statements: A Thematic Analysis of the BIMB's Financial Position and Performance | 28 & 29 August 2024 |
| | • Muzakarah on Failure Resolution of Islamic Financial Institutions by Perbadanan Insurance Deposit Malaysia (PIDM) | 11 September 2024 |
| | • ICDM Virtual Classroom<br>How Can Boards Make the Most of Blockchain & Digital Assets | 20 September 2024 |
| | • Engineering Accreditation Council (EAC) Updates | 25 September 2024 |
| | • Directors' Conference 2024 | 2 October 2024 |
| | • Training – An update on Technology and Cybersecurity Risk | 18 October 2024 |
| | • KLIFF Muzakarah Shariah Advisers | 7 November 2024 |
| | • Shariah Issues in Musharakah Mutanaqisah Contract | 8 November 2024 |
| | • ICDM-AON Chairman Roundtable Strategic Risk Management | 26 November 2024 |
| | • Shariah Empowerment Session: Digital & Artificial Intelligence | 3 December 2024 |
| **Dato' Sr Hj Wan Azman Bin Wan Kamal** | • Mandatory Accreditation Programme Part II; Leading For Impact (LIP) | 18 & 19 September 2024 |
| **Dato' Sri Subahan Bin Kamal** | • Economic Market Updates | 24 May 2024 |
| **Professor Emerita Siti Naaishah Binti Hambali** | • Mandatory Accreditation Programme Part II: Leading For Impact (LIP) | 5 & 6 February 2024 |
| | • UN 2.0 For Peace and Financial Market Transformation For Sustainable Development | 4 July 2024 |
| | • Navigating Current Conflicts and Geopolitical Tension: Strategies for Regional Stability and Cooperation. | 6 July 2024 |

| Director | Training Programme | Date of Training |
|---|---|---|
| **Chng Boon Huat** | • Focus Group Discussion with Non-Listed Companies for the Proposed National Sustainability Reporting Framework | 3 April 2024 |
| | • ICDM PowerTalk: Being Sued as an INED - A Personal Journey | 10 May 2024 |
| | • Mandatory Accreditation Programme Part II: Leading for Impact | 24 & 25 June 2024 |
| | • National Climate Governance Summit | 10 September 2024 |
| | • SC's Audit Oversight Board Conversation with Audit Committees | 19 November 2024 |

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 Directors' Profile 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.

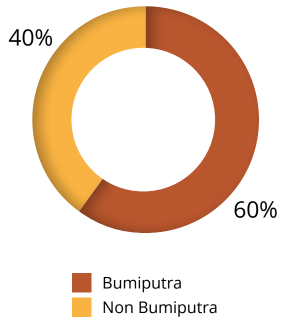
The Board is of the view that there is no necessity to fix a maximum tenure limit for directors as the amended ACE LR has limit the tenure of an Independent Director to not more than a cumulative period of 12 years. Furthermore, the ability of a director to serve effectively as an Independent Director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

In 2024, 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.

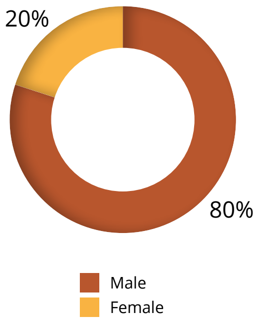
In line with its Board and Senior Management Diversity Policy, the Group also set a target to have at least 20% women in Senior Management positions. Currently, the Senior Management team has already achieved 25% women representation.

The board composition as of 22 April 2025 is as follows: -

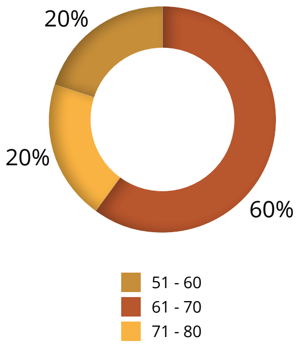
**Ethnicity**



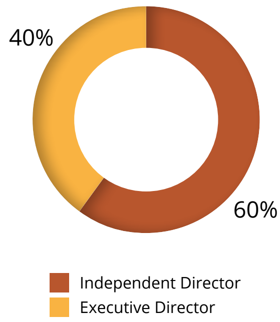

**Gender**




**Age**




**Board Composition**




**Nomination Committee ("NC")**

The NC is tasked by the Board to undertake a formal and objective annual evaluation on the overall effectiveness of the Board and individual Directors. 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, Dato' Sri Subahan Bin Kamal and Mr Chng Boon Huat 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 27 February 2025 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 Explanatory Notes of 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 2024 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** | | | | | | | |
| Dato' Sr Hj Wan Azman Bin Wan Kamal (GMD) | - | - | - | - | - | - | - |
| Dato' Sri Subahan Bin Kamal | - | - | - | - | - | - | - |
| **Non-Executive Directors** | | | | | | | |
| Ir. Dr. Muhamad Fuad Bin Abdullah | 126.0 | - | - | - | 6.5 | - | 132.5 |
| Professor Emerita Siti Naaishah Binti Hambali | 114.0 | - | - | - | 6.5 | - | 120.5 |
| Chng Boon Huat | 120.0 | - | - | - | 6.5 | - | 126.5 |
| **Total** | **360.0** | **-** | **-** | **-** | **19.5** | **-** | **379.5** |

**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** | | | | | | | |
| Dato' Sr Hj Wan Azman Bin Wan Kamal (GMD) | - | 1,980.0 | - | 28.0 | - | 238.4 | 2,246.4 |
| Dato' Sri Subahan Bin Kamal | - | 900.0 | - | - | - | 109.2 | 1,009.2 |
| **Non-Executive Directors** | | | | | | | |
| Ir. Dr. Muhamad Fuad Bin Abdullah | 126.0 | - | - | - | 6.5 | - | 132.5 |
| Professor Emerita Siti Naaishah Binti Hambali | 114.0 | - | - | - | 6.5 | - | 120.5 |
| Chng Boon Huat | 120.0 | - | - | - | 6.5 | - | 126.5 |
| **Total** | **360.0** | **2,880.0** | **-** | **28.0** | **19.5** | **347.6** | **3,635.1** |

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 76 to 80.

## 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 2024, Gagasan Nadi Cergas held its 7th AGM on 6 June 2024 through live streaming and online remote voting using Remote Participation and Voting facilities. All Directors, Senior Management, external auditor and Company Secretary attended the 7th AGM via video conferencing.

The notice of the 7th AGM was issued on 29 April 2024, 38 days in advance to enable shareholders to make adequate preparation. The notice of the 7th 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 the resolutions set out in the notice of the 7th AGM were duly passed by the shareholders of the Company by way of poll.

The minutes of the 7th AGM held on 6 June 2024 were published on the Company's website on 19 July 2024, 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 2024 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 2025.

# 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 2024 ("FY2024").

## 1.0 PURPOSE

The ARMC is established to assist the Board in discharging its oversight duties and responsibilities in relation to financial reporting, corporate governance practices, risk management and internal control processes.

## 2.0 COMPOSITION

The ARMC comprises three (3) Independent Non-Executive Directors and satisfies the test of independence as prescribed under the Bursa Malaysia Securities Berhad's ("Bursa") ACE Listing Requirements ("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.

The Independent and Non-Executive Directors consist of:

| Name | Designation | Directorship |
|---|---|---|
| 1. Chng Boon Huat | Chairman | Independent and Non-Executive Director |
| 2. Ir. Dr. Muhamad Fuad Bin Abdullah | Member | Independent and Non-Executive Director |
| 3. Professor Emerita Siti Naaishah Binti Hambali | Member | Independent and Non-Executive Director |

In performing its authorities, duties and responsibilities, the ARMC is guided by its Terms of Reference, which is published on the Group's corporate website at ***www.nadicergas.com***.

## 3.0 MEETINGS AND ATTENDANCE

The ARMC held five (5) meetings during the FY2024. 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" or "the Internal Auditor"), 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 dates of the meetings held during the year under review are as follows:

- 1st meeting : 29 February 2024
- 2nd meeting : 30 May 2024
- 3rd meeting : 29 August 2024
- 4th meeting : 28 November 2024
- Special meeting : 22 April 2024 (To consider audited Financial Statements and Annual Report)

The attendance of the ARMC members for the meetings during the financial year is tabulated below:

| Members | Attendance |
|---|---|
| 1. Chng Boon Huat | 5/5 |
| 2. Ir. Dr. Muhamad Fuad Bin Abdullah | 5/5 |
| 3. Professor Emerita Siti Naaishah Binti Hambali | 5/5 |

After each ARMC meeting, the ARMC Chairman updated the Board on the issues discussed and deliberated during the 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 are 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.

## 4.0 SUMMARY OF ACTIVITIES

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

### 4.1 Financial Reporting

The ARMC reviewed all the quarterly financial reports and the annual audited financial statements of the Group and of 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 Malaysian Financial Reporting Standards ("MFRSs"), 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:

- Applicable accounting policies are adopted and applied consistently;
- The growing concern assumption in the annual audited financial statements was appropriate;
- Critical accounting estimates and judgements had been made following requirements set out in the MFRSs;
- Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRSs, and
- The financial statements did not contain any material misstatements and gave a true and fair view of the financial statements of the Group and the Company for the financial year ended 31 December 2023.

### 4.2 Oversight of External Audit

The ARMC, on 22 April 2024, 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 28 November 2024, the ARMC discussed and reviewed the Audit Planning Memorandum for the financial year ended 31 December 2024, which outlined the audit approach, the areas of audit emphasis, use of work of internal auditors, reporting and deliverables, engagement team and proposed audit fees.

### 4.3 Internal Audit Function

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

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

- Reviewed and approved the internal audit plan for FY2024 to ensure the adequacy of the scope of work and the coverage of the Group's internal controls based on key risk areas;
- 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
- 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.

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

| Period | Audit Areas |
|---|---|
| Quarter 1 | Procurement |
| Quarter 2 | IT – Management Information System (MIS) |
| Quarter 3 | Project Management and Safety and Health |
| Quarter 4 | Anti-Bribery Management System |

According to the findings reported, none were rated as 'High'; the highest classification by the Internal Auditor is in the 'Medium' category. However, three (3) major areas were highlighted and emphasized by the ARMC:

- Compliance issues mainly in relation to the workers' accommodation and scheduled waste storage permits;
- Safety concerns related to a fatal incident that occurred at one of the construction project sites; and
- Health concerns related to mosquito breeding at the construction project sites.

  Nevertheless, appropriate actions have been taken to address these issues, and internal teams are committed to conducting continuous monitoring to ensure ongoing progress and improvement.

### 4.4 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 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 ERM report was presented by the Compliance Lead to the ARMC for deliberation and approval in the first and third quarters. The matters reviewed and discussed include the initiatives undertaken by the Management to mitigate the identified risks.

The risks that were reviewed in FY2024 are as follows:

- Bribery and corruption – Severe risk;
- Non-compliance of foreign workers with construction permits (Green card) – Significant risk;
- Worker shortage – Significant risk;
- Materials price fluctuation – Significant risk;
- Data breach of the company's IT system – Significant risk;
- Health and safety – Significant risk;
- Environmental pollution at construction sites – Significant risk;
- Improper waste management – Significant risk;
- Delay in variation order management and approved variation order to external providers – Moderate risk; and
- Climate-related risks – Moderate risk.

While the number of registered risks has remained unchanged, we have made constructive updates to their mitigation plans and implemented actions to effectively address those mitigations.

Some key areas that were discussed are outlined below:

- Safety and health risk – To further enhance the mitigation plans in view of the numerous issues that had occurred, particularly concerning the fatality incident that had recently taken place;
- Bribery and corruption risk – To properly document all the corporate measures taken; and
- Data breach of the Company's IT system risk – to conduct the disaster recovery test and ensure that it was completed timely.

### 4.5 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 FY2024:

- Review and discuss with the Internal Auditor the key audit matters and scope of the audit plan;
- Advise the ARMC on operational issues for future audit planning;
- 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;
- Coordinate and discuss with the Head of Departments or relevant personnel the observations, recommendations and corrective actions as reported in the internal audit reports;
- Ensure the audit findings are resolved within the agreed timeline or the approved extension of time when necessary;
- Ensure continuous compliance of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018; and

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

The Internal Auditor had concluded that:

- The Management is aware of its responsibility for maintaining a sound internal control system to safeguard shareholders' investment and the Group's assets; and
- The Group provides an adequate internal control system for all relevant processes to safeguard shareholders' interests. There were no significant weaknesses in the current level of operations; however, Management continually undertakes initiatives to enhance the internal control system.

### 4.6 Related Party Transactions and Conflict of Interest ("COI")

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 quarterly 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.

On 29 February 2024, the ARMC updated its Terms of Reference to include reviewing all COI situations together with the measures taken to resolve, eliminate or mitigate such conflicts within the Group. At the same meeting, the ARMC also updated the COI Policy to take into consideration the enhancements to improve the compliance requirements and the quality of COI disclosures of Directors and senior management as guided under Bursa's ICN 1/2023 – Guidance on Conflict of Interest. Both the updated Terms of Reference and COI Policy were subsequently approved by the Board.

During the financial year, there were no related party transactions or recurrent related party transactions transacted by the Group. There were also no COI situations or potential COI that may arise from the Directors and senior management within the Group.

## 5.0 INTERNAL AUDIT AND COMPLIANCE FUNCTION

The Internal Audit and Compliance function is assisted by the Compliance Department, which supports 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 practices within the Group. The Compliance Department is independent in its operations and reports its functionality to the ARMC and administratively to GMD.

As stated above, SBAC was appointed as our Internal Auditor to assist the Compliance Department in assessing the effectiveness and integrity of the Group's internal control system and risk management framework and to ensure that the Group's established policies and procedures are complied with. The Internal Auditor adopts a risk-based approach related to operations and compliance and presents 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 Auditor's 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 Auditor 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 (2023: RM50,000).

# ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) for the financial year ended 31 December 2024 for Gagasan Nadi Cergas Berhad (“the Company” or “the Group”).

## 1. Utilisation of Proceeds from Corporate Proposal

During the financial year under review, there were no proceeds raised by the Company from any corporate proposal.

## 2. Audit and Non-audit Fees

The audit and non-audit fees paid or payable to Crowe Malaysia PLT by the Company and the Group during the financial year under review were as follows:-

| | The Company RM’000 | The Group RM’000 |
|---|---|---|
| Audit Fees | 58 | 257 |
| Non-audit Fees | 47 | 47 |

The fees paid and payable to a firm or a corporation affiliated to Crowe Malaysia PLT by the Company and the Group during the financial year under review were as follows:-

| | The Company RM’000 | The Group RM’000 |
|---|---|---|
| Tax Agent Fees | 5 | 83 |

## 3. Material Contracts

There were no material contracts being entered into by the Company and its subsidiaries involving the interests of its Directors’ or major shareholders, either still subsisting at the end of 31 December 2024, or entered into since the end of the previous financial year other than those disclosed in the Audited Financial Statements.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board is committed to maintaining a sound system of risk management and internal control of the Group and is pleased to present this Statement on Risk Management and Internal Control, which outlines the nature and scope of risk management and internal controls for financial year 2024.

Under Rule 15.26(b) of the ACE Market Listing Requirements ("ACE LR"), the Board of Directors of Gagasan Nadi Cergas is required to make a statement in its annual report about the state of risk management and internal control as a group, and should be guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

## 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 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 (and the Chief Financial Officer) of every business function. The main responsibilities of the committees are outlined as follows:

| Audit & Risk Management Committee | Risk Management Sub-Committee |
|---|---|
| • Ensure robust and effective implementation of the ERM framework.<br>• 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.<br>• 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. A risk management framework has been established based on the following principles:

- Aligning risk appetite and the Group's 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 risk management framework. Any internal control issues identified will be reported to the respective department immediately.

Any updates regarding risk management will be discussed in the RMSC and Compliance and ISO Committee ("CIC") quarterly meeting. To enhance 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<br>• Internal Control Measures | • Financial Control<br>• System of Internal Control & Risk Management<br>• HR capability<br>• Communication Matrix<br>• Compliance<br>• Information Security | • Internal Audit function conducted by an outsourced independent audit firm (the Internal Auditor) |
| **Risk Owners/Manager** | **Risk Control and Compliance** | **Risk Assurance** |
| All business functions | Control Functions | Compliance Department |

## 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 between 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

The internal independent audit firm, Sterling Business Alignment Consulting Sdn Bhd ("the Internal Auditor"), assists the Board and ARMC by providing reviews and assessments of the adequacy and effectiveness of the Group's internal control system. All findings and recommendations from each review are presented to the ARMC quarterly.

The scope of work 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 or concerns 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

### 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 the approved level of risk 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.

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

**a) 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 with other departments and conducting "Corruption Risk Assessment Questionnaires" for employees annually. The Group reviews the effectiveness of "Adequate Procedures" under the Anti-Bribery and Corruption Policy ("ABC") program every 3 years to ensure its relevance with the current practices.

**b) Workers Shortage**

Manpower is crucial to ensure the smooth running of the Group's operations. Similar to many other companies in the same 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.

**c) Materials Price Fluctuation**

The main factor directly affecting the profitability of the Group is the costs of construction. The building materials involved are steel bars, cement, bricks and steel reinforcement mesh. These materials are subject to price fluctuations. The Group mitigates this risk by tracking and forecasting the latest market price before issuing the purchase orders. In addition, the Group also closely monitors material delivery schedules and ensures timely deliveries of materials to the construction sites.

**d) Health and Safety**

These practices and regulations are designed to safeguard the well-being of individuals in various settings, whether at work or in public spaces. It encompasses measures to prevent accidents, injuries, and illnesses by identifying and addressing potential hazards. The Group's ESH team consistently conducts Toolbox meetings, new workers' safety induction, regular ESH awareness programs, continual ESH inspection and monitoring, and enforcement of the company's own Unsafe Act (USA) system.

**e) Environmental Pollution at Construction Sites**

Environmental pollution at construction sites is a significant concern, as construction activities generate various types of pollutants that can harm the air, water, and soil. To control pollution at our construction sites, we have established mitigation plans, including the implementation of an Environmental Management Plan (EMP) and the monitoring of water, air, and noise levels.

**f) Improper Waste Management**

Careless handling, disposal, or treatment of waste materials leads to negative environmental, health, and social impacts. This occurs when wastes are not collected, segregated, or disposed of properly. To mitigate material wastage, our site team systematically monitors and manages wastes, implements proper segregation practices, and engages licensed waste collection services.

**g) Data Breach of the Company's IT System**

A data breach occurs when sensitive, confidential, or protected information is accessed, stolen, or exposed without authorization. This can lead to financial losses, reputational damage, legal consequences, and security risks for both the company and its customers. To prevent security breaches, the Group's IT Department conducts annual Disaster Recovery Tests, performs daily backups for all servers, monitors weekly, and installs anti-spam email, anti-virus, and firewall systems as the first line of defense against cyber security attacks.

**h) Non-Compliance of Foreign Workers with Construction Permits (Green Card)**

Non-compliance with construction permits, particularly among foreign workers, can lead to legal, financial, and safety issues. A Green Card is required for foreign workers to legally work in the construction industry. When workers fail to comply with these regulations, it can impact both the employer and the worker. Some of the mitigations that are in place include a stringent screening of subcontractors' workers and regular compliance checks by the ESH team and Internal Auditors.

## REVIEW OF THE STATEMENT

In accordance with paragraph 15.23 of the ACE LR, the External Auditors have reviewed this Statement on Risk Management and Internal Controls. 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 is not 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.

Our Internal Auditor has confirmed that the Group's risk management and internal control system in place during the reviewed year is 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 are sound and effective to safeguard the Group's assets and shareholders' investments.

While there were few compliance, safety, and health-related issues, no significant control failures or adverse compliance events impacted the Group's risk management and internal controls. 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 2024.

This Statement was approved by the Board on 22 April 2025.

# DIRECTORS' RESPONSIBILITY STATEMENT

## In respect of the Audited Financial Statements

The Directors are required under Rule 15.26(a) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad 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 2024 and of the financial performance and cash flows for the financial year ended on that date.

During the preparation of the financial statements for the financial year ended 31 December 2024, 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 2025.

# 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 2024.

## 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 | 7,060 | 20,688 |
| Attributable to:- | | |
| Owners of the Company | 5,866 | 20,688 |
| Non-controlling interests | 1,194 | - |
| | **7,060** | **20,688** |

## 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 liabilities 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:-

Dato' Sr Hj 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
Lim Eng Keong (Resigned on 2.2.2024)
Abdul Halim Bin Yusof (Resigned on 13.3.2024)

## 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 1.1.2024** | **Bought** | **Sold** | **At 31.12.2024** |
| **The Company** | | | | |
| *Direct Interests* | | | | |
| Dato' Sr Hj Wan Azman Bin Wan Kamal | 492,116,663 | - | 5,000,000 | 487,116,663 |
| 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, Dato' Sr Hj 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 | 3,214 | 20 |
| Defined contribution benefits | 383 | - |
| | **3,957** | **380** |

## 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 EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are 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 fees | 257 | 58 |
| Non-audit fees | 47 | 47 |
| | 304 | 105 |

Signed in accordance with a resolution of the directors dated 22 April 2025.

**Dato' Sr Hj Wan Azman Bin Wan Kamal**

**Dato' Sri Subahan Bin Kamal**

# STATEMENT BY DIRECTORS

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

We, Dato' Sr Hj 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 93 to 162 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 2024 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 2025.

**Dato' Sr Hj Wan Azman Bin Wan Kamal** **Dato' Sri Subahan Bin Kamal**

# STATUTORY DECLARATION

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

I, Dato' Sr Hj 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 93 to 162 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

Dato' Sr Hj Wan Azman Bin Wan Kamal, NRIC Number: 610428-03-5465
at Kuala Lumpur
in the Federal Territory
on this 22 April 2025

**Dato' Sr Hj 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 2024 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 93 to 162.

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 2024, 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**

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.

**How our audit addressed the Key Audit Matter**

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 costs incurred for work performed to date to the estimated total costs for the project.<br><br>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:<br><br>• Assessing internal control procedures by flowchart and walkthrough test;<br>• Performing test of control;<br>• Testing property development costs incurred to date to supporting documentation such as contractors' claim certificates;<br>• Assessing the reasonableness of the estimated total property development costs to supporting documentation such as contracts, quotations and variation orders with contractors;<br>• Inquiring for any variation orders and check changes to contracts and quotations with the contractors, if any, are properly supported for ongoing projects;<br>• Testing sales of properties to signed sales and purchase agreements and progress billings raised to property buyers; and<br>• 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 RM507.21 million and it constituted 57% of the total assets of the Group. As at 31 December 2024, trade receivables that were past due amounted to RM16.21 million. The details of trade receivables and its credit risk have been disclosed in Note 30 to the financial statements.<br><br>Management recognised impairment losses on trade receivables based on specific known facts, circumstances or the ability of customers to pay.<br><br>The determination of whether trade receivables are recoverable involves management judgement. | Our audit procedures included, among others:<br><br>• Reviewing recoverability of major receivables including but not limited to the review of subsequent collections;<br>• Enquiring management on project/receivables status for major customers;<br>• Reviewing collections and sales trends during the financial year of major receivables; and<br>• 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.

- 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.

## 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)

- 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**
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

**Ung Voon Huay**
03233/09/2026 J
Chartered Accountant

Kuala Lumpur
22 April 2025

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2024

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | Note | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| **ASSETS** | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 5 | **30,354** | 29,940 | **-** | - |
| Inventories | 6 | **98,701** | 99,863 | **-** | - |
| Investments in subsidiaries | 7 | **-** | - | **96,926** | 96,926 |
| Right-of-use assets | 8 | **-** | 14 | **-** | - |
| Trade receivables | 9 | **391,347** | 430,133 | **-** | - |
| | | **520,402** | 559,950 | **96,926** | 96,926 |
| CURRENT ASSETS | | | | | |
| Inventories | 6 | **65,856** | 61,117 | **-** | - |
| Trade receivables | 9 | **115,867** | 104,096 | **-** | - |
| Contract assets | 10 | **58,764** | 20,010 | **-** | - |
| Other receivables, deposits and prepayments | 11 | **30,202** | 15,749 | **1,851** | 601 |
| Amount owing by subsidiaries | 12 | **-** | - | **86,903** | 61,909 |
| Current tax assets | | **6,329** | 6,277 | **-** | - |
| Fixed deposits with licensed banks | 13 | **25,016** | 38,698 | **-** | - |
| Cash and bank balances | | **63,493** | 77,077 | **438** | 5,588 |
| | | **365,527** | 323,024 | **89,192** | 68,098 |
| TOTAL ASSETS | | **885,929** | 882,974 | **186,118** | 165,024 |

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

# STATEMENTS OF FINANCIAL POSITION
## AS AT 31 DECEMBER 2024 (CONT'D)

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | Note | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| **EQUITY AND LIABILITIES** | | | | | |
| EQUITY | | | | | |
| Share capital | 14 | **136,444** | 136,444 | **136,444** | 136,444 |
| Retained profits | | **313,982** | 308,116 | **48,921** | 28,233 |
| Equity attributable to owners of the Company | | **450,426** | 444,560 | **185,365** | 164,677 |
| Non-controlling interests | 7 | **6,622** | 5,428 | **-** | - |
| TOTAL EQUITY | | **457,048** | 449,988 | **185,365** | 164,677 |
| NON-CURRENT LIABILITIES | | | | | |
| Borrowings | 15 | **121,569** | 158,692 | **-** | - |
| Deferred tax liabilities | 16 | **70,132** | 73,797 | **-** | - |
| | | **191,701** | 232,489 | **-** | - |
| CURRENT LIABILITIES | | | | | |
| Trade payables | 17 | **93,512** | 88,325 | **-** | - |
| Contract liabilities | 10 | **46,183** | 37,117 | **-** | - |
| Other payables and accruals | 18 | **43,964** | 32,216 | **328** | 263 |
| Borrowings | 15 | **47,591** | 39,305 | **-** | - |
| Current tax liabilities | | **5,930** | 3,534 | **425** | 84 |
| | | **237,180** | 200,497 | **753** | 347 |
| TOTAL LIABILITIES | | **428,881** | 432,986 | **753** | 347 |
| TOTAL EQUITY AND LIABILITIES | | **885,929** | 882,974 | **186,118** | 165,024 |

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 2024

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | Note | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| REVENUE | 19 | **262,817** | 318,349 | **19,500** | 3,000 |
| COST OF SALES | | **(220,454)** | (284,528) | **-** | - |
| GROSS PROFIT | | **42,363** | 33,821 | **19,500** | 3,000 |
| OTHER INCOME | | **25,445** | 31,645 | **3,441** | 1,830 |
| | | **67,808** | 65,466 | **22,941** | 4,830 |
| SELLING AND DISTRIBUTION EXPENSES | | **(1,051)** | (579) | **(3)** | (4) |
| ADMINISTRATIVE EXPENSES | | **(33,760)** | (28,828) | **(1,433)** | (990) |
| OTHER EXPENSES | | **(3,329)** | (3,099) | **(7)** | (21) |
| FINANCE COSTS | 20 | **(10,872)** | (14,742) | **-** | - |
| NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS | 21 | **(926)** | (413) | **-** | - |
| PROFIT BEFORE TAXATION | 22 | **17,870** | 17,805 | **21,498** | 3,815 |
| INCOME TAX EXPENSE | 23 | **(10,810)** | (12,223) | **(810)** | (392) |
| PROFIT AFTER TAXATION | | **7,060** | 5,582 | **20,688** | 3,423 |
| OTHER COMPREHENSIVE INCOME | | **-** | - | **-** | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR** | | **7,060** | 5,582 | **20,688** | 3,423 |
| **PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-** | | | | | |
| Owners of the Company | | **5,866** | 2,433 | **20,688** | 3,423 |
| Non-controlling interests | | **1,194** | 3,149 | **-** | - |
| | | **7,060** | 5,582 | **20,688** | 3,423 |
| **EARNINGS PER SHARE (SEN)** | 24 | | | | |
| - Basic | | **0.78** | 0.32 | **-** | - |
| - Diluted | | **0.78** | 0.32 | **-** | - |

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

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | | Distributable | | | |
|---|---|---|---|---|---|
| | 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 |
| **The Group** | | | | | |
| Balance at 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:<br>- Dividends paid by the subsidiary to non-controlling interests | - | - | - | (2,000) | (2,000) |
| Balance at 31.12.2023/1.1.2024 | 136,444 | 308,116 | 444,560 | 5,428 | 449,988 |
| Profit after taxation/Total comprehensive income for the financial year | - | 5,866 | 5,866 | 1,194 | 7,060 |
| Balance at 31.12.2024 | 136,444 | 313,982 | 450,426 | 6,622 | 457,048 |

| | Share Capital RM'000 | Retained Profits RM'000 | Total Equity RM'000 |
|---|---|---|---|
| **The Company** | | | |
| Balance at 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 31.12.2023/1.1.2024 | 136,444 | 28,233 | 164,677 |
| Profit after taxation/Total comprehensive income for the financial year | - | 20,688 | 20,688 |
| Balance at 31.12.2024 | 136,444 | 48,921 | 185,365 |

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024<br>RM'000 | 2023<br>RM'000 | 2024<br>RM'000 | 2023<br>RM'000 |
| CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES | | | | |
| Profit before taxation | **17,870** | 17,805 | **21,498** | 3,815 |
| Adjustments for:- | | | | |
| Depreciation: | | | | |
| - property, plant and equipment | **2,139** | 2,165 | **-** | - |
| - right-of-use assets | **14** | 22 | **-** | - |
| Impairment losses: | | | | |
| - trade receivables | **1,176** | 8 | **-** | - |
| - other receivables | **1,240** | 3,121 | **-** | - |
| Finance costs | **10,872** | 14,742 | **-** | - |
| Equipment written off | **-** | 17 | **-** | - |
| Accretion of fair value on non-current trade receivables | **(22,105)** | (23,784) | **-** | - |
| Dividend income | **-** | - | **(19,500)** | (3,000) |
| Gain on disposal of property, plant and equipment | **(74)** | (1) | **-** | - |
| Finance income | **(1,534)** | (1,427) | **(3,441)** | (1,830) |
| Reversal of impairment losses: | | | | |
| - trade receivables | **(1,490)** | (2,390) | **-** | - |
| - other receivables | **-** | (326) | **-** | - |
| Operating profit/(loss) before working capital changes | **8,108** | 9,952 | **(1,443)** | (1,015) |
| Decrease in inventories | **8,461** | 35,192 | **-** | - |
| (Increase)/Decrease in contract assets | **(38,754)** | 91,405 | **-** | - |
| Decrease/(Increase) in trade and other receivables | **33,741** | 32,784 | **(1,250)** | (500) |
| Increase/(Decrease) in trade and other payables | **16,935** | 8,111 | **65** | (82) |
| Increase in contract liabilities | **9,066** | 5,836 | **-** | - |
| CASH FROM/(FOR) OPERATIONS CARRIED FORWARD | **37,557** | 183,280 | **(2,628)** | (1,597) |

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

## STATEMENTS OF CASH FLOWS
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | Note | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| CASH FROM/(FOR) OPERATIONS BROUGHT FORWARD | | **37,557** | 183,280 | **(2,628)** | (1,597) |
| Income tax paid | | **(12,714)** | (11,494) | **(469)** | (435) |
| Income tax refunded | | **583** | - | **-** | - |
| NET CASH FROM/(FOR) OPERATING ACTIVITIES | | **25,426** | 171,786 | **(3,097)** | (2,032) |
| CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES | | | | | |
| Advances to subsidiaries | | **-** | - | **(24,994)** | (1,131) |
| Dividend received | | **-** | - | **19,500** | 3,000 |
| Finance income received | | **1,534** | 1,427 | **3,441** | 1,830 |
| Withdrawal of pledged fixed deposits and with tenure more than 3 months | | **2,158** | 127 | **-** | - |
| Proceeds from disposal of property, plant and equipment | | **74** | 1 | **-** | - |
| Additions to inventories<br>- properties held for future development | | **(12,038)** | (13,490) | **-** | - |
| Purchase of property, plant and equipment | 25(a) | **(1,025)** | (616) | **-** | - |
| NET CASH (FOR)/FROM INVESTING ACTIVITIES | | **(9,297)** | (12,551) | **(2,053)** | 3,699 |
| BALANCE CARRIED FORWARD | | **16,129** | 159,235 | **(5,150)** | 1,667 |

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | Note | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| BALANCE BROUGHT FORWARD | | **16,129** | 159,235 | **(5,150)** | 1,667 |
| CASH FLOWS FOR FINANCING ACTIVITIES | | | | | |
| Dividends paid to: | | | | | |
| - non-controlling interests | | **-** | (2,000) | **-** | - |
| Finance costs paid | | **(10,872)** | (14,742) | **-** | - |
| Proceeds from drawdown | 25(b) | **47,219** | 32,839 | **-** | - |
| Repayment of borrowings | 25(b) | **(77,060)** | (153,668) | **-** | - |
| NET CASH FOR FINANCING ACTIVITIES | | **(40,713)** | (137,571) | **-** | - |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | **(24,584)** | 21,664 | **(5,150)** | 1,667 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | | **93,622** | 71,958 | **5,588** | 3,921 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | 25(c) | **69,038** | 93,622 | **438** | 5,588 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 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,<br>Vertical Business Suite,<br>Avenue 3, Bangsar South,<br>No. 8, Jalan Kerinchi,<br>59200 Kuala Lumpur. |
| Principal place of business | : | F-1 @ 8 Suria,<br>33, Jalan PJU 1/42,<br>47301 Petaling Jaya,<br>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 2025.

## 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)**

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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 121: Lack of Exchangeability | 1 January 2025 |
| Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| Annual Improvements to MFRS Accounting Standards – Volume 11 | 1 January 2026 |
| MFRS 18 Presentation and Disclosure in Financial Statements | 1 January 2027 |
| MFRS 19 Subsidiaries without Public Accountability Disclosures | 1 January 2027 |
| 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 except as follows:-

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability if financial information by introducing new disclose requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statements of financial position and the statements of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and the Company has yet to be assessed.

## 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 are 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.

**(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.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (Cont'd)*

**(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 RM6,329,000 and RM5,930,000 (2023 - RM6,277,000 and RM3,534,000).

*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.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Critical Judgements Made in Applying Accounting Policies (Cont'd)*

**(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

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

**(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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 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

**(a) Land Held for Future Property Development**

Land held for future property development is stated at the lower of cost and net realisable value. Cost comprises cost associated with the purchase of land, conversion fees and other relevant levies and an appropriate proportion of common infrastructure costs.

Land held for future property development is transferred to property development cost category when development activities have commenced and are expected to be completed within the normal operating cycle.

**(b) Property Development Costs**

Property development costs are stated at the lower of cost and net realisable value. Cost comprises cost associated with the purchase of land, conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses and an appropriate proportion of common infrastructure costs.

The property development costs of unsold units are transferred to inventories once the development is completed.

**(c) Completed Development Properties Held for Sale**

Completed development properties held for sale are stated at the lower of cost and net realisable value. Cost is determined on specific identification and comprises cost associated with the purchase of land (including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use), construction costs and other related development costs incurred in bringing the inventories to their present location and condition.

### 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 payments 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 1.1.2024 RM'000 | Additions RM'000 | Disposal RM'000 | Depreciation Charges RM'000 | At 31.12.2024 RM'000 |
|---|---|---|---|---|---|
| **2024** | | | | | |
| *Carrying Amount* | | | | | |
| Freehold land and buildings | **15,536** | **-** | **-** | **(297)** | **15,239** |
| Chiller plant and machineries | **8,264** | **-** | **-** | **(462)** | **7,802** |
| Cabins, furniture and office equipment | **1,027** | **193** | **-** | **(213)** | **1,007** |
| Plant and machinery | **3,756** | **2,182** | **-** | **(502)** | **5,436** |
| Computers and software | **324** | **87** | **-** | **(146)** | **265** |
| Motor vehicles | **618** | **-** | **#** | **(390)** | **228** |
| Renovation | **407** | **67** | **-** | **(129)** | **345** |
| Capital work-in-progress | **8** | **24** | **-** | **-** | **32** |
| | **29,940** | **2,553** | **#** | **(2,139)** | **30,354** |

*# - Amount below RM1,000*

| 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 Cost RM'000 | Accumulated Depreciation RM'000 | Carrying Amount RM'000 |
|---|---|---|---|
| **2024** | | | |
| Freehold land and buildings | **18,849** | **(3,610)** | **15,239** |
| Chiller plant and machineries | **9,222** | **(1,420)** | **7,802** |
| Cabins, furniture and office equipment | **3,943** | **(2,936)** | **1,007** |
| Plant and machinery | **9,667** | **(4,231)** | **5,436** |
| Computers and software | **3,207** | **(2,942)** | **265** |
| Motor vehicles | **5,919** | **(5,691)** | **228** |
| Renovation | **1,816** | **(1,471)** | **345** |
| Capital work-in-progress | **32** | **-** | **32** |
| | **52,655** | **(22,301)** | **30,354** |
| **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 |

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 RM2,070,000 (2023 - RM11,535,000) 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 | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Non-current:- | | |
| Land held for future property development | **98,701** | 99,863 |
| Current:- | | |
| Property development costs | **35,715** | 30,828 |
| Completed development properties held for sale | **30,141** | 30,289 |
| | **65,856** | 61,117 |
| | **164,557** | 160,980 |
| **(a) Land Held for Future Property Development** | | |
| *At cost:-* | | |
| At 1 January | **99,863** | 86,373 |
| Additions during the financial year | **12,038** | 13,490 |
| Transfer to property development costs | **(13,200)** | - |
| At 31 December | **98,701** | 99,863 |
| Analysed by:- | | |
| Freehold land | **56,413** | 65,821 |
| Leasehold land | **20,289** | 15,542 |
| Development costs | **21,999** | 18,500 |
| | **98,701** | 99,863 |

(i) Land held for future property development represents land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle.

(ii) Certain land held for future property development with a total carrying amount of RM45,904,000 (2023 - RM41,226,000) have been charged to financial institutions as security for banking facilities granted to the Group as disclosed in Note 15(e) to the financial statements

## 6. INVENTORIES (CONT'D)

| | | The Group | |
|---|---|---|---|
| | | **2024 RM'000** | **2023 RM'000** |
| **(b)** | **Property Development Costs** | | |
| | *At cost:-* | | |
| | At 1 January | | |
| | Freehold land | **17,135** | 29,524 |
| | Leasehold land | **-** | 21,555 |
| | Development costs | **97,745** | 229,644 |
| | | **114,880** | 280,723 |
| | *Additions during the financial year:* | | |
| | Freehold land | **2,845** | 2,845 |
| | Leasehold land | **-** | - |
| | Development costs | **131,699** | 113,843 |
| | | **134,544** | 116,688 |
| | *Reversal of completed projects:* | | |
| | Freehold land | **-** | (12,440) |
| | Leasehold land | **-** | (21,327) |
| | Development costs | **-** | (218,475) |
| | | **-** | (252,242) |
| | *Transfer from land held for future property development:* | | |
| | Freehold land | **-** | - |
| | Leasehold land | **9,408** | - |
| | Development costs | **3,792** | - |
| | | **13,200** | - |
| | *Transfer to completed development properties held for sale:* | | |
| | Freehold land | **-** | (2,794) |
| | Leasehold land | **-** | (228) |
| | Development costs | **-** | (27,267) |
| | | **-** | (30,289) |
| | At 31 December | | |
| | Freehold land | **19,980** | 17,135 |
| | Leasehold land | **9,408** | - |
| | Development costs | **233,236** | 97,745 |
| | Balance carried forward | **262,624** | 114,880 |

## 6. INVENTORIES (CONT'D)

| | | The Group | |
|---|---|---|---|
| | | **2024 RM'000** | **2023 RM'000** |
| **(b)** | **Property Development Costs (Cont'd)** | | |
| | Balance brought forward | **262,624** | 114,880 |
| | *Costs recognised in profit or loss:* | | |
| | At 1 January | **(84,052)** | (188,462) |
| | Costs recognised during the financial year | **(142,857)** | (147,832) |
| | Reversal of completed properties during the financial year | **-** | 252,242 |
| | At 31 December | **(226,909)** | (84,052) |
| | Property development costs as at 31 December | **35,715** | 30,828 |

(i) Certain property development costs with a total carrying amount of RM51,796,000 (2023 – RM35,544,000) have been charged to financial institutions as security for banking facilities granted to the Group as disclosed in Note 15(e) to the financial statements.

| | | The Group | |
|---|---|---|---|
| | | **2024 RM'000** | **2023 RM'000** |
| **(c)** | **Completed Development Properties Held for Sale** | | |
| | Unsold completed development properties, at cost | **30,141** | 30,289 |
| | Recognised in profit or loss:- | | |
| | Inventories recognised as cost of sales | **148** | - |

## 7. INVESTMENTS IN SUBSIDIARIES

| | The Company | |
|---|---|---|
| | **2024 RM'000** | **2023 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 |
|---|---|---|---|
| | **2024 %** | **2023 %** | |
| *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 | Dormant |
| *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 | 66.5 | Dormant |
| *Subsidiary of NERSB* | | | |
| Nadi Emery (KKD) Sdn. Bhd. ("NEKKD") | 52.5 | 52.5 | Property development |
| Nadi Emery (KKD2) Sdn. Bhd. ("NEKKD2") | 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 | |
|---|---|---|---|---|
| | **2024 %** | **2023 %** | **2024 RM'000** | **2023 RM'000** |
| Naditech Utilities Sdn. Bhd. | **40** | 40 | **4,422** | 4,410 |
| Nadi Cergas Development Sdn. Bhd. | **30** | 30 | **2,647** | 4,328 |
| Other individually immaterial subsidiaries | | | **(447)** | (3,310) |
| | | | **6,622** | 5,428 |

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

| | Naditech Utilities Sdn. Bhd. | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| At 31 December | | |
| Non-current assets | **475** | 475 |
| Current assets | **10,592** | 10,561 |
| Current liabilities | **(12)** | (11) |
| Net assets | **11,055** | 11,025 |
| Financial Year Ended 31 December | | |
| Profit/(Loss) after taxation/Total comprehensive income/(expenses) for the financial year | **29** | (3) |
| Total comprehensive income/(expenses) attributable to non-controlling interests | **12** | (1) |
| Dividends paid to non-controlling interests | **-** | (2,000) |
| Net cash for operating activities | **(25)** | (62) |
| Net cash from investing activities | **338** | 4,830 |
| Net cash for financing activities | **-** | (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. | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| At 31 December | | |
| Non-current assets | **2,441** | 2,455 |
| Current assets | **45,323** | 56,543 |
| Current liabilities | **(38,941)** | (44,572) |
| Net assets | **8,823** | 14,426 |
| Financial Year Ended 31 December | | |
| Revenue | **-** | 50,738 |
| (Loss)/Profit after taxation/Total comprehensive (expenses)/ income for the financial year | **(5,604)** | 12,286 |
| Total comprehensive (expenses)/income attributable to non-controlling interests | **(1,681)** | 3,686 |
| Net cash (for)/from operating activities | **(8,898)** | 21,528 |
| Net cash (for)/from investing activities | **(1,308)** | 51 |
| Net cash from/(for) financing activities | **4,425** | (18,171) |

## 8. RIGHT-OF-USE ASSETS

| The Group | At 1.1.2024 RM'000 | Depreciation Charges RM'000 | Derecognition Due to Lease Modifications RM'000 | At 31.12.2024 RM'000 |
|---|---|---|---|---|
| **2024** | | | | |
| *Carrying Amount*<br>Buildings | **14** | **(14)** | **-** | **-** |

| | At 1.1.2023 RM'000 | Depreciation Charges RM'000 | Derecognition Due to Lease Modifications RM'000 | At 31.12.2023 RM'000 |
|---|---|---|---|---|
| **2023** | | | | |
| *Carrying Amount*<br>Buildings | 39 | (22) | (3) | 14 |

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 (2023 - 1 year to 2 years), with an option to renew the leases after that date.

## 9. TRADE RECEIVABLES

| | The Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Non-current | | |
| Concession services receivables | **392,051** | 431,137 |
| Allowance for impairment losses | **(704)** | (1,004) |
| | **391,347** | 430,133 |
| Current | | |
| Concession services receivables | **38,809** | 38,390 |
| Trade receivables | **78,547** | 67,209 |
| Allowance for impairment losses | **(1,489)** | (1,503) |
| | **115,867** | 104,096 |
| | **507,214** | 534,229 |
| Allowance for impairment losses:- | | |
| At 1 January | **2,507** | 4,889 |
| Addition during the financial year | **1,176** | 8 |
| Reversal during the financial year | **(1,490)** | (2,390) |
| At 31 December | **2,193** | 2,507 |

## 9. TRADE RECEIVABLES (CONT'D)

(i) The Group's normal trade credit terms range from 30 to 90 (2023 - 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 | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Gross trade receivables | | |
| - IIUM Project | **206,725** | 230,643 |
| - UTeM Project | **224,135** | 238,884 |
| | **430,860** | 469,527 |
| Less: Allowance for impairment losses | | |
| - IIUM Project | **(370)** | (535) |
| - UTeM Project | **(401)** | (555) |
| | **(771)** | (1,090) |
| Net trade receivables | | |
| - IIUM Project | **206,355** | 230,108 |
| - UTeM Project | **223,734** | 238,329 |
| | **430,089** | 468,437 |

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 | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| At 1 January | **(17,107)** | 80,134 |
| Revenue recognised during the financial year | **237,003** | 291,860 |
| Billings to customers during the financial year | **(207,315)** | (389,101) |
| At 31 December | **12,581** | (17,107) |
| Represented by:- | | |
| Construction contracts | **(22,630)** | (17,315) |
| Property development activities | **35,211** | 208 |
| | **12,581** | (17,107) |
| **Contract Assets** | | |
| Construction contracts | **23,553** | 14,213 |
| Property development activities | **35,211** | 5,797 |
| | **58,764** | 20,010 |
| **Contract Liabilities** | | |
| Construction contracts | **(46,183)** | (31,528) |
| Property development activities | **-** | (5,589) |
| | **(46,183)** | (37,117) |

(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 | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| Other receivables:- | | | | |
| Third parties | **14,101** | 9,941 | **-** | - |
| Related party | **5,961** | 5,961 | **-** | - |
| Allowance for impairment losses | **(11,149)** | (9,909) | **-** | - |
| | **8,913** | 5,993 | **-** | - |
| Deposits | **9,317** | 6,471 | **1** | 1 |
| Prepayments | **4,271** | 3,285 | **1,850** | 600 |
| Advance payment | **7,701** | - | **-** | - |
| | **30,202** | 15,749 | **1,851** | 601 |

| | The Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Allowance for impairment losses:- | | |
| At 1 January | **9,909** | 7,114 |
| Addition during the financial year | **1,240** | 3,121 |
| Reversal during the financial year | **-** | (326) |
| **At 31 December** | **11,149** | 9,909 |

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 totalling RM79,952,000 (2023 - RM40,280,000) which bears interest at 5.00% (2023 – 5.00%) 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 2.20% to 3.50% (2023 - 1.55% to 3.70%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2023 - 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 RM6,661,000 (2023 - RM8,159,000) which has been pledged to the licensed banks as security for banking facilities granted to the Group as disclosed in Notes 15(e) and 15(f) to the financial statements.

## 14. SHARE CAPITAL

| | The Group/The Company | | | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **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 | 2024 RM'000 | 2023 RM'000 |
| Non-current | | | |
| Hire purchase payables | 15(a) | **2,370** | 1,716 |
| Hire purchase payables (Ijarah) | 15(b) | **-** | 42 |
| Islamic financing facilities | 15(e) | **79,199** | 96,934 |
| Bonds | 15(f) | **40,000** | 60,000 |
| | | **121,569** | 158,692 |
| Current | | | |
| Hire purchase payables | 15(a) | **820** | 644 |
| Hire purchase payables (Ijarah) | 15(b) | **42** | 202 |
| Lease liabilities | 15(c) | **-** | 14 |
| Term loans | 15(d) | **-** | 303 |
| Islamic financing facilities | 15(e) | **22,344** | 13,233 |
| Bonds | 15(f) | **20,000** | 20,000 |
| Islamic bank overdrafts | 15(g) | **4,385** | 4,909 |
| | | **47,591** | 39,305 |
| | | **169,160** | 197,997 |

(a) Hire purchase payables

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| At 1 January | **2,360** | 713 |
| Addition | **1,528** | 2,131 |
| Finance costs recognised in profit or loss | **133** | 85 |
| Repayment of principal | **(698)** | (484) |
| Repayment of finance costs | **(133)** | (85) |
| **At 31 December** | **3,190** | 2,360 |

## 15. BORROWINGS (SECURED) (CONT'D)

(b) Hire purchase payables (Ijarah)

| | The Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| At 1 January | **244** | 480 |
| Finance costs recognised in profit or loss | **6** | 16 |
| Repayment of principal | **(202)** | (236) |
| Repayment of finance costs | **(6)** | (16) |
| At 31 December | **42** | 244 |

(c) Lease liabilities

| | The Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| At 1 January | **14** | 40 |
| Derecognition due to lease modifications | **-** | (3) |
| Repayment of principal | **(14)** | (23) |
| At 31 December | **-** | 14 |

(d) Term loans

The term loans are analysed as follows:-

| | The Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Term loan 1 | **-** | 152 |
| Term loan 2 | **-** | 151 |
| | **-** | 303 |

## 15. BORROWINGS (SECURED) (CONT'D)

(d) Term loans (Cont'd)

The effective interest rates of term loans of the Group as at end of the previous 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 | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Islamic financing facility 1 | **72,203** | 84,312 |
| Islamic financing facility 2 | **1,921** | 3,045 |
| Islamic financing facility 3 | **9,612** | 9,612 |
| Islamic financing facility 4 | **-** | 11,776 |
| Islamic financing facility 5 | **17,807** | 1,422 |
| | **101,543** | 110,167 |

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 - 0.75% per annum.
(iv) Islamic financing facility 4 bearing effective profit rate at Islamic Cost of Fund + 2.00% per annum.
(v) Islamic financing facility 5 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.

## 15. BORROWINGS (SECURED) (CONT'D)

(e) Islamic financing facilities (Cont'd)

Islamic financing facility 3 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 unemcumbered 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 executed by the Company and a subsidiary.

Islamic financing facility 4 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 and Phase 2 in Rumah Idaman Rakyat Selangor Development Project. The Islamic term financing and Islamic 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.

## 15. BORROWINGS (SECURED) (CONT'D)

(e) Islamic financing facilities (Cont'd)

Islamic financing facility 5 is represented by a facility awarded by MBSB Bank Berhad to a subsidiary to part finance the development rights value and building construction costs in relation to Rumah Idaman Kwasa Damansara Project. The Islamic term financing, Islamic bank guarantee and Islamic 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 held under Title H.S.(D) 326633, PT 57006 ("R4-2 Project 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 | 2024 RM'000 | 2023 RM'000 |
|---|---|---|---|---|
| 8 | 4.90% | 24 April 2024 | **-** | 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 |
| | | | **60,000** | 80,000 |

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 5.00% 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) Islamic bank overdrafts

The Islamic 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 held under Title H.S.(D) 326633, PT 57006 ("R4-2 Project 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 Islamic bank overdrafts of the Group at the end of the reporting period bore floating profit rate of ranging from 5.50% to 7.70% (2023 - 5.54% to 7.74%) 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 |
|---|---|---|---|
| **2024** | | | |
| *Deferred Tax Liabilities* | | | |
| Trade receivables | **74,002** | **(2,812)** | **71,190** |
| Property, plant and equipment | **1,833** | **(1,810)** | **23** |
| | **75,835** | **(4,622)** | **71,213** |
| *Deferred Tax Assets* | | | |
| Provisions | **(1,081)** | **-** | **(1,081)** |
| Unabsorbed capital allowances | **(952)** | **952** | **-** |
| Unutilised tax losses | **(5)** | **5** | **-** |
| | **(2,038)** | **957** | **(1,081)** |
| | **73,797** | **(3,665)** | **70,132** |
| **2023** | | | |
| *Deferred Tax Liabilities* | | | |
| Trade receivables | 76,380 | (2,378) | 74,002 |
| Property, plant and equipment | - | 1,833 | 1,833 |
| | 76,380 | (545) | 75,835 |
| *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 |

## 16. DEFERRED TAX LIABILITIES (CONT'D)

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 | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Unused tax losses | **52,287** | 45,973 |
| Accelerated capital allowances | **(5,647)** | 422 |
| Unabsorbed capital allowances | **6,267** | 4,354 |
| Unabsorbed investment tax allowances | **5,381** | - |
| Other temporary differences | **929** | 1,407 |
| | **59,217** | 52,156 |

## 17. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 (2023 - 30 to 60) days.

## 18. OTHER PAYABLES AND ACCRUALS

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| Other payables | **7,306** | 4,841 | **85** | 25 |
| Accruals | **36,658** | 27,375 | **243** | 238 |
| | **43,964** | 32,216 | **328** | 263 |

## 19. REVENUE

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Revenue from Contracts with Customers Recognised over time | | | | |
| Construction services | **90,463** | 114,115 | **-** | - |
| Rendering of facilities management services | **15,764** | 15,764 | **-** | - |
| Property development activities | **146,012** | 177,745 | **-** | - |
| Rendering of utility services | **10,578** | 10,725 | **-** | - |
| | **262,817** | 318,349 | **-** | - |
| Revenue from Other Sources Recognised at a point in time | | | | |
| Dividend income | **-** | - | **19,500** | 3,000 |
| | **262,817** | 318,349 | **19,500** | 3,000 |

(a) The information on the disaggregation of revenue by geographical market is disclosed in Note 28 to the financial statements.

(b) The information on transaction price allocated to unsatisfied or partially unsatisfied performance obligations as at the reporting date are summarised below:-

| | The Group | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Aggregate amount of transaction price allocated | | |
| to remaining contracts:- | | |
| Construction revenue | **454,851** | 512,632 |
| Property development revenue | **313,287** | 155,764 |
| | **768,138** | 668,396 |

The Group will recognise this amount of revenue as performance obligation are satisfied, which is expected to occur over the next 4 years.

## 19. REVENUE (CONT'D)

(c) The information about the performance obligations in contracts with customers is summarised below:-

| Nature of Goods or Services | Timing and Method of Revenue Recognition | Significant Payment Terms | Warranty |
|---|---|---|---|
| Construction Segment | Revenue is recognised over time as and when the services are performed using the milestone reached method | Credit period of 30 to 90 days from the invoice date. | Defect liability of 24 months given to customers |
| Concession and Facility Management Segment | Revenue is recognised over time as and when the services are performed using the cost incurred method | NA | NA |
| Utility Segment | Revenue is recognised over time as and when the services are performed using the cost incurred method | Credit period of 30 days from the invoice date | NA |
| Property Development Segment | Revenue is recognised over time as and when the services are performed using the milestone reached method | Credit period of 30 to 90 days from the invoice date | Defect liability of 24 months given to customers |

## 20. FINANCE COSTS

| | The Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Interest expenses/Profit payments:- | | |
| Islamic bank overdrafts | **378** | 417 |
| Bonds | **3,380** | 4,326 |
| Hire purchase interest | **133** | 85 |
| Hire purchase finance cost (Ijarah) | **6** | 16 |
| Term loans | **3** | 45 |
| Islamic financing facilities | **6,972** | 9,853 |
| | **10,872** | 14,742 |

## 21. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

| | The Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Impairment losses: | | |
| - trade receivables (Note 9) | **1,176** | 8 |
| - other receivables (Note 11) | **1,240** | 3,121 |
| Reversal of impairment losses: | | |
| - trade receivables (Note 9) | **(1,490)** | (2,390) |
| - other receivables (Note 11) | **-** | (326) |
| | **926** | 413 |

## 22. PROFIT BEFORE TAXATION

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| Profit before taxation is arrived at after charging/ (crediting):- | | | | |
| Auditors' remuneration: | | | | |
| - audit fees | | | | |
| - current financial year | **257** | 180 | **58** | 53 |
| - underprovision in the previous financial year | **33** | 1 | **2** | - |
| - non-audit fees: | | | | |
| - auditors of the Company | **47** | 17 | **47** | 17 |
| Depreciation: | | | | |
| - property, plant and equipment (Note 5) | **2,139** | 2,165 | **-** | - |
| - right-of-use assets (Note 8) | **14** | 22 | **-** | - |
| Directors' remuneration (Note 26(a)) | **3,957** | 3,482 | **380** | 378 |
| Lease expenses: | | | | |
| - short-term leases | **60** | 123 | **-** | - |
| - low value assets | **32** | 23 | **-** | - |
| Equipment written off | **-** | 17 | **-** | - |
| Staff costs (including other key management personnel as disclosed in Note 26(b)): | | | | |
| - short-term employee benefits | **19,581** | 17,676 | **-** | - |
| - defined contribution benefits | **2,343** | 2,232 | **-** | - |
| - others | **511** | 370 | **6** | - |
| Accretion of fair value on non-current trade receivables | **(22,105)** | (23,784) | **-** | - |
| Dividend income | **-** | - | **(19,500)** | (3,000) |
| Gain on disposal of property, plant and equipment | **(74)** | (1) | **-** | - |
| Government grant | **-** | (5,650) | **-** | - |
| Finance income | **(1,534)** | (1,427) | **(3,441)** | (1,830) |
| Rental income | **(147)** | (83) | **-** | - |

## 23. INCOME TAX EXPENSE

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| Current tax expense | **12,687** | 13,341 | **808** | 392 |
| Underprovision in the previous financial year | **1,788** | 384 | **2** | # |
| | **14,475** | 13,725 | **810** | 392 |
| Deferred tax (Note 16): | | | | |
| - origination and reversal of temporary differences | **(2,802)** | (1,819) | **-** | - |
| - (over)/underprovision in the previous financial year | **(863)** | 317 | **-** | - |
| | **(3,665)** | (1,502) | **-** | - |
| | **10,810** | 12,223 | **810** | 392 |

# - 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 | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| Profit before taxation | **17,870** | 17,805 | **21,498** | 3,815 |
| Tax at the statutory tax rate of 24% (2023 - 24%) | **4,289** | 4,273 | **5,160** | 916 |
| Tax effects of:- | | | | |
| Non-deductible expenses | **4,545** | 4,369 | **328** | 196 |
| Non-taxable income | **(644)** | (2,033) | **(4,680)** | (720) |
| Utilisation of deferred tax assets previously not recognised | **-** | (379) | **-** | - |
| Deferred tax assets not recognised during the financial year | **1,695** | 5,292 | **-** | - |
| Underprovision of current tax in the previous financial year | **1,788** | 384 | **2** | # |
| (Over)/underprovision of deferred taxation in the previous financial year | **(863)** | 317 | **-** | - |
| | **10,810** | 12,223 | **810** | 392 |

# - Amount below RM1,000

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023 - 24%) of the estimated assessable profit for the financial year.

## 24. EARNINGS 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 | |
|---|---|---|
| | **2024** | **2023** |
| Profit attributable to owners of the Company (RM'000) | **5,866** | 2,433 |
| Weighted average number of ordinary shares in issue ('000) | **753,000** | 753,000 |
| Basic earnings per share (sen) | **0.78** | 0.32 |

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

## 25. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

| | The Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| **Property, Plant and Equipment** | | |
| Cost of property, plant and equipment purchased (Note 5) | **2,553** | 2,747 |
| Less: Acquired through hire purchase arrangements (Note 25 (b)) | **(1,528)** | (2,131) |
| | **1,025** | 616 |

**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 |
|---|---|---|---|---|---|---|---|
| **2024** | | | | | | | |
| At 1 January | 303 | 110,167 | 14 | 2,360 | 244 | 80,000 | 193,088 |
| Changes in Financing Cash Flows | | | | | | | |
| Proceeds from drawdown | - | 47,219 | - | - | - | - | 47,219 |
| Acquisition of new hire purchase | - | - | - | 1,528 | - | - | 1,528 |
| Repayment of borrowing principal | (303) | (55,843) | (14) | (698) | (202) | (20,000) | (77,060) |
| Repayment of finance charges | (3) | (6,972) | - | (133) | (6) | (3,380) | (10,494) |
| | (306) | (15,596) | (14) | 697 | (208) | (23,380) | (38,807) |
| Non-cash Changes | | | | | | | |
| Finance charges recognised in profit or loss | 3 | 6,972 | - | 133 | 6 | 3,380 | 10,494 |
| **At 31 December** | - | 101,543 | - | 3,190 | 42 | 60,000 | 164,775 |

## 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 |
|---|---|---|---|---|---|---|---|
| **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)

(c) The cash and cash equivalents comprise the following:-

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| Fixed deposits with licensed banks | **25,016** | 38,698 | **-** | - |
| Cash and bank balances | **63,493** | 77,077 | **438** | 5,588 |
| Bank overdrafts | **(4,385)** | (4,909) | **-** | - |
| | **84,124** | 110,866 | **438** | 5,588 |
| Less: Fixed deposits pledged to licensed banks and fixed deposits with tenure more than 3 months (Note 13) | **(15,086)** | (17,244) | **-** | - |
| | **(15,086)** | (17,244) | **-** | - |
| | **69,038** | 93,622 | **438** | 5,588 |

## 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 and of the Company.

The key management personnel compensation during the financial year are as follows:-

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| **(a) Directors** | | | | |
| Directors of the Company | | | | |
| Short-term employee benefits: | | | | |
| - fees | **360** | 360 | **360** | 360 |
| - salaries, bonuses and other benefits | **2,901** | 2,504 | **20** | 18 |
| | **3,261** | 2,864 | **380** | 378 |
| Defined contribution benefits | **346** | 298 | **-** | - |
| | **3,607** | 3,162 | **380** | 378 |
| Directors of the Subsidiaries | | | | |
| Short-term employee benefits: | | | | |
| - salaries, bonuses and other benefits | **313** | 286 | **-** | - |
| Defined contribution benefits | **37** | 34 | **-** | - |
| | **350** | 320 | **-** | - |
| Total directors' remuneration (Note 22) | **3,957** | 3,482 | **380** | 378 |
| **(b) Other Key Management Personnel** | | | | |
| Short-term employee benefits | **1,408** | 1,467 | **-** | - |
| Defined contribution benefits | **168** | 165 | **-** | - |
| Total compensation for other key management personnel | **1,576** | 1,632 | **-** | - |

## 27. RELATED PARTY DISCLOSURES

### (a) Subsidiaries

The subsidiaries are 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 | |
|---|---|---|---|---|---|
| | | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| Subsidiaries | | | | | |
| - Dividend income | | **-** | - | **19,500** | 3,000 |
| - Interest income | | **-** | - | **3,392** | 1,749 |
| Related Parties | | | | | |
| - Consultation fee | (a) | **150** | 150 | **-** | - |

*(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 | Other Segments RM'000 | Consolidation Adjustments RM'000 | The Group RM'000 |
|---|---|---|---|---|---|---|---|
| **2024** | | | | | | | |
| **Revenue** | | | | | | | |
| External revenue | 90,463 | 15,764 | 10,578 | 146,012 | - | - | 262,817 |
| Inter-segment revenue | 139,808 | 3,876 | 1,572 | - | 8,520 | (153,776) | - |
| | 230,271 | 19,640 | 12,150 | 146,012 | 8,520 | (153,776) | 262,817 |
| **Results** | | | | | | | |
| Segment profit | 11,334 | 4,570 | 1,814 | 9,656 | 18,996 | (38,262) | 8,108 |
| Accretion of fair value on non-current trade receivables | - | 22,105 | - | - | - | - | 22,105 |
| Impairment losses on financial asset | (1,525) | - | (349) | (542) | - | - | (2,416) |
| Depreciation: | | | | | | | |
| - property, plant and equipment | (1,158) | (64) | (505) | (178) | - | (234) | (2,139) |
| - right-of-use assets | (569) | - | - | - | - | 555 | (14) |
| Gain on disposal of property, plant and equipment | 74 | - | - | - | - | - | 74 |
| Finance income | 1,843 | 661 | 93 | 425 | 3,441 | (4,929) | 1,534 |
| Finance costs | (404) | (8,417) | - | (7,019) | (3) | 4,971 | (10,872) |
| Reversal of impairment losses | - | 319 | - | 1,171 | - | - | 1,490 |
| Profit before taxation | 9,595 | 19,174 | 1,053 | 3,513 | 22,434 | (37,899) | 17,870 |
| Income tax (expense)/credit | - | (5,281) | 795 | (5,223) | (1,101) | - | (10,810) |
| Profit/(Loss) after taxation | 9,595 | 13,893 | 1,848 | (1,710) | 21,333 | (37,899) | 7,060 |

## 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 | Other Segments RM'000 | Consolidation Adjustments RM'000 | The Group RM'000 |
|---|---|---|---|---|---|---|---|
| **2024** | | | | | | | |
| **Assets** | | | | | | | |
| Segment assets | 112,313 | 475,683 | 16,260 | 270,070 | 16,248 | (10,974) | 879,600 |
| Unallocated asset: | | | | | | | |
| - current tax assets | | | | | | | 6,329 |
| Consolidated total assets | | | | | | | 885,929 |
| Additions to non-current assets other than financial instruments are: | | | | | | | |
| - property, plant and equipment | 2,339 | 13 | 19 | 182 | - | - | 2,553 |
| - inventories - properties held for future development | - | - | - | 12,038 | - | - | 12,038 |
| **Liabilities** | | | | | | | |
| Segment liabilities | 129,087 | 135,280 | 3,406 | 84,147 | 1,778 | (879) | 352,819 |
| Unallocated liabilities: | | | | | | | |
| - deferred tax liabilities | | | | | | | 70,132 |
| - current tax liabilities | | | | | | | 5,930 |
| Consolidated total liabilities | | | | | | | 428,881 |

## 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 | Other Segments RM'000 | Consolidation Adjustments RM'000 | The Group 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 | - | 8,520 | (95,634) | - |
| | 195,651 | 19,643 | 12,424 | 177,745 | 8,520 | (95,634) | 318,349 |
| **Results** | | | | | | | |
| Segment 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 | Other Segments RM'000 | Consolidation Adjustments RM'000 | The Group 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)

### 28.2 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.

| | Revenue | | Segment |
|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | |
| Customer A | **2,297** | 35,938 | Construction |
| Customer B | **36,548** | - | Construction |
| Customer C | **36,479** | - | Construction |

## 29. CAPITAL COMMITMENTS

| | The Group | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| Development rights value on property development costs | **8,534** | 11,378 |
| Development rights value on land held for future property development | **59,883** | 64,631 |
| | **68,417** | 76,009 |

## 30. FINANCIAL INSTRUMENTS

The activities of the Group 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 overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

30.1 FINANCIAL RISK MANAGEMENT POLICIES

**(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 adopts a policy of obtaining 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.

*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 | |
|---|---|---|
| | **2024 RM'000** | **2023 RM'000** |
| **Effects on Profit After Taxation** | | |
| Increase of 100 basis points | **(805)** | (877) |
| Decrease of 100 basis points | **805** | 877 |

(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.

## 30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(i) Credit Risk Concentration Profile

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 2 (2023 - 2) customers which constituted approximately 85% (2023 - 88%) of its trade receivables (including related parties).

(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 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.

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.

<u>Trade Receivables and Contract Assets</u>

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 and 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.

## 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)

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

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.

*Allowance for Impairment Losses*

| | Gross Amount RM'000 | Individual Impairment RM'000 | Collective Impairment RM'000 | Carrying Amount RM'000 |
|---|---|---|---|---|
| **The Group** | | | | |
| **2024** | | | | |
| Current (not past due) | **491,788** | **(771)** | **(9)** | **491,008** |
| 1 to 30 days past due | **5,018** | **-** | **(70)** | **4,948** |
| 31 to 60 days past due | **3,915** | **-** | **(229)** | **3,686** |
| More than 60 days but less than a year past due | **8,686** | **-** | **(1,114)** | **7,572** |
| Trade receivables | **509,407** | **(771)** | **(1,422)** | **507,214** |
| Contract assets | **58,764** | **-** | **-** | **58,764** |
| | **568,171** | **(771)** | **(1,422)** | **565,978** |
| **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 | 20,010 | - | - | 20,010 |
| | 556,746 | (1,090) | (1,417) | 554,239 |

## 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)

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

*Allowance for Impairment Losses (Cont'd)*

Trade receivables that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

The identified impairment loss of contract assets was immaterial and hence, it is not provided for.

There has not been any significant change in the gross amounts of trade receivables and contract assets that impacted the allowance for impairment losses.

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.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

*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.

## 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 (Cont'd)

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses* (Cont'd)

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.

*Allowance for Impairment Losses*

| | Gross Amount RM'000 | Individual Impairment RM'000 | Collective Impairment RM'000 | Carrying Amount RM'000 |
|---|---|---|---|---|
| **The Group** | | | | |
| **2024** | | | | |
| Low credit risk | **11,941** | **-** | **(3,028)** | **8,913** |
| Credit impaired | **8,121** | **(8,121)** | **-** | **-** |
| | **20,062** | **(8,121)** | **(3,028)** | **8,913** |
| **2023** | | | | |
| Low credit risk | 7,781 | - | (1,788) | 5,993 |
| Credit impaired | 8,121 | (8,121) | - | - |
| | 15,902 | (8,121) | (1,788) | 5,993 |

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.

## 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)

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

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.

*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 | Contractual Interest/ Profit Rate % | Carrying Amount RM'000 | Contractual Undiscounted Cash Flows RM'000 | Within 1 Year RM'000 | 2 - 5 Years RM'000 | Over 5 Years RM'000 |
|---|---|---|---|---|---|---|
| **2024** | | | | | | |
| Non-derivative Financial Liabilities | | | | | | |
| Hire purchase payables | 4.09 - 5.65 | 3,190 | 3,565 | 978 | 2,587 | - |
| Hire purchase payables (Ijarah) | 4.22 - 4.44 | 42 | 43 | 43 | - | - |
| Islamic financing facilities | 5.50 - 5.99 | 101,543 | 101,638 | 22,425 | 71,434 | 7,779 |
| Bonds | 5.00 - 5.20 | 60,000 | 64,626 | 22,559 | 42,067 | - |
| Islamic bank overdrafts | 5.50 - 7.70 | 4,385 | 4,385 | 4,385 | - | - |
| Trade payables | - | 93,512 | 93,512 | 93,512 | - | - |
| Other payables and accruals | - | 43,964 | 43,964 | 43,964 | - | - |
| | | 306,636 | 311,733 | 187,866 | 116,088 | 7,779 |

## 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 | Contractual Interest/ Profit Rate % | Carrying Amount RM'000 | Contractual Undiscounted Cash Flows RM'000 | Within 1 Year RM'000 | 2 - 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 | 88,186 | 23,560 | 64,626 | - |
| Islamic 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 | 345,948 | 167,475 | 154,725 | 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 Company | Contractual Interest/ Profit Rate % | Carrying Amount RM'000 | Contractual Undiscounted Cash Flows RM'000 | Within 1 Year RM'000 |
|---|---|---|---|---|
| **2024** | | | | |
| Non-derivative Financial Liabilities | | | | |
| Other payables and accruals | **-** | **328** | **328** | **328** |
| **2023** | | | | |
| Non-derivative Financial Liabilities | | | | |
| Other payables and accruals | - | 263 | 263 | 263 |

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 | |
|---|---|---|
| | 2024 RM'000 | 2023 RM'000 |
| Borrowings (Note 15) | **169,160** | 197,997 |
| Less: Cash and cash equivalents (Note 25(c)) | **(69,038)** | (93,622) |
| Net debt | **100,122** | 104,375 |
| Total equity | **457,048** | 449,988 |
| Debt-to-equity ratio | **0.22** | 0.23 |

There was no change 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 | |
|---|---|---|---|---|
| | **2024 RM'000** | **2023 RM'000** | **2024 RM'000** | **2023 RM'000** |
| **Financial Assets** | | | | |
| Amortised Cost | | | | |
| Trade receivables | **507,214** | 534,229 | **-** | - |
| Other receivables | **8,913** | 5,993 | **-** | - |
| Amount owing by subsidiaries | **-** | - | **86,903** | 61,909 |
| Fixed deposits with licensed banks | **25,016** | 38,698 | **-** | - |
| Cash and bank balances | **63,493** | 77,077 | **438** | 5,588 |
| | **604,636** | 655,997 | **87,341** | 67,497 |
| **Financial Liabilities** | | | | |
| Amortised Cost | | | | |
| Lease liabilities | **-** | 14 | **-** | - |
| Hire purchase payables | **3,190** | 2,360 | **-** | - |
| Hire purchase payables (Ijarah) | **42** | 244 | **-** | - |
| Term loans | **-** | 303 | **-** | - |
| Islamic financing facilities | **101,543** | 110,167 | **-** | - |
| Bonds | **60,000** | 80,000 | **-** | - |
| Islamic bank overdrafts | **4,385** | 4,909 | **-** | - |
| Trade payables | **93,512** | 88,325 | **-** | - |
| Other payables and accruals | **43,964** | 32,216 | **328** | 263 |
| | **306,636** | 318,538 | **328** | 263 |

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### 30.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| **Financial Assets** | | | | |
| Amortised Cost | | | | |
| Net gains recognised in profit or loss | **608** | 1,014 | **3,441** | 1,830 |
| **Financial Liabilities** | | | | |
| Amortised Cost | | | | |
| Net losses recognised in profit or loss | **10,872** | 14,742 | **-** | - |

### 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 RM'000 | Carrying Amount RM'000 |
|---|---|---|---|---|---|
| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | | |
| **The Group** | | | | | |
| **2024** | | | | | |
| Financial Asset | | | | | |
| Trade receivables | **-** | **507,214** | **-** | **507,214** | **507,214** |
| Financial Liabilities | | | | | |
| Hire purchase payables | **-** | **3,190** | **-** | **3,190** | **3,190** |
| Hire purchase payables (Ijarah) | **-** | **42** | **-** | **42** | **42** |
| Islamic financing facilities | **-** | **101,543** | **-** | **101,543** | **101,543** |
| Bonds | **-** | **60,000** | **-** | **60,000** | **60,000** |
| Islamic bank overdrafts | **-** | **4,385** | **-** | **4,385** | **4,385** |

## 30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 FAIR VALUE INFORMATION (CONT'D)

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 (Cont'd):-

| | Fair Value of Financial Instruments not Carried at Fair Value | | | | |
|---|---|---|---|---|---|
| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total Fair Value RM'000 | Carrying Amount RM'000 |
| **The Group** | | | | | |
| **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 |
| Islamic bank overdrafts | - | 4,909 | - | 4,909 | 4,909 |

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 EVENTS DURING THE FINANCIAL YEAR

(a) 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 4,183 units affordable housing on one (1) parcel of land in Kwasa Damansara Township, District of Petaling, Selangor Darul Ehsan with a land size of approximately 34.86 acres. Subsequently on 9 December 2024, the Company nominated Nadi Emery (KKD2) Sdn. Bhd., its indirect subsidiary to enter into a Development Rights Agreement with KWASALAND and Kwasa Development (15) Sdn. Bhd. for the proposed development with Development Land Value of RM35,555,500.

(b) On 5 November 2024, the Company entered into the following agreements:

(i) a conditional share sale agreement with Chong Ngu Chong and Lim Eng Keong for the proposed acquisition of the entire interest in Serata Ehsan Sdn. Bhd. for a cash consideration of RM80,000,000; and

(ii) a conditional share sale agreement with Hj Zulkifli Bin Abdul for the proposed acquisition of the entire interest in Seri Delima Anggun Sdn. Bhd. for a cash consideration of RM105,000,000.

(c) On 30 December 2024, Nadi Embun Sdn. Bhd., 70% owned subsidiary of Nadi Cergas Development Sdn. Bhd. entered into a Supplemental Development Rights Agreement with Permodalan Negeri Selangor Berhad ("PNSB") for variation to Development Rights Agreement dated 2 October 2020 entered between the Company and PNSB to develop one parcel of leasehold land which is held under P.T 9701 HS(D) 8106, Mukim Serendah, Daerah Hulu Selangor, Negeri Selangor with a total land size approximately 85.762 acres.

## 32. SIGNIFICANT EVENT OCCURING AFTER THE REPORTING PERIOD

On 14 February 2025, the Company incorporated an indirect subsidiary, Nadi Emery (KL) Sdn. Bhd. ("NEKLSB"), which principal activity is property development. Subsequently on 25 February 2025, NEKLSB entered a sale and purchase agreement with Bandar Rimbayu Sdn. Bhd. for purchase of a piece of leasehold land of 99 years expiring on 23 December 2111 held under HS(D) 41696, PT 44090 in Mukim Tanjong Dua Belas, District of Kuala Langat in the state of Selangor measuring approximately 73,785.79 square meters for a cash consideration of RM2,000,000.

## 33. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

| | The Group | |
|---|---|---|
| | **As Previously Reported 31.12.2023 RM** | **As Restated 31.12.2023 RM** |
| Consolidated Statement of Financial Position (Extract):- | | |
| CURRENT ASSETS | | |
| Inventories | 28,893 | 61,117 |
| Contract assets | 52,234 | 20,010 |
| | 81,127 | 81,127 |

# LIST OF PROPERTIES

| No | Location | Description/ Existing Use | Area (Sq. Metres) | Tenure | Age of Building (Years) | Carrying Amount as at 31/12/2024 (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 | 11 | 4,616 | 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 | 11 | 4,552 | 2013 |
| 3 | A-1-11, Jalan PJU 1A/20A, Dataran Ara Damansara 47301 Petaling Jaya, Selangor | 3 storey shop office | Land area: 176.00<br>Built-up area: 473.39 | Freehold | 18 | 1,035 | 2007 |
| 4 | A-1-11A, Jalan PJU 1A/20A, Dataran Ara Damansara 47301 Petaling Jaya, Selangor | 3 storey shop office | Land area: 176.00<br>Built-up area: 473.39 | Freehold | 18 | 1,035 | 2007 |
| 5 | PT 352 - PT 908, HS(D) 68526 - HS(D) 69082, PT 913, HS(D) 69086, PT 915, HS(D) 69087, PT 13610 - PT 13643, HS(D) 59909 - HS(D) 59942, PT 13660, HS(D) 59946 Mukim Ulu Yam, Daerah Ulu Selangor, Selangor | Land under development | Land area: 353,412 | Leasehold 99 years expiring between 06.03.2083 to 12.03.2083 | - | 29,897 | 2015 |
| 6 | Lot 1246, GRN 26312<br>Lot 1247, GRN 26313<br>Lot 1248, GRN 26314<br>Lot 1249, GRN 28311<br>Lot 1250, GRN 28312<br>Lot 1251, GRN 28313<br>Lot 1252, GRN 28314<br>Lot 1253, GRN 28315<br>Lot 1254, GRN 28316<br>Lot 1255, GRN 26315<br>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 | Lot 42589, GRN 311478 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 | - | 15,916 | 2020 |
| 9 | Lot 93270, GRN 338148, Mukim Damansara, Daerah Petaling, Selangor. | Land under development | Land area: 42,480.00 | Freehold | - | 10,078 | 2020 |

# ANALYSIS OF SHAREHOLDINGS

## STATISTICS OF ORDINARY SHAREHOLDINGS AS AT 28 MARCH 2025

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 28 MARCH 2025

| Size of Holding | No. of shareholders | No. of shares | Percentage of Shares (%) |
|---|---|---|---|
| 1 – 99 | 2 | 100 | 0.00 |
| 100 - 1,000 | 165 | 101,200 | 0.01 |
| 1,001 - 10,000 | 207 | 1,281,600 | 0.17 |
| 10,001 - 100,000 | 254 | 10,880,700 | 1.44 |
| 100,001 to less than 5% of issued shares | 152 | 202,536,400 | 26.91 |
| 5% and above of issued shares | 2 | 538,200,000 | 71.47 |
| **Total** | **782** | **753,000,000** | **100.000** |

## SUBSTANTIAL SHAREHOLDERS AS AT 28 MARCH 2025

| | | No. of Shares held | | No. of Shares held | |
|---|---|---|---|---|---|
| No. | Name of Substantial Shareholders | Direct | Percentage (%) | Indirect | Percentage (%) |
| 1 | SUBAHAN BIN KAMAL | 51,083,337 | 6.78 | - | - |
| 2 | WAN AZMAN BIN WAN KAMAL | 487,116,663 | 64.69 | - | - |
| | **Total** | **538,200,000** | **71.47** | **-** | **-** |

## DIRECTORS' INTERESTS IN SHARES AS AT 28 MARCH 2025

| | | No. of Shares held | | No. of Shares held | |
|---|---|---|---|---|---|
| No. | Name of Directors | Direct | Percentage of shares held (%) | Indirect | Percentage of shares held (%) |
| 1 | CHNG BOON HUAT | 500,000 | 0.07 | - | - |
| 2 | MUHAMAD FUAD BIN ABDULLAH | 400,000 | 0.05 | - | - |
| 3 | SITI NAAISHAH BINTI HAMBALI | 500,000 | 0.07 | - | - |
| 4 | SUBAHAN BIN KAMAL | 51,083,337 | 6.78 | - | - |
| 5 | WAN AZMAN BIN WAN KAMAL | 487,116,663 | 64.69 | - | - |
| | **Total** | **539,600,000** | **71.66** | **-** | **-** |

## LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS

(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 28 MARCH 2025)

| 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 | 95,118,041 | 12.632 |
| 4 | WAN AZMAN BIN WAN KAMAL | 95,118,041 | 12.632 |
| 5 | SUBAHAN BIN KAMAL | 30,219,419 | 4.013 |
| 6 | LIM ENG KEONG | 28,281,800 | 3.756 |
| 7 | CHONG NGU CHONG | 24,187,000 | 3.212 |
| 8 | SUBAHAN BIN KAMAL | 20,863,918 | 2.771 |
| 9 | LOO TANG KIM | 9,818,300 | 1.304 |
| 10 | RHB NOMINEES (TEMPATAN) SDN BHD<br>OOI TENG KOK | 9,337,800 | 1.240 |
| 11 | CHONG NGU CHONG | 7,050,400 | 0.936 |
| 12 | JENNY WONG | 6,098,600 | 0.810 |
| 13 | LEE CHEW WAH | 4,257,100 | 0.565 |
| 14 | CHONG SHEN CHONG | 3,823,400 | 0.508 |
| 15 | DAVID LIM KERN YEN | 3,445,000 | 0.458 |
| 16 | CHONG FUN LING | 3,344,700 | 0.444 |
| 17 | CHANG AH KAU @ CHONG HON CHONG | 3,061,100 | 0.407 |
| 18 | LEE HONG TAT | 3,002,800 | 0.399 |
| 19 | CHONG YAW WOO | 2,750,000 | 0.365 |
| 20 | SAW LIP HEAN | 2,426,100 | 0.322 |
| 21 | KHOR NAI GNOH | 2,250,000 | 0.299 |
| 22 | CHONG YAW TING | 2,218,000 | 0.295 |
| 23 | HO CHIN KEAT | 2,175,400 | 0.289 |
| 24 | CHONG YAW TING | 2,014,200 | 0.267 |
| 25 | SAW HOAY THENG | 1,955,000 | 0.260 |
| 26 | MOOMOO NOMINEES (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR CHONG YAW WEN | 1,935,000 | 0.257 |
| 27 | LAU HENG KENG | 1,917,800 | 0.254 |
| 28 | LIM YOKE CHIN | 1,900,000 | 0.252 |
| 29 | UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD<br>EXEMPT AN FOR UOB KAY HIAN PTE LTD ( A/C CLIENTS ) | 1,878,800 | 0.249 |
| 30 | LIEW CHOOI LYNN | 1,773,000 | 0.235 |
| | **Total** | **669,101,300** | **88.858** |

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 8th Annual General Meeting ("AGM") of Gagasan Nadi Cergas Berhad ("the Company") will be held at **Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor** on **Wednesday, 4 June 2025** 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 2024 together with the Directors' and Auditors' Reports thereon. (Please refer to Note (i) of the Explanatory Notes)
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) Dato' Sri Subahan Bin Kamal **(Ordinary Resolution 1)**
   (ii) Chng Boon Huat **(Ordinary Resolution 2)**
3. To approve the payment of Directors' fees to the following Directors for the financial year ending 31 December 2025:
   (i) Ir. Dr. Muhamad Fuad Bin Abdullah – RM126,000 **(Ordinary Resolution 3)**
   (ii) Professor Emerita Siti Naaishah Bt. Hambali – RM114,000 **(Ordinary Resolution 4)**
   (iii) Chng Boon Huat – RM120,000 **(Ordinary Resolution 5)**
   (iv) Additional Directors' fees – RM140,000 **(Ordinary Resolution 6)**
4. To approve the payment of Directors' benefits of up to RM100,000 from the date of the forthcoming AGM until the next AGM of the Company. **(Ordinary Resolution 7)**
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)**

**SPECIAL BUSINESS**
To consider and if thought fit, to pass, with or without modifications, the following resolution:-

6. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **(Ordinary Resolution 9)**

   "THAT subject always to the Companies Act 2016, the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals 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 Company from time to time, at such price, upon such terms and conditions, to such persons and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued 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 AND THAT the Directors be authorised to do all such things as they deem fit and expedient in the best interest of the Company to give effect to the issuance of new shares under this resolution including making such applications to Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company held after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is the earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting."
7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

## BY ORDER OF THE BOARD

**TAN BEE HWEE (MAICSA 7021024) (SSM PC NO. 202008001497)**
**TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)**
Company Secretaries

29 April 2025
Kuala Lumpur

**Notes:**

1. For the purpose of determining who shall be entitled to attend and vote at this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 26 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his/her/its behalf.

2. A member of the Company who is entitled to attend and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his place. A proxy may but need not be a member of the Company.

3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend, speak and vote instead of the member at the general meeting.

4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depository) Act, 1991, 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. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 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 the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

6. Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.

7. The appointment of proxy(ies) may be made in hardcopy form or by electronic means in the following manner and must be received by the Company not less than 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) In hardcopy form

   To be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (b) By electronic means via TIIH Online website at https://tiih.online

   Please refer to the procedure as set out in the Administrative Guide for the 8th AGM for further information on electronic submission of proxy form via TIIH Online.

8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 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.

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

10. Last day, date and time for lodging the proxy form is **Monday, 2 June 2025** at **10.00 a.m.**

11. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form with the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if this has not been lodged with the Company's Share Registrar earlier.

12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
    a. Identity card (NRIC) (Malaysian), or
    b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
    c. Passport (Foreigner).

13. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this notice will be put to vote by way of a poll.

## EXPLANATORY NOTES TO THE AGENDA

(i) Item 1 on the Agenda – Audited Financial Statements for the financial year ended 31 December 2024

This item is meant for discussion only. The provision of Section 248(2) and 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 motion to be put forward to vote by shareholders.

(ii) Ordinary Resolutions 1 and 2 – Re-election of Directors

Dato' Sri Subahan Bin Kamal and Mr Chng Boon Huat are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 8th AGM.

Their profiles are set out in the Profile of the Board of Directors of the 2024 Annual Report.

The retiring Directors have no conflict of interest with the Company and have no family relationship with any Director and/or major shareholder of the Company. The Nomination Committee ("NC") has considered the performance and contribution, time and commitment, calibre and personality, and fit and proper of the retiring Directors. Based on the recommendation of the NC, the Board is supportive of their re-elections based on the following justifications:-

(a) Ordinary Resolution 1 – Re-election of Dato' Sri Subahan Bin Kamal as Executive Director

Dato' Sri Subahan Bin Kamal possesses relevant qualification, knowledge and experience that complement the Board's competencies. He has been involved in the Group's business operation and able to provide valuable input to steer the Group forward.

(b) Ordinary Resolution 2 – Re-election of Mr Chng Boon Huat as Independent Non-Executive Director

Mr Chng Boon Huat has exercised due care and carried out his professional duty proficiently as an Independent Non-Executive Director of the Company. He demonstrated objectivity and independence through his participation at all the meetings by giving objective and valuable feedback to the Board.

(iii) Ordinary Resolutions 3 to 6 – Directors' fees for the financial year ending 31 December 2025

The proposed Ordinary Resolutions 3 to 6, if passed, will facilitate the payment of Directors' fees for the financial year ending 31 December 2025, details of which are disclosed in the Corporate Governance Overview Statement of the 2024 Annual Report and Corporate Governance Report. The Directors' fees payable includes fees payable to Independent Directors as members of the Board and Board Committees.

(iv) Ordinary Resolution 7 – Payment of Directors' benefits

This resolution is to facilitate the payment of Directors' benefits from the date of the forthcoming AGM until the next AGM in 2026. In the event the Directors' benefits proposed are insufficient (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 meeting allowance and allowances for travel and training programmes for Independent Non-Executive Directors.

(v) Ordinary Resolution 8 – Re-appointment of Auditors

The Board had at its meeting held on 22 April 2025 approved the recommendation made by the Audit and Risk Management Committee ("ARMC") to re-appoint Crowe Malaysia PLT as Auditors of the Company for the ensuing year. The Board and ARMC collectively agreed that Crowe Malaysia PLT met the relevant criteria prescribed in Rule 15.21 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

(vi) Ordinary Resolution 9 – Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 9, if passed, will empower the Directors to issue and allot shares up to an aggregate amount of not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

This is a renewal of the mandate obtained from shareholders at the last AGM held on 6 June 2024. 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 for any possible fund-raising exercises for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions 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 issue any new shares pursuant to the mandate granted by the shareholders at the last AGM and the mandate will lapse at the conclusion of the 8th AGM.

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 No. | |

I/We ______________________________ Tel: ______________
*[Full name in block and as per 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 8th Annual General Meeting ("AGM") as *my/our proxy/proxies, to vote for *me/us and on *my/our behalf at the 8th AGM of the Company to be held at **Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor** on **Wednesday, 4 June 2025** at **10.00 a.m.** or at any adjournment thereof, and to vote as indicated below:

| RESOLUTION | DESCRIPTION OF RESOLUTION | FOR | AGAINST |
|---|---|---|---|
| Ordinary Resolution 1 | To re-elect Dato' Sri Subahan Bin Kamal as Director of the Company. | | |
| Ordinary Resolution 2 | To re-elect Chng Boon Huat as Director of the Company. | | |
| Ordinary Resolution 3 | To approve the payment of Director's fee to Ir. Dr. Muhamad Fuad Bin Abdullah of RM126,000. | | |
| Ordinary Resolution 4 | To approve the payment of Director's fee to Professor Emerita Siti Naaishah Bt. Hambali of RM114,000. | | |
| Ordinary Resolution 5 | To approve the payment of Director's fee to Chng Boon Huat of RM120,000. | | |
| Ordinary Resolution 6 | To approve the payment of additional Directors' fees of RM140,000. | | |
| Ordinary Resolution 7 | To approve the payment of Directors' benefits of up to RM100,000 from the forthcoming AGM until the next AGM of the Company. | | |
| Ordinary Resolution 8 | To re-appoint Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | | |
| Ordinary Resolution 9 | 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 _______________ 2025.

______________________________
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, one of whom 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. For the purpose of determining who shall be entitled to attend and vote at this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 26 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his/her/its behalf.
2. A member of the Company who is entitled to attend and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend, speak and vote instead of the member at the general meeting.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depository) Act, 1991, 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. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 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 the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.
7. The appointment of proxy(ies) may be made in hardcopy form or by electronic means in the following manner and must be received by the Company not less than 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) In hardcopy form*

   To be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

*Please fold here*

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

*Please fold here*

   *(b) By electronic means via TIIH Online website at https://tiih.online*

   Please refer to the procedure as set out in the Administrative Guide for the 8th AGM for further information on electronic submission of proxy form via TIIH Online.

8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 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.
9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last day, date and time for lodging the proxy form is **Monday, 2 June 2025 at 10.00 a.m.**
11. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form with the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if this has not been lodged with the Company's Share Registrar earlier.
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    a. Identity card (NRIC) (Malaysian), or
    b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
    c. Passport (Foreigner).
13. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out in this notice will be put to vote by way of a poll.

www.nadicergas.com

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