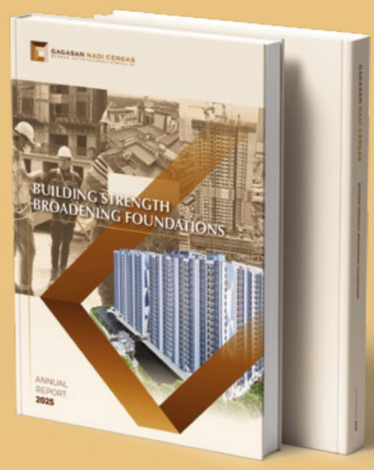
GAGASAN NADI CERGAS
BERHAD 201701024800 (1238966-U)

BUILDING STRENGTH BROADENING FOUNDATIONS

ANNUAL
REPORT
2025

WHAT'S INSIDE THIS REPORT



"Building Strength" reflects the Group's enhanced financial performance and strengthened operational capabilities, following the record-high net profit achieved in FY2025. "Broadening Foundations" underscores the significant potential of our property development pipeline and expanding facility management footprint, positioning the Group on a broader base for sustained long-term growth.

NINTH
ANNUAL GENERAL MEETING

9 JUNE 2026

Tuesday • **10.00 a.m.**

Mutiara I & II, Ground Floor,
The Saujana Hotel,
Jalan Lapangan Terbang SAAS,
40150 Shah Alam, Selangor

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) (Resigned on 20 April 2026)

Dato' Seri Hj. Rosli Bin Isa
(Independent Non-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
Dato' Seri Hj. Rosli Bin Isa

NOMINATION COMMITTEE

Ir. Dr. Muhamad Fuad Bin Abdullah (Chairman)
Professor Emerita Siti Naaishah Binti Hambali
Chng Boon Huat
Dato' Seri Hj. Rosli Bin Isa

COMPANY SECRETARIES

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(MAICSA 7054787)

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

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W nadicergas.com

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Tricor Investor & Issuing House Services Sdn Bhd
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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

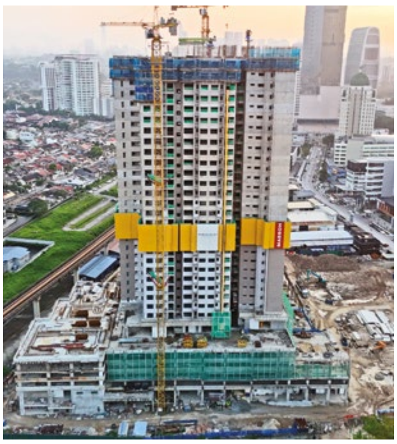
CORPORATE PROFILE

> 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 ("Nadi Cergas") commenced business as a contractor of building construction works. In over two decades, Gagasan Nadi Cergas has carved a distinct reputation for building and delivering quality developments.

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



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

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

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

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

CONCESSION AND FACILITY MANAGEMENT

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

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

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

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

UTILITY SERVICES

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

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

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

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

PROPERTY DEVELOPMENT

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

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

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

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

FINANCIAL HIGHLIGHTS

REVENUE

RM413.6m

FY2024: RM262.8m

OPERATING PROFIT

RM118.4m

FY2024: RM27.2m

SHAREHOLDERS' EQUITY

RM526.0m

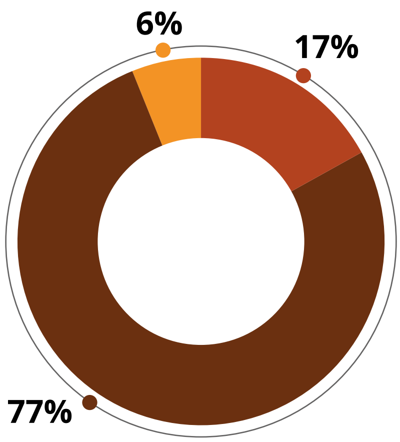
FY2024: RM450.4m

TOTAL ASSETS

RM1,389.9m

FY2024: RM885.9m

FY2025 REVENUE BY SEGMENT



- Construction
- Property Development
- Facility Management And Utilities

KEY PERFORMANCE INDICATORS

CONSTRUCTION

External Order Book
RM229.3 million

FY2025 New Wins
RM17.6 million

Segment Revenue
RM70.3 million
FY2024: RM90.5m

PROPERTY DEVELOPMENT

Segment Revenue
RM318.0 million
FY2024: RM146.0 m

4
Major Projects
in Greater KL

FACILITY MANAGEMENT AND UTILITIES

Segment Revenue
RM25.3 million
FY2024: RM26.3m

All data presented as at 31 Dec 2025

5-YEAR GROUP FINANCIAL HIGHLIGHTS

FINANCIAL SUMMARY	2021	2022	2023	2024	2025
For the Financial Year Ended 31 December (RM'000)					
Revenue	199,256	233,517	318,349	262,817	**413,583**
Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA")	35,297	23,981	33,307	29,361	**120,512**
Operating Profit	32,968	21,620	31,120	27,208	**118,396**
Profit before Tax ("PBT")	17,855	6,048	17,805	17,870	**108,232**
Net Profit/(Loss) Attributable to Shareholders	3,460	(3,378)	2,433	5,866	**75,531**
As At 31 December (RM'000)					
Shareholders' Funds	445,505	442,127	444,560	450,426	**525,957**
Share Capital	136,444	136,444	136,444	136,444	**136,444**
Reserves (Net of Treasury Shares at Cost)	309,061	305,683	308,116	313,982	**389,513**
Total Assets	975,306	983,869	882,974	885,929	**1,389,861**
Total Current Assets	359,041	417,663	323,024	365,527	**558,846**
Total Borrowings	315,216	316,714	197,997	169,160	**396,159**
Cash and Bank Balances and Fixed Deposits with Licensed Banks	104,733	94,254	115,775	88,509	**246,118**
Per Share*					
Basic Earnings/(Loss) per Share (sen)	0.46	(0.45)	0.32	0.78	**10.03**
Net Tangible Assets per Share (sen)	59.16	58.72	59.04	59.82	**69.85**
Returns (%)					
Return on Average Shareholders' Equity (%)	0.8	(0.8)	0.5	1.3	**15.5**
Return on Average Total Assets (%)	0.4	(0.3)	0.3	0.7	**6.6**
Financial Analysis					
Operating Margin (%)	16.5%	9.3%	9.8%	10.4%	**28.6%**
PBT Margin (%)	9.0%	2.6%	5.6%	6.8%	**26.2%**
Net Margin (%)	1.7%	(1.4%)	0.8%	2.2%	**18.3%**
Net Debt to Equity (Times)	0.53	0.55	0.23	0.22	**0.30**

**Based on share base of 753 million shares*

CORPORATE STRUCTURE

AS AT 31 December 2025

GAGASAN NADI CERGAS BERHAD
201701024800 (1238966-U)

- **100%** Nadi Cergas Sdn Bhd
  - **100%** Sasaran Etika Sdn Bhd
  - **100%** Naluri Etika Sdn Bhd
- **100%** Serata Ehsan Sdn Bhd
  - **100%** P.A.E. Builders Sdn Bhd
    - **100%** Konsortium PAE Sepakat Sdn Bhd
      - **100%** Konsortium PAE (Banting) Sdn Bhd
      - **100%** Konsortium PAE (Ipoh) Sdn Bhd
      - **100%** Konsortium PAE (Port Dickson) Sdn Bhd
      - **100%** Konsortium PAE (Johor Bahru) Sdn Bhd
      - **100%** Konsortium PAE (Seberang Perai) Sdn Bhd
      - **100%** Konsortium PAE (Jeli) Sdn Bhd
      - **100%** Konsortium PAE (Kota Bharu) Sdn Bhd
- **45%** Seri Delima Anggun Sdn Bhd
- **60%** Naditech Utilities Sdn Bhd
  - **95%** Naditech Power Sdn Bhd
    - **100%** Naditech Icon Sdn Bhd
  - **95%** Naditech Energy Sdn Bhd
- **100%** Nadi Cergas Urus Harta Sdn Bhd
- **100%** Nadi Cergas Management Services Sdn Bhd
- **70%** Nadi Cergas Development Sdn Bhd
  - **95%** Ringgit Muhibbah Sdn Bhd
    - **100%** RM Fuel Sdn Bhd
    - **100%** Selindung Rimba 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%** GNCB Capital Sdn Bhd
- **100%** Nadi Cergas Hartanah Sdn Bhd
- **100%** Nadi Cergas Medik Sdn Bhd

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

CHAIRMAN'S STATEMENT

Dear Esteemed Shareholders,

Salam and Peace!

The financial year ended 31 December 2025 ("FY2025") was a pivotal year for Gagasan Nadi Cergas Berhad ("Gagasan Nadi Cergas" or "the Group"), as it delivered its strongest financial performance to date, with net profit attributed to shareholders surging nearly 13-fold to RM75.5 million, up from RM5.9 million in FY2024, supported by favourable tailwinds.

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

Malaysia's property development sector recorded its strongest performance in a decade last year, with property transactions reaching RM241.9 billion. Concurrently, the nation's construction sector expanded by 12.5% in 2025 to RM178.6 billion in value of work done, signaling renewed momentum across the industry.

Demand for affordable housing remains robust, supported by a resurgent national economy and various pro-housing government initiatives. As many developing countries in the region grapple with housing affordability challenges, Malaysia's Madani government is resolutely pursuing initiatives to provide one million affordable homes by 2035 under the 13th Malaysia Plan, underscoring a firm dedication to long-term housing accessibility.

With profound appreciation of Gagasan Nadi Cergas' impactful legacy and optimism for its bold and ambitious future, it is my privilege to present to you the Group's Annual Report and Audited Financial Statements for FY2025.

CHAIRMAN'S STATEMENT

OPERATIONS REVIEW

The Group's property development segment continued to make significant strides in the affordable housing sector, with FY2025's exceptional performance driven primarily by completed and ongoing projects, capitalising on strategically located developments featuring premium design quality.

We value our longstanding partnership with the Selangor state government, through which we deliver affordable housing solutions that are market-relevant, sustainable, and crafted to enhance quality of life.

The Group achieved a major milestone during the year with the timely completion and vacant possession delivery of Idaman Bukit Jelutong in Shah Alam, our first affordable housing project under the Selangor state government's acclaimed Idaman model.

Aiming to replicate the success of the fully taken up Bukit Jelutong project, we are currently developing 14,000 affordable housing units in the high-profile townships of Kwasa Damansara, City of Elmina, and Bandar Rimbayu, as well as several open market projects in Ulu Yam, Bangi, and Chow Kit.

Meanwhile, our construction arm remained resilient, reflecting the strength and stability of our integrated business model. The segment continued its steady recovery, supported by a substantial pipeline of in-house works generated from our property development projects. Its outlook is further strengthened by a healthy external order book of RM229.3 million.

A strategic acquisition in our concession and facility management segment further bolstered the Group's market position and long-term growth trajectory. Last year, the Group acquired a 69.4% effective equity interest in Konsortium PAE Sepakat Sdn Bhd ("KPSSB") for RM127.3 million, a notable addition to our portfolio.

KPSSB manages student hostels across seven polytechnic campuses constructed by the Group. The strategic acquisition will enlarge the Group's recurring income stream over the next decade, further reinforcing the diversified nature of our business model.

PROSPECTS

Looking ahead, the Malaysian economy is expected to remain on a solid growth path in 2026, supported by strengthening ringgit, huge influx of foreign direct investment, and rising consumer confidence. The favourable macroeconomic environment, together with ongoing housing policy initiatives, is expected to drive robust demand for residential properties, particularly affordable housing units, providing the Group with strong potential for sales growth and recurring revenue in the years ahead.

The property and construction sectors are navigating near-term pressures, such as rising construction and material costs and complex geopolitical uncertainties. Nevertheless, the Group remains steadfast in its commitment to financial prudence and operational discipline, underpinned by solid fundamentals.

Building on our acquisition of KPSSB, we are well positioned not only to strengthen our recurring income base, but also to support the growing demand for student accommodation across public educational institutions.

DIVIDENDS AND BONUS ISSUE OF WARRANTS

In view of the Group's record-breaking financial performance, the Board of Directors has declared a single-tier interim dividend of 2.0 sen per ordinary share for FY2025, marking the resumption of dividends after a five-year hiatus.

Gagasan Nadi Cergas will also undertake a proposed bonus issue of warrants, on the basis of one warrant for every two existing ordinary shares held in the Company. The proposal entails the issuance of 376.5 million five-year warrants, with an option for holders to exercise them into 376.5 million new ordinary shares of the Company. Proceeds from the exercise will be utilised to fund the Group's working capital needs.

ACKNOWLEDGEMENT

I extend my sincere appreciation to the Board of Directors for their visionary leadership and steadfast counsel, which have been instrumental in guiding the Group to its strongest financial performance to date. I also commend the Key Senior Management for their disciplined execution and unwavering resolve, which have been critical in delivering these exceptional results.

I further pay tribute to the dedication, integrity, and resilience of all our employees, who are the bedrock of the Group's continued success. Together, we are firmly rooted to confidently navigate a new phase of accelerated growth, building on our strength, and broadening our foundations to soar to even greater heights.

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

"Gagasan Nadi Cergas Berhad ("the Group" or "Gagasan Nadi Cergas") 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 of various scales and complexities across Malaysia. Notable completed projects include the General Operations Force (PGA) 4th Battalion Camp in Semenyih, 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 Modeling.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

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. Notable legacy projects include the Antara Residence serviced apartments in Putrajaya and the Selindung Daun Ulu Yam township in Batang Kali.

In recent years, the segment has built a sizeable and fast-expanding presence in affordable housing, having completed and delivered the Idaman Bukit Jelutong project last year and undertaking similar projects in Kwasa Damansara, City of Elmina, and Bandar Rimbayu, in collaboration with the Selangor state government's Idaman scheme. The Group aims to deliver up to 14,000 additional affordable houses in the next seven 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 (until 2034), Universiti Teknikal Malaysia Melaka (UTeM) (until 2037), and seven polytechnic campuses (until 2036).

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.

Consolidated Income Statement

FY2025 was a banner year for the Group's financial performance. Revenue increased 57.4% to RM413.6 million in FY2025 from RM262.8 million previously. Revenue growth was anchored by rapid progress in the property development segment, particularly from ongoing and recently completed Idaman affordable housing projects.

Net profit attributed to shareholders increased nearly 13-fold to a historic high of RM75.5 million in FY2025 from RM5.9 million in FY2024, in part due to a substantial gain on bargain purchase arising from the acquisition of 69.4% effective equity interest in student hostel concessionaire Konsortium PAE Sepakat Sdn Bhd ("KPSSB").

The Group recognised a RM54.9 million gain on bargain purchase. The gain was mainly attributed to the purchase price being lower than the fair value of the identifiable net assets.

Consequently, profit before tax during the year stood at RM108.2 million, markedly higher compared to RM17.9 million in FY2024.

Notably, after excluding the gain on bargain purchase, FY2025 net profit attributed to shareholders from core operations stood at RM20.6 million, representing a 249.2% increase compared with that of the previous year.

Earnings per share rose to 10.03 sen in FY2025 compared to 0.78 sen in FY2024.

Segmental Financial Performance

Construction

The construction segment generated RM70.3 million in revenue in FY2025, a 22.3% decline from RM90.5 million in FY2024, in line with completion of projects.

However, excluding dividend income, the segment achieved a profit before tax of RM3.6 million compared to a loss before tax of RM4.4 million in FY2024. The turnaround was driven by the large volume of in-house works from property development projects.

Recurring Income

The concession & facility management and utility services segments continue to provide the Group with regular recurring income.

The two segments collectively recorded revenue of RM25.3 million in FY2025, a slight dip compared to RM26.3 million in FY2024.

The segments jointly posted a lower profit before tax of RM15.3 million in FY2025, relative to RM20.2 million in the previous year. The decline in profit before tax was due to lower accretion of future value on non-current trade receivables, one off interest charges, as well as higher maintenance and overhead costs.

Property Development

The property development segment remains the Group's largest source of revenue in FY2025, achieving RM318.0 million in revenue, more than double the RM146.0 million recorded in the previous year. The upswing in revenue was the result of the completion of the fully taken-up Idaman Bukit Jelutong and steady progress of Idaman Kwasa Damansara R4-1.

The segment's profit before tax was RM45.1 million in FY2025, a significant increase from the RM3.5 million recorded in the previous year, in line with higher revenue.

Statement of Financial Position

Group Assets

The Group's total assets increased significantly to RM1.39 billion in FY2025 from RM885.9 million in the previous year, mainly due to an increase in trade receivables arising from the additional student hostel concession acquired at the end of FY2025.

Liquidity and Capital Resources

The Group's total borrowings increased to RM396.2 million as at 31 December 2025 from RM169.2 million in the previous year while cash and bank balances and fixed deposits rose to RM246.1 million in FY2025 from RM88.5 million in FY2024.

The Group's total equity attributed to shareholders increased to RM526.0 million in FY2025 from RM450.4 million in the previous year, due to retained profit. The Group's net gearing level increased to 0.30 times in FY2025 from 0.22 times in FY2024, in line with recent acquisition but remains at healthy level.

Capital Expenditure

The Group spent a marginal amount of RM3.3 million on capital expenditure in FY2025 on plant and equipment.

DIVIDEND & BONUS ISSUE OF WARRANTS

The Board of Directors has declared a single-tier interim dividend of 2.0 sen per ordinary share in respect of FY2025. Entitlement was based on shareholders registered in the record of depositors as at 15 April 2026, with payment to be made on 15 May 2026. This marks the Group's first dividend since 2021, when the Group declared an interim dividend of 0.5 sen in respect to FY2020.

Gagasan Nadi Cergas will also undertake a proposed bonus issue of warrants, on the basis of one warrant for every two existing ordinary shares held in the Company. The proposal entails the issuance of 376.5 million five-year warrants, with an option for holders to exercise them into 376.5 million new ordinary shares of the Company.

At the exercise price of RM0.32 per warrant and assuming full exercise of the warrants, the Group expects to raise up to RM120.48 million in gross proceeds to be utilised as working capital requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL REVIEW

Construction Segment

The Group's external construction order book stood at a healthy RM229.3 million as at 31 December 2025. Notable projects in this order book include affordable homes in Kemuning Utama for Paramount Corporation Berhad as well as asset replacement works at IIUM Kuantan and seven polytechnic campuses.

The segment has benefited greatly from a steady influx of in-house works arising from our property development projects, reinforcing the strength of our integrated business model.

Property Development Segment

In partnership with Permodalan Negeri Selangor Berhad (PNSB), we are currently developing 14,000 Idaman affordable homes across three strategically located premier townships in Selangor, namely Kwasa Damansara, City of Elmina, and Bandar Rimbayu, with a combined gross development value ("GDV") of RM3.8 billion.

In August 2025, we delivered vacant possession of 1,260 partially furnished affordable housing units at Idaman Bukit Jelutong in Shah Alam, in a ceremony officiated by the Selangor Menteri Besar, YAB Dato' Seri Amirudin bin Shari.

Located near major expressways and Subang Airport, the RM302.0 million GDV development comprises three high-rise residential towers, complemented by a comprehensive suite of premium amenities, including a swimming pool, gymnasium, and pickleball court.

We continue to make steady progress in the development of Idaman Kwasa Damansara R4-1, a RM453.1 million GDV project, which has achieved a take-up rate of 81.0%. A second project within the township, the RM849.0 million-GDV Idaman Kwasa Damansara R4-2, conveniently located next to the Kwasa Damansara Mass Rapid Transit (MRT) station, is scheduled for launch in the near term.

In City of Elmina, our Idaman Amani project located in Elmina 4 is progressing well. The project comprises 1,063 semi-furnished affordable apartments with a take-up rate of 23.3% as at 31 December 2025.

Beyond our affordable housing portfolio, the Group also has several open market residential and commercial developments in the pipeline located in Ulu Yam, Serendah, Bangi, and Chow Kit with a combined GDV of approximately RM1.0 billion.

In Ulu Yam, we have commenced construction on two projects, namely Plaza Selindung Daun, comprising 32 shop lot units, and Tetra Residence, which consists of 179 double-storey terrace homes.

The segment also maintains total unbilled sales of RM238.0 million as at 31 December 2025, which are expected to be recognised progressively over the next four years.

Recurring Income Segment

In December 2025, the Group successfully acquired a 69.4% effective equity interest in KPSSB, a concession-holding company managing student hostels across seven polytechnic campuses, located in Banting, Ipoh, Port Dickson, Johor Bahru, Seberang

Perai, Jeli, and Kota Bharu. KPSSB entered into concession agreements with the Government of Malaysia in 2013, with a tenure extending to 2036.

KPSSB is currently 55.6% owned by Seri Delima Anggun Sdn Bhd ("SDASB") and 44.4% by Serata Ehsan Sdn Bhd ("SERATA") through its wholly owned subsidiary, P.A.E Builders Sdn Bhd. Under the acquisition for RM127.3 million, the Group acquired 100% of SERATA and a 45.0% stake in SDASB, giving Gagasan Nadi Cergas effective controlling interest of 69.4%.

The transaction was approved by the Public Private Partnership Unit of the Prime Minister's Department (UKAS) in September 2025 and by shareholders at an Extraordinary General Meeting in December of the same year.

The strategic acquisition of KPSSB is earnings-accretive, adding RM155.2 million to the facility management order book over the concession period. The transaction also provides a bargain purchase gain of RM54.9 million.

To partly fund the acquisition, the Group established a Sukuk Wakalah facility with a nominal value of up to RM330.0 million, fully underwritten by Maybank Islamic Berhad, providing flexibility for future fundraising.

RISKS FACED BY THE GROUP

Competition and Business Risks

While the Malaysian construction and property development industries are on stable footing amid resilient domestic economic conditions, both sectors remain highly competitive with many key players vying for projects.

We are confident of remaining competitive as our market position remains firm on the back of our solid 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 complex geopolitical tensions in the Middle East are likely to impact the pricing of key construction materials.

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

Furthermore, our ability to secure statutory land for affordable housing at cost-efficient rates positions us well to mitigate rising construction costs.

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 Malaysia's economy exceeded official forecasts with 5.2% gross domestic product (GDP) expansion last year, the recent conflict in the Persian Gulf has pushed global energy prices higher, creating some uncertainty for the country's economic outlook. Nonetheless, Malaysia's relatively low reliance on oil imports should help partly insulate the economy from adverse effects.

To safeguard the Group's fundamentals, we will continue collaborating with all stakeholders to address challenges, while mitigating risks through the expansion of our project portfolio and diversification of revenue sources.

GROWTH STRATEGIES

Targeting More Construction Opportunities

While mindful of the global energy crisis, we remain cautiously optimistic about the outlook of the local construction industry, underpinned by mega infrastructure projects, data centre investments, and initiatives under Budget 2026 and the 13th Malaysia Plan, which together create a strong pipeline of work.

The higher volume of internal works from our affordable housing developments is sufficient to keep our construction arm busy in the coming years. At the same time, we will continue to replenish our external order book through selective and strategic tendering across both public and private sector projects.

Accelerating Involvement in Affordable Housing

The Government remains committed to supporting affordable housing projects because they are key to expanding homeownership among B40 and M40 Malaysians, reducing income inequality, and advancing balanced socio-economic growth.

Through our highly sought-after Idaman projects in Selangor, we contribute to nation-building by expanding homeownership opportunities for Malaysians, particularly within the M40 income group.

With RM3.8 billion in GDV of affordable housing projects either under construction or in the pipeline, this segment is poised to propel our growth over the next decade. Building on the success of Idaman Bukit Jelutong, we will continue to capitalise on the stable demand for affordable housing to sustain this momentum.

Unleashing Potential of Property Development Segment

Our property development segment encompasses not only affordable housing but also a growing pipeline of open-market residential and commercial projects.

Malaysia's property market is expected to maintain steady, moderate growth in 2026, supported by a resilient economy, ongoing infrastructure development, and stable financing conditions. Transaction values are projected to continue rising, potentially exceeding RM250 billion. While concerns over a rising property overhang remain, these are considered manageable amid steady domestic demand, income growth, and supportive government measures to encourage homeownership.

Furthermore, under the Housing Credit Guarantee Scheme ("SJKP"), the government has approved an additional RM20.0 billion in government guarantees for over 80,000 Malaysians purchasing their first home.

The SJKP also offers a step-up financing scheme which provides government guarantees for young first-time homebuyers, with lower loan repayments for the initial five years.

Meanwhile, Bank Negara Malaysia's decision to lower the Overnight Policy Rate by 25 basis points to 2.75% from 3.00% in July 2025 is expected to further incentivise home purchases among Malaysians.

Growing Recurring Income Through Provision of Facility Management and Utility Services

The concession and facility management segment remains a key performance driver, delivering stable recurring income and reinforcing the strength of our diversified business model.

Amid a shortage of purpose-built student accommodation near public universities and higher learning institutions, driven by rising enrolment and limited quality supply, demand in this niche segment is expected to grow. We are actively exploring opportunities to expand our presence in this space.

Acknowledgement

Reflecting our theme of "Building Strength, Broadening Foundations", we have emerged as a more profitable and diversified organisation, underpinned by stronger fundamentals. This is evidenced by the Group's record-high net profit attributed to shareholders and a substantial pipeline of property projects, providing clear earnings visibility and a solid platform for sustained performance in the years ahead. With the steadfast support of our Board of Directors, Key Senior Management, employees, and business partners, Gagasan Nadi Cergas will navigate new undertakings and evolving market conditions with both confidence and resolve.

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

PROFILE OF DIRECTORS

Ir. Dr. Muhamad Fuad Bin Abdullah

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Gender
Male

Nationality
Malaysian

Aged
72

Ir. Dr. Muhamad Fuad Bin Abdullah was appointed to the Board on 15 September 2017. He also serves as Chairman of the Nomination Committee and a Member of the Audit and 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 other public company and other listed corporation.

Dato' Sr Hj Wan Azman Bin Wan Kamal

GROUP MANAGING DIRECTOR

Gender
Male

Nationality
Malaysian

Aged
65

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

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

As Group Managing Director, he has been instrumental in the growth and development of the Group.

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

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

PROFILE OF DIRECTORS

Dato' Sri Subahan Bin Kamal

EXECUTIVE DIRECTOR
(Resigned on 20 April 2026)

Gender
Male

Nationality
Malaysian

Aged
60

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

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

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

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

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

Professor Emerita Siti Naaishah Binti Hambali

INDEPENDENT NON-EXECUTIVE DIRECTOR

Gender
Female

Nationality
Malaysian

Aged
71

Professor Emerita Siti Naaishah Binti Hambali was appointed to the Board on 15 September 2017. She also serves as the Chairperson of the Remuneration Committee and a Member of the Audit and Risk Management, and Nomination Committees.

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 has been appointed as Member of The Disciplinary Committee Panel of Advocate and Solicitor Disciplinary Board Bar Council Malaysia since 2024. She does not hold any directorship in any other public company and other listed corporation.

PROFILE OF DIRECTORS

Chng Boon Huat

INDEPENDENT NON-EXECUTIVE DIRECTOR

Gender
Male

Nationality
Malaysian

Aged
66

Chng Boon Huat was appointed to the Board on 15 September 2017. He also serves as Chairperson 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 role he held until 2025, before being appointed as Consultant in 2026.

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).

Dato' Seri Hj. Rosli Bin Isa

INDEPENDENT NON-EXECUTIVE DIRECTOR

Gender
Male

Nationality
Malaysian

Aged
60

Dato' Seri Hj. Rosli Bin Isa was appointed to the Board of Directors on 4 March 2026. He also serves as a Member of the Nomination and Remuneration Committees.

He graduated from Universiti Kebangsaan Malaysia in 1989 with a Bachelor of Arts Honours Degree in Public Policy and obtained a Diploma in Education from the same university in 1990. He also obtained a Diploma in Public Management from the National Institute of Public Administration (INTAN) in 1996 and a Certificate Executive of Business from Harvard University in 2018.

He has had an extensive and distinguished career in the Malaysian civil service spanning over 30 years. He began his career as an Assistant Director of the Administrative and Diplomatic Office in the Implementation Coordination Unit of the Prime Minister's Department ("ICU JPM") in 1995. Throughout his tenure in the public sector, he has held various senior leadership positions across multiple ministries and departments, including:

- Secretary General, Ministry of Energy and Natural Resources
- Secretary General, Ministry of Natural Resources, Environment, and Climate Change
- State Secretary of Penang
- Director, Selangor State Development, ICU JPM
- Director General, Road Safety Department

Prior to his retirement in August 2025, he served as the Federal Secretary of Sabah.

He also has significant experience in corporate governance, having served as a Board Director and Chairman for numerous organisations and statutory bodies. These include the Sustainable Energy Development Authority (SEDA), Pengurusan Aset Air Berhad (PAAB), Malaysia Petroleum Resources Corporation (MPRC), Malaysia-Thailand Joint Authority Petroleum, Penang Water Authority, Penang Port Authority, Penang Development Corporation and the Forest Research Institute Malaysia (FRIM) and My Power Agency, where he served as Chairman from 2021 to 2024.

He also serves as the Chairman of Asia Baru Construction Sdn Bhd, following his appointment on 1 January 2026.

Notes:
Save as disclosed above, none of the Directors have any family relationship with other directors and/or major shareholders of Gagasan Nadi Cergas Berhad and have no conflict of interest. None of the Directors have convictions of any offences within the past five years, nor has he had any public sanctions or penalties imposed by any relevant 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 69

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 65

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 of 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.

KEY SENIOR MANAGEMENT'S PROFILES

Oh Ewe Peng

CHIEF FINANCIAL OFFICER

Male / Malaysian / Aged 54

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 Manager, 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 has convictions of any offences within the past five years, nor has he had any public sanctions or penalties imposed by any relevant regulatory bodies during the current financial year.

SUSTAINABILITY STATEMENT

ABOUT THE SUSTAINABILITY STATEMENT

Gagasan Nadi Cergas Berhad's ("GNCB" or "the Group") Annual Sustainability Statement ("this Statement") highlights the Group's ongoing sustainability efforts and discloses its Economic, Environmental, and Social ("EES") performance for the Financial Year 2025 ("FY2025"). This Statement outlines the sustainability initiatives and material matters addressed during the year, taking into account the relevant risks, opportunities, and impacts arising from the Group's business operations. It has been prepared in accordance with the ACE Market Listing Requirements and reflects the current stage of transition towards enhanced sustainability reporting.

In preparing its climate-related disclosures, the Group has also taken into account relevant general disclosure principles that support the preparation of consistent, balanced and decision-useful sustainability-related financial information. In line with a climate-first phased approach, the Group has prioritised climate-related disclosures while continuing to strengthen the scope, quality and consistency of broader sustainability disclosures over time.

This Statement, together with the FY2025 Annual Report, reflects the Group's commitment to transparency and accountability in communicating its sustainability progress. It also sets out how the Group is progressively strengthening its approach to sustainability-related and climate-related matters in a manner that is appropriate to its reporting maturity and business context.

REPORTING BOUNDARIES

This Statement covers the reporting period from 1 January 2025 to 31 December 2025 and provides an overview of the Group's sustainability initiatives and performance during the year. The Statement encompasses the Group's principal operations under management control. For climate-related disclosures, the Group has focused on operations and business segments considered most relevant to current climate-related risks and opportunities, taking into account business relevance, data availability and reporting maturity. Unless otherwise stated, these disclosures are prepared for the same reporting entity as the related financial statements. Where differences in scope arise due to data availability or business relevance, these are stated in the relevant section.

Type of Business	Business Operation	Operating Unit
Construction Services and Concessions	• Nadi Cergas Sdn Bhd	Ongoing projects: - Idaman Amani, Bandar Elmina - Idaman Kwasa Damansara R4-1 DLP: - Sakura Residence, Presint 11 Putrajaya - Masjid Al-Sultan Abdullah, Presint Merdeka 118 - Hospital Sultan Idris Shah Serdang - Maktab Rendah Sains Mara (MRSM) Dungun *Concession: - Universiti Teknologi Melaka (UTeM) - International Islamic University Malaysia (IIUM) Kuantan
Facility Management	• Nadi Cergas Urus Harta Sdn Bhd	IIUM Kuantan
Utilities Services	• Naditech Energy Sdn Bhd • Naditech Power Sdn Bhd	Datum Jelatek Mall
Property Development	• Nadi Emery Sdn Bhd • Nadi Emery (KKD) Sdn Bhd	Ongoing projects: - Idaman Amani, City of Elmina - Idaman Kwasa Damansara R4-1 DLP: - Idaman Bukit Jelutong
		* DLP: Defect Liability Period

Note:
**The polytechnics concession business acquired on 30 December 2025 was not included within the reporting framework for FY2025, but will be included in the reporting scope for FY2026.*

The reporting boundaries have been determined based on an assessment of the Group's material sustainability matters, with reference to the nature of its operations, stakeholder relevance and the availability of reliable information for reporting purposes. The Group will continue to review and strengthen its reporting boundaries over time as internal processes and climate-related data maturity improve.

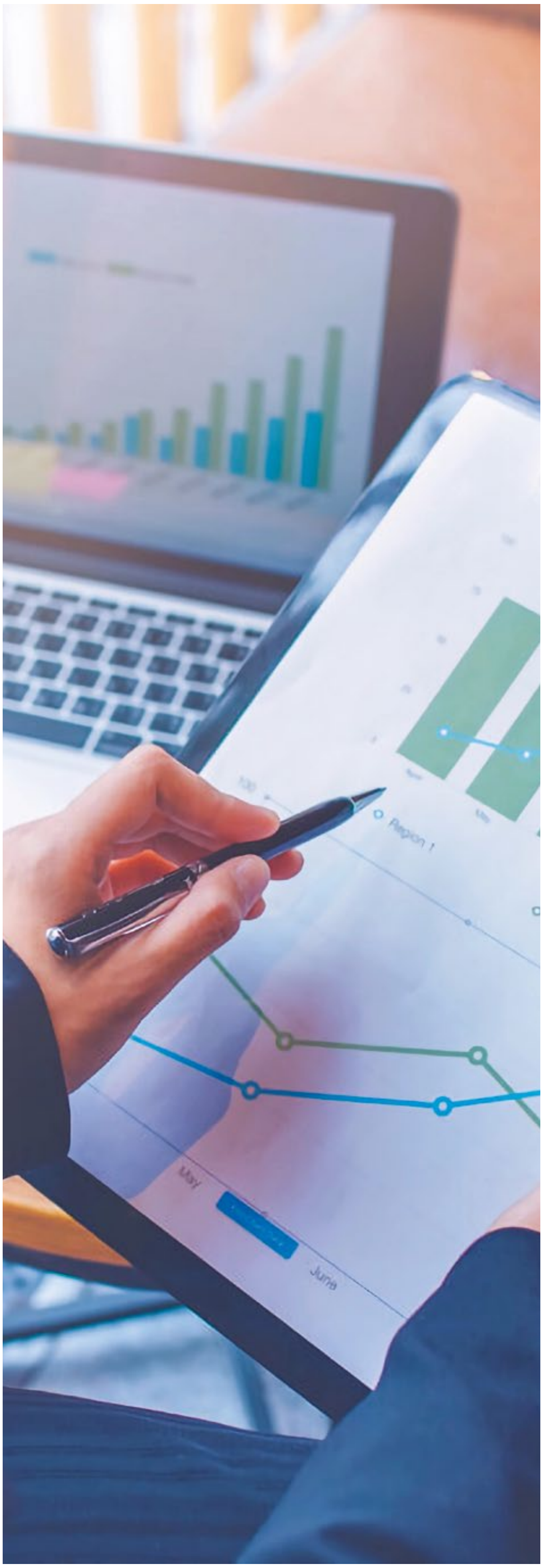
Where appropriate, this report includes historical data based on data sourced from the Group's records and systems to facilitate year-on-year comparisons.

The Group currently reports greenhouse gas ("GHG") emissions covering Scope 1, Scope 2, and selected categories of Scope 3 emissions where data is presently available and considered relevant to the Group's operations. The scope and methodology of climate-related data collection remain under development, and disclosures will continue to be refined as internal systems, assumptions and data quality improve over time.

The Group recognises that there are limitations in the availability, completeness, and accuracy of sustainability-related data across certain areas of its operations. In some instances, estimates, assumptions and reasonable proxies have been used where direct measurement is not yet feasible. At the current stage of reporting maturity, certain data from outsourced activities or broader value chain sources may not yet be fully available for reporting purposes unless otherwise stated.

The Group is in the process of enhancing its data management systems, internal controls, and reporting processes to improve data quality and coverage. Priority areas include strengthening data collection methodologies, improving system integration, and progressively enhancing climate-related disclosures over time.

SUSTAINABILITY STATEMENT



REPORTING FRAMEWORKS, STANDARDS, GUIDELINES

This Statement has been prepared with reference to the following reporting frameworks, standards, and guidelines to support alignment with applicable regulatory requirements and recognised reporting practices:

- ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia")
- Bursa Malaysia's Enhanced Sustainability Reporting Framework
- Global Reporting Initiative ("GRI") Standards
- United Nations Sustainable Development Goals ("UN SDGs")
- Selected principles from IFRS Sustainability Disclosure Standards S1 and S2, where relevant to the Group's climate-first reporting approach

Reference to IFRS S1 and IFRS S2 is intended to support the progressive enhancement of disclosures over time and should be understood in the context of the Group's current reporting maturity and climate-first phased approach.

STATEMENT OF ASSURANCE

This Statement includes data derived from audited financial statements for sections covering economic information. Non-financial data has been compiled through internal reporting processes and reviewed by the respective data owners. While this Statement has not been subjected to independent external assurance, the disclosures have been reviewed by management and approved by the Board of Directors. The Group remains committed to progressively strengthening the credibility, consistency and control environment of its sustainability-related disclosures over time.

FEEDBACK

For feedback or inquiries about our sustainability reporting, please reach out to us at:

COMPLIANCE DEPARTMENT

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

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

SUSTAINABILITY JOURNEY

The Group's sustainability journey reflects its ongoing efforts to strengthen sustainability practices and disclosures over time.

2018

- Successfully listed on Bursa Malaysia's 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 (OHSMS).

2021

- Established a Sustainability Steering Committee at the operational 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.

2025

- Naditech Energy Sdn Bhd and Naditech Power Sdn Bhd are successfully certified with ISO 9001:2015.
- Naditech Energy Sdn Bhd is additionally certified with ISO 45001:2018.
- Established the Personal Data Protection and Privacy Policy.
- Has started to align the Sustainability Statement with the IFRS S1 and S2 requirements.

SUSTAINABILITY STATEMENT

MEMBERSHIPS AND ACCREDITATIONS

CONSTRUCTION INDUSTRY DEVELOPMENT BOARD OF MALAYSIA (CIDB)

The Group has been registered with CIDB to ensure compliance with national construction standards and to uphold quality, safety, and professionalism in all project executions.

MASTER BUILDERS ASSOCIATION MALAYSIA (MBAM)

As a member of MBAM, the Group actively supports initiatives that promote excellence, innovation, and sustainability in the Malaysian construction industry.

REAL ESTATE AND HOUSING DEVELOPERS' ASSOCIATION (REHDA)

The Group is a member of REHDA, demonstrating its commitment to responsible property development and aligning with industry practices that support sustainable urban growth.

HUMAN RESOURCE DEVELOPMENT CORPORATION (HRD Corp)

The Group is also registered with HRD Corp, highlighting its commitment to continuous employee development through structured training and upskilling programs.

ISO 9001:2015

QUALITY MANAGEMENT SYSTEM (QMS)

The Group is certified with ISO 9001 QMS, reflecting a strong commitment to quality assurance and continuous improvement across all operations.

ISO 45001:2018

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS (OHSMS)

The Group also holds ISO 45001 OHSMS certification, ensuring a proactive approach to managing workplace health and safety risks.

ISO 14001:2015

ENVIRONMENT MANAGEMENT SYSTEM (EMS)

Certified with ISO 14001 EMS, GNCB demonstrates its commitment to minimizing environmental impact and promoting sustainable construction practices.

SUSTAINABILITY APPROACH

VISION

We aspire to become a dynamic and progressive leader in the industries we operate, harnessing leading technologies to build innovative and sustainable projects that benefits society.

MISSION

We harness our resources to achieve optimum returns for our stakeholders in the areas of construction, concession, utilities provision and property development.

Aligned with GNCB's Vision and Mission, the sustainability approach reflects its commitment to innovation, responsibility, and long-term value creation.

Efforts are guided by three core pillars: Environmental Protection, Economic Growth and Social Well-being. These pillars, supported by the Group's sustainability 4D core values, shape its strategies to reduce environmental impact, support sustainable economic development and create positive social outcomes.

Relevant UN SDGs are integrated into the Group's operations, and material sustainability matters are identified based on stakeholder interests and business relevance. This approach ensures transparency and accountability, and contributes meaningfully to sustainable development.

To strengthen its approach, the Group is progressively enhancing sustainability governance and climate-related disclosures in a manner that is appropriate to its current stage of reporting maturity. This includes improving visibility over climate-related risks, opportunities, data and operational responses to support more informed decision-making and a more resilient business over time.

SUSTAINABILITY PILLARS

SUSTAINABILITY CORE VALUES

The Group's approach to sustainability is rooted in its guiding "4D" core values. These values provide a framework for its operations and support long-term environmental responsibility, social accountability and economic resilience.

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

The Group's sustainability principles guide the development and implementation of initiatives across its operations, aligning its strategies with a firm commitment to creating meaningful environmental, economic and social impacts. By embedding these principles into its operations, the Group seeks to address immediate challenges while advancing holistic sustainability. This approach delivers long-term value not only to the organisation, but also to the environment and the communities it serves.

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.

CLIMATE CHANGE RESILIENCE STRATEGY

The Climate Change Resilience Strategy outlines how climate-related considerations are being progressively incorporated into the Group's business planning, operational decision-making and sustainability management. The strategy is intended to provide a practical framework for identifying relevant climate-related risks and opportunities, while supporting the Group's transition towards a more climate-aware and resilient business approach.

Implementation is supported by five key enablers: Governance, Finance, Information and Data Management, Infrastructure and Technology, and People. These enablers support the embedding of climate-related actions across the organisation. Actions are phased over the short term (0–3 years) to establish policies, data systems, and foundational improvements; the medium term (3–10 years) to integrate climate considerations into business planning, investments, and infrastructure upgrades; and the long term (10+ years) to align with long-term low-carbon transition pathways, adopt advanced technologies, and strengthen organisational resilience under future climate scenarios.

The strategy includes both mitigation actions, aimed at reducing GHG emissions and improving efficiency, and adaptation actions, focused on enhancing preparedness and protecting assets and operations from climate-related impacts.

This structured approach supports the organisation's long-term resilience and sustainability, while enabling the Group to respond effectively to evolving regulatory requirements, market expectations, and climate risks.

Climate-related considerations may affect the Group's strategic and operational decision-making in areas such as project planning, procurement, maintenance priorities, technology adoption and future investment planning. At the current stage, the Group's response is focused on practical operational improvement, better data visibility and the gradual incorporation of climate-related considerations into relevant business decisions. As internal capabilities develop, the Group intends to further strengthen how these matters inform business model resilience, resource allocation and longer-term planning.

GNCB CLIMATE CHANGE RESILIENCE STRATEGY

OBJECTIVES

Strengthening climate awareness and business resilience by progressively incorporating climate-related considerations into strategy, decision-making and operations, with a focus on:

1. Supporting the transition towards a lower-carbon operating approach; and
2. Improving resilience to climate-related physical impacts over time.

SCENARIO

Paris Agreement-aligned scenario	Business-as-usual (BAU) scenario
A lower-emissions pathway associated with stronger policy, technology and market shifts. This scenario is used to help the Group consider transition-related risks and opportunities.	A higher-emissions pathway associated with more pronounced long-term physical climate impacts. This scenario is used to help the Group consider potential operational disruption and resilience needs over time.

ENABLER

Governance	Finance	Information & Data Management	Infrastructure & Technology	People
G	F	IM	IT	P

TIME HORIZONS

Short term (0-3 years)	Medium term (3-10 years)	Long term (10+ years)
Focus on establishing policies, data systems, awareness and practical foundational improvements.	Progressively integrate climate-related considerations into business planning, investments and infrastructure improvement.	Strengthen organisational resilience over time in response to evolving transition pathways and physical climate conditions.

STRATEGY

MITIGATION ACTIONS

Short term (0-3 years)	Medium term (3-10 years)	Long term (10+ years)
G Establish climate-related policies and internal oversight arrangements	G Progressively integrate lower-carbon considerations into business planning	G Support alignment of strategy with longer-term lower-carbon transition developments
F Support budget planning for capacity building and selected efficiency improvements	F Consider investments in energy-efficient systems and technologies where relevant	F Consider investment in renewable energy and lower-carbon innovation where relevant
IM Monitor energy use and GHG emissions based on available data	IM Improve emissions data systems and performance monitoring	IM Strengthen data systems and scenario-related analysis over time
IT Implement practical energy-saving upgrades where feasible	IT Adopt more efficient and lower-carbon technologies where feasible	IT Progressively transition towards lower-carbon energy sources and systems where feasible
P Build awareness of sustainability and climate-related matters	P Build internal capability in sustainability and climate-related management	P Build longer-term sustainability culture and technical capability

ADAPTATION ACTIONS

Short term (0-3 years)	Medium term (3-10 years)	Long term (10+ years)
G Incorporate climate resilience considerations into asset and operational planning where relevant	G Strengthen oversight of longer-term climate resilience planning	G Progressively integrate climate risk considerations into broader risk management practices
F Support selected infrastructure improvements for resilience to weather-related impacts	F Consider longer-term capital needs for resilient infrastructure	F Allocate resources to address more immediate climate-related risks where relevant
IM Use available climate-related data to support infrastructure planning	IM Apply initial scenario-related insights to future climate risk considerations	IM Strengthen climate risk assessment approaches over time
IT Improve drainage, cooling and structural systems where needed	IT Design future facilities with consideration of relevant climate conditions	IT Review the condition of assets and operations against evolving climate risks
P Conduct climate-related risk and safety awareness activities	P Strengthen organisational preparedness for climate-related disruptions	P Train employees on emergency and risk response procedures

CLIMATE SCENARIO ANALYSIS

The Group has undertaken an initial qualitative review of selected climate pathways to better understand how climate-related developments may affect its operations and strategy over time. At the current stage of reporting maturity, this review is intended to support early climate awareness, risk identification and strategic consideration, and does not yet represent a fully developed quantitative scenario analysis methodology.

For this purpose, the Group considered two reference scenarios:

- A Paris Agreement-aligned scenario, representing a lower-emissions transition pathway associated with stronger policy, technology and market shifts; and
- A business-as-usual ("BAU") scenario, representing a higher emissions pathway associated with more pronounced physical climate impacts over time.

The assessment was considered across three time horizons:

- Short-term (0–3 years)
- Medium-term (3–10 years)
- Long-term (beyond 10 years)

Under the Paris Agreement-aligned scenario, the Group may face transition-related considerations such as evolving regulatory requirements, increased expectations for low-carbon solutions, changing customer preferences, and the need for gradual investment in more efficient technologies and practices. At the same time, this scenario may present opportunities related to energy efficiency, sustainable construction practices, climate-resilient development and improved market positioning.

Under the BAU scenario, the Group may face greater exposure to physical climate-related impacts over time, including potential disruption from extreme weather events, rising temperatures, changing rainfall patterns, asset deterioration and operational inefficiencies. These developments may affect project delivery, maintenance requirements, operating costs and broader business continuity if not appropriately managed.

In performing this initial qualitative review, the Group considered broad directional themes associated with the selected scenarios, including potential changes in regulatory expectations, technology adoption, market preferences, energy use, and exposure to physical climate impacts such as heat and flooding. These considerations were used to support early identification of relevant transition and physical risk themes and do not represent detailed modelling assumptions.

The Group will continue to strengthen its understanding of climate-related risks and opportunities over time. Future reporting may further enhance this assessment as internal capabilities, governance processes, assumptions and supporting data become more established.

CLIMATE TARGETS

Under Strategy 3, the Group has identified climate-related and environmental performance areas that it monitors in support of reducing its environmental footprint over time. These currently include energy use, water consumption and GHG emissions across relevant operational areas. Related targets, baselines and year-on-year performance are set out in Strategy 3: Safeguarding the Environment. The Group has established selected internal performance targets in these areas to support operational improvement and better tracking of climate-related performance. As reporting maturity improves, the Group intends to further refine target baselines, methodologies, review processes and accountability mechanisms to support more consistent and meaningful monitoring over time.

MANAGEMENT ACCOUNTABILITY

The Group has identified management roles relevant to climate-related matters across its business functions to support implementation of its Climate Change Resilience Strategy. At the current stage, climate-related responsibilities are embedded within existing operational, compliance, finance and sustainability-related functions.

Relevant climate-related information is consolidated and reported through the Group's existing governance and management channels. Material climate-related matters, including significant risks, performance updates and regulatory developments, are escalated to senior management and, where appropriate, to the Board for review and consideration.

As the Group's climate-related governance and reporting practices mature, roles, reporting lines and escalation mechanisms may be further formalised over time.

Construction & Property Development

- Consider climate matters/resilience in project planning, design and development decisions where appropriate
- Support practical low-carbon and energy-efficient measures where feasible
- Monitor climate-related issues during project execution

Facilities Management & Utilities

- Monitor energy and water usage
- Support efforts to manage emissions, resource use and efficiency improvement measures
- Maintain asset performance and operational resilience

Finance

- Consider climate-related matters in planning and budgeting where relevant
- Review funding needs for efficiency and upgrade initiatives
- Consider potential financial effects of climate-related developments
- Track climate-related spending where available

Compliance Function

- Identify climate-related matters relevant to operations
- Support climate-related risk review within existing risk processes, initial climate scenario review and related discussions
- Monitor relevant regulatory developments
- Coordinate GHG data collection and reporting, and climate-related disclosures
- Track selected climate-related indicators and targets
- Maintain climate-related data and records

Senior Management & Committees (SMC/SSC)

- Oversee climate-related priorities and actions
- Review progress on key climate-related matters
- Consider climate-related matters alongside business priorities
- Escalate significant climate-related matters to the Board where needed

CLIMATE-RELATED RISKS AND OPPORTUNITIES ANALYSIS

The Group recognises that climate change may affect its operations, financial performance and longer-term business resilience. As part of its current climate-first approach, the Group considers both physical risks, such as extreme weather and changing climate conditions, and transition risks, such as regulatory developments, evolving technologies, market expectations and reputational considerations.

The Group also recognises that climate-related actions may create opportunities to improve efficiency, strengthen resilience, and support stakeholder confidence. This analysis is intended to support ongoing management consideration, planning and decision-making as climate-related reporting and processes continue to develop.

At the current stage of reporting maturity, the Group considers transition risks associated with regulation, technology and market expectations, together with physical risks such as heat, flooding and operational disruption, to be among the more relevant climate-related considerations for its operations. These matters are assessed in the context of the Group's project delivery, facilities management, utilities activities and longer-term business resilience.

CLIMATE-RELATED RISKS MANAGEMENT

The Group adopts a structured approach to reviewing climate-related risks within its broader management of operational, compliance and environmental matters. Climate-related risks are identified from both physical and transition sources, taking into account the nature of the Group's operations and the external business environment.

Climate-related risks are currently identified through internal operational reviews, regulatory monitoring, management discussion and consideration of climate-related developments relevant to the Group's activities. Identified risks are assessed qualitatively based on their potential likelihood and impact, taking into account operational, compliance, financial and reputational considerations. The Group intends to further strengthen how climate-related risks are identified, assessed and monitored over time.

Responsibility for monitoring relevant climate-related matters currently rests with the relevant business and functional teams, with oversight from senior management and the Board where appropriate. This approach will continue to be refined as the Group enhances its climate-related governance, data and reporting processes.

Climate-related matters are also reviewed on an annual basis as part of the Group's broader enterprise risk management ("ERM") and internal control framework, including existing management reporting, risk review and escalation processes. Where relevant, material climate-related matters are monitored and escalated through the Group's established governance channels, including senior management, the Audit and Risk Management Committee ("ARMC") and the Board.

SUSTAINABILITY STATEMENT

Risk Type	Risk Category	Time Horizon	Scenario	Potential Impact	Financial Impact	Management/ Integration Strategy
Physical Risk	Acute (extreme weather events)	Short–Medium	BAU	Operational disruption and asset damage from floods, storms, or heatwaves.	Increased repair and maintenance costs, project delays leading to cost overruns, and potential revenue disruption	Emergency response planning and infrastructure maintenance
	Chronic (long-term climate changes)	Medium–Long	BAU	Reduced efficiency due to rising temperatures and changing rainfall patterns.	Higher operating costs due to increased energy consumption (cooling demand), reduced asset efficiency, and increased maintenance costs	Long-term asset planning and resource management improvements
Transition Risk	Policy & Regulation	Short–Medium	Paris Agreement-aligned	Increased compliance costs from stricter climate regulations	Higher compliance and administrative costs, potential penalties, and increased cost of operations	Monitor regulations and strengthen policy alignment
	Technology	Medium–Long	Paris Agreement-aligned	Capital requirements to upgrade to low-carbon technologies	Increased capital expenditure for energy-efficient systems and low-carbon technologies, with potential impact on cash flow	Invest in energy-efficient and low-carbon systems
	Market	Short–Medium	Paris Agreement-aligned	Shifts in customer expectations toward sustainable practices	Potential loss of revenue if unable to meet Environmental, Social and Governance ("ESG") expectations, or increased revenue opportunities from sustainable offerings	Enhance sustainability performance and offerings
	Reputation	Medium	Paris Agreement-aligned	Stakeholder scrutiny on climate performance and disclosure	Risk of reduced investor confidence, limited access to financing, and potential reputational-related revenue impact	Improve ESG governance and transparency

The Group's exposure to climate-related risks is assessed across its key operating locations, including Klang Valley, Terengganu, Kuantan, and Kuala Lumpur, and varies depending on the nature of operations and local environmental conditions. Under a BAU scenario, physical risks are expected to intensify over time. In Klang Valley and Terengganu, construction and development activities are particularly exposed to acute risks such as intense rainfall, flash flooding, and heatwaves, which may lead to site disruptions, asset damage, and delays in project delivery in the short to medium term. Over the medium to long term, chronic risks such as rising temperatures and changing rainfall patterns may reduce operational efficiency and affect resource planning.

In Kuantan, facilities management operations are more vulnerable to prolonged rainfall, flooding, and high humidity, which may increase maintenance requirements, accelerate asset deterioration, and impact overall asset performance. Meanwhile, in Kuala Lumpur, urban operations face increased exposure to heat-driven electricity demand, higher cooling requirements, and potential stress on utility infrastructure, which may affect operational efficiency and increase energy-related costs.

CLIMATE-RELATED OPPORTUNITIES

The Group has identified potential climate-related opportunities that may arise over time from improved operational efficiency, more sustainable practices and changing stakeholder and market expectations. These may include opportunities related to energy efficiency, resource optimisation, sustainable infrastructure solutions and climate-resilient development approaches. At the current stage, these opportunities are considered at a directional level and are primarily intended to inform management awareness and strategic consideration. In the near term, the Group sees practical opportunity areas in operational efficiency, resource optimisation and selected lower-carbon solutions. Over time, the Group intends to further assess which climate-related opportunities are commercially actionable and how they may influence service offerings, investment decisions and market positioning.

Opportunity Area	Time Horizon	Relevant Scenario	Potential Benefit	Financial Impact	Strategic Response
Operational Efficiency	Short–Medium	Paris Agreement-aligned	Cost savings from reduced energy and resource use	Reduced operating costs (energy and water), improved cost efficiency and margins	Implement energy efficiency and optimisation measures across operations, where feasible
Innovation & Technology	Medium–Long	Paris Agreement-aligned	Adoption of low-carbon technologies and solutions	Increased capital investment with long-term cost savings and improved asset value	Consider the adoption of sustainable technologies, including energy optimisation services and smart systems, where feasible
Market Position	Medium	BAU	Enhanced reputation, competitiveness, and access to green financing	Increased revenue opportunities, improved access to financing, and stronger market positioning	Strengthen sustainability performance, climate-related disclosures and relevant certifications to support market positioning
Resilience & Continuity	Long	BAU	Reduced disruptions and improved business continuity	Reduced financial losses from disruptions, improved operational stability and cost predictability	Strengthen long-term climate resilience planning and risk management
Green & Resilient Development	Medium–Long	Paris Agreement-aligned	Increased demand for sustainable infrastructure and climate-resilient assets	Revenue growth from green projects and improved asset attractiveness and valuation	Integrate climate-resilient design and green building practices into projects, where appropriate
Retrofit & Asset Enhancement Demand	Short–Medium	Paris Agreement-aligned	Growing demand for upgrading existing buildings to meet energy standards	Additional revenue streams from retrofitting services and energy upgrades	Explore opportunities in retrofitting, energy audits, and green upgrade services
Energy Optimisation Services	Short–Medium	Paris Agreement-aligned	New revenue streams from energy management and optimisation services	Recurring service-based revenue and improved profitability	Explore opportunities to support energy performance solutions for clients
Efficient District Cooling Systems	Medium–Long	Paris Agreement-aligned	Lower energy consumption and operational cost savings at scale	High upfront capital expenditure with long-term operational savings and potential new revenue streams	Support the deployment of efficient district cooling technologies, where relevant
Improved Utility Reliability	Medium–Long	BAU	Enhanced operational stability and reduced downtime	Reduced downtime costs, improved service reliability, and lower maintenance-related losses	Collaborate with utility providers and support reliable, lower-carbon energy solutions where feasible

CLIMATE RESILIENCE CONCLUSION

Based on its initial qualitative review of climate-related considerations, the Group considers that its business model can continue to be supported in the short to medium term through ongoing operational improvement, prudent management and the gradual strengthening of climate-related practices. This view reflects the preliminary nature of the Group's current climate scenario review and will continue to be refined as internal capabilities, data quality and governance processes develop further.

The Group therefore intends to continue strengthening how climate-related considerations are incorporated into strategic planning, operational management and sustainability reporting over time. Continuous review and gradual enhancement will remain important in supporting the Group's resilience under changing climate-related conditions.

CLIMATE-FIRST VALUE CREATION MODEL

The Group's Climate-First Value Creation Model demonstrates how climate considerations are embedded across its operations to drive sustainable value. Supported by key enablers such as governance, people, assets, and technology, climate factors are integrated into core business activities, including construction, property development, facilities, and utilities management.

The model recognises location-specific climate conditions across key operating areas, which inform the assessment of climate-related risks and opportunities, including physical and transition risks, as well as opportunities in energy efficiency and green construction.

Performance is monitored through progress management mechanisms, including GHG emissions, energy and water use, and risk management. This integrated approach supports informed decision-making, enhances operational resilience, and delivers both business value and sustainability outcomes, such as improved efficiency and reduced emissions.

CLIMATE-FIRST VALUE CREATION MODEL

INPUTS & ENABLERS

1 Financial & Regulatory Foundations
- Project Financing
- Licenses

2 People & Technical Capability
- Project Teams
- Environment, Safety and Health ("ESH") System

3 Physical Assets & Operating Locations
- Klang Valley
- Terengganu
- Kuantan
- Kuala Lumpur

4 Technology & Data Management
- Industrialized Building System (IBS)
- Building Information Modelling (BIM)
- Enterprise Resource Planning (ERP)

PRIMARY BUSINESS ACTIVITIES

Construction Services
- Project delivery capability
- Procurement & cost control
- Efficient

Property Development
- Design quality & compliance
- Marketable & Resilient Assets
- Approval & customer trust

Facility Management
- Preventive maintenance

Utilities Management
- Reliable electricity distribution
- District cooling optimisation
- System uptime & maintenance

LOCATION-SPECIFIC CLIMATE CONDITIONS

Klang Valley / Terengganu
- Flash flooding & heavy rainfall
- Urban heat & worksite productivity

Klang Valley
- Asset condition & service continuity risk

Kuantan
- Resilience for utility assets
- Urban heat

Kuala Lumpur
- Flooding

CLIMATE RELATED RISKS & OPPORTUNITIES

Physical Risks
- Flood, heat, water stress, & extreme weather disruption

Supply Chain Pressures
- Contractor readiness
- Material sourcing

Transition Risks
- Regulation & customer expectation

Opportunities
- Energy efficiency
- Green construction

PROGRESS MANAGEMENT AND MEASUREMENT

GHG Emissions | Energy, Water & Electricity Use | Governance & Oversight | Risk Management | Waste Management

VALUE OUTCOMES

1 Business & Enterprise Value Outcomes
- Stronger project & service resilience
- Improved competitiveness
- Long-term profitability

2 Sustainability outcomes
- Reduced emissions intensity
- More efficient resource use

ALIGNMENT TO GLOBAL ASPIRATION

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030. In line with this global vision, GNCB has aligned its sustainability initiatives with 11 SDGs that are considered relevant to its business activities and sustainability priorities.

SDG	SDG Target	GNCB's Commitment
Goal 3: Good Health and Well-Being	3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality, and affordable essential medicines and vaccines for all.	• Provides health benefits to employees, including medical coverage and insurance. • Organises sports and fitness activities to promote employee well-being and healthy lifestyles.
Goal 4: Quality Education	4.4: Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship. 4.5: Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations.	• Sets an annual target for at least 55% of employees to complete a minimum of 8 hours of training each year. • Maintains equal access to development opportunities by supporting gender parity in average training hours between male and female employees.
Goal 5: Gender Equality	5.1: End all forms of discrimination against all women and girls everywhere. 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.	• Targets 30% female representation in senior management positions by 2026. • Targets 35% female representation in the overall workforce by 2026, supporting gender diversity across the organisation.
Goal 6: Clean Water and Sanitation	6.3: Improve water quality by reducing pollution, eliminating dumping, and minimising the release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally.	• Implements Best Management Practices (BMPs) as outlined in the Erosion and Sediment Control Plan (ESCP) to reduce pollution and hazardous waste. • Maintains a water quality monitoring system to support compliance with environmental standards and promote water reuse. • Implements preventive measures, including silt traps and silt fences, to minimise environmental impact during operations. • Engages laboratories accredited under the Skim Akreditasi Makmal Malaysia ("SAMM") to conduct monitoring, sampling and reporting activities.
Goal 8: Decent Work and Economic Growth	8.3: Promote development-oriented policies that support productive activities and decent job creation. 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	• Employs local individuals across various roles, contributing to economic activity and job creation. • Provides competitive remuneration and employee benefits to support workforce well-being. • Maintains ISO 45001:2018 certification for occupational safety, health and risk management systems. • Targets zero incidents resulting in permanent disability or fatality among permanent and contract employees.

SUSTAINABILITY STATEMENT

SDG	SDG Target	GNCB's Commitment
Goal 9: Industry Innovation and Infrastructure	9.1: Develop quality, reliable, sustainable, and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	• Develops quality, reliable, sustainable and resilient infrastructure that supports economic development and community well-being. • Adheres to the Quality Assessment System in Construction ("QLASSIC") standards to support workmanship quality and long-term durability in construction projects. • Emphasises client satisfaction as a key performance consideration in project delivery.
Goal 11: Sustainable Cities and Communities	11.1 Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	• Delivers affordable housing projects with essential facilities that support quality of life, the national housing agenda and sustainable urban development.
Goal 12: Responsible Consumption and Production	12.4: Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment. 12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse. 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	• Manages hazardous waste in compliance with applicable regulatory requirements. • Tracks recycled waste at headquarters and project sites to support responsible waste management practices. • Publishes an Annual Sustainability Statement outlining the Group's sustainability strategies, initiatives and progress.
Goal 13: Climate Action	13.2: Integrate climate change measures into national policies, strategies, and planning.	• Discloses Scope 1, Scope 2 and selected Scope 3 GHG emissions in line with recognised sustainability reporting practices. • Establishes selected emissions reduction targets to support ongoing climate-related performance improvement.
Goal 14: Life Below Water	14.1 Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.	• Organises annual beach clean-up activities in conjunction with World Environment Day to support marine conservation and reduce pollution.
Goal 16: Peace, Justice, and Strong Institutions	16.5: Substantially reduce corruption and bribery in all their forms.	• Conducts business with zero tolerance for bribery and corruption. • Maintains compliance with the Malaysian Anti-Corruption Commission Act 2009. • Recorded zero corruption cases in FY2025. • Recorded no disciplinary or dismissal cases arising from non-compliance with anti-corruption policies in FY2025.

SDG	SDG Target	GNCB's Commitment
Goal 17: Partnerships for the Goals	17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	• Fosters collaborations that support sustainable impact. • Collaborates with corporations, business partners, Non-Governmental Organisations ("NGOs") and industry stakeholders to strengthen sustainability performance. • Leverages cross-sector partnerships to support shared expertise, innovation and resource sharing for broader social and environmental value.

BUILDING STRONG STAKEHOLDER RELATIONSHIPS

GNCB recognises that continuous communication and strong engagement with its stakeholders are fundamental to fostering an inclusive and effective sustainability approach. The Group defines its stakeholders as individuals, entities, or organisations that are either impacted by or capable of influencing GNCB's business model and operations. Maintaining open and transparent communication with these stakeholders is essential to ensuring their interests are acknowledged and their voices are heard throughout the decision-making processes.

Sources	Stakeholders	Needs and Expectations	Engagement Methods
Internal	Employees	• Clear targets and direction • Employee well-being • Long-term value creation • Trust and credibility	• Employee training programmes • Safety briefings and workshops • Regular team meetings
External	Customers	• Quality construction and property development • Timely project delivery • Competitive pricing • Functional and appealing design features	• Regular project updates • Customer feedback surveys • Customer service channels • Corporate website and social media platforms
	Regulators and Local Authorities	• Regulatory compliance • Environmental sustainability • Transparent reporting	• Compliance audits • Submission of environmental and safety reports • Formal consultations
	External Providers	• Timely payment • Strong business relationships • Clear contract terms	• Supplier evaluation programmes • Contractual agreements • Supplier relationship management
	Shareholders and Investors	• Consistent financial performance • Transparency • Sustainable growth	• Annual general meetings • Quarterly financial reporting • Investor relations engagements
	Financial Institutions	• Loan repayment discipline • Creditworthiness • Transparent financial reporting	• Timely financial updates • Regular meetings • Compliance with financing requirements
	Local Communities	• Employment opportunities • Community development • Minimal environmental impact	• Job portals and application platforms • Corporate social responsibility (CSR) programmes • Collaboration with local stakeholders • Donations and community support initiatives
	Project Partners (Concessions)	• Effective project management • Compliance with agreed terms • Clear communication	• Joint steering committees • Progress reporting • Conflict/Issue resolution mechanisms

SUSTAINABILITY STATEMENT

ASSESSMENT OF MATERIAL SUSTAINABILITY MATTERS

To strengthen the Group's sustainability journey, the Group systematically identifies and evaluates material matters by considering the interests and needs of its stakeholders. A comprehensive materiality assessment is conducted once every three years to ensure that the Group's focus areas remain relevant, taking into account evolving sustainability trends, global risks and industry benchmarks.

The materiality assessment process comprises four distinct phases: Identification, Prioritisation, Illustration and Validation. Feedback from both internal and external stakeholders is gathered through surveys, and the resulting data is analysed to develop a materiality matrix.

This matrix enables the Group to understand the significance of each material matter to its decision-making processes and business model. It also supports the development of more informed business strategies and strengthens risk management practices.

MATERIALITY ASSESSMENT PROCESS

IDENTIFICATION of sustainability matters

- The company's operating context was understood.
- Key internal and external stakeholders and their needs and expectations were identified as in the stakeholder engagement section.
- A preliminary rundown of sustainability matters was provided.

PRIORITIZATION of material sustainability matters

- The materiality concept was applied, and stakeholder engagement was undertaken to support the prioritization of sustainability matters.

ILLUSTRATION via materiality matrix

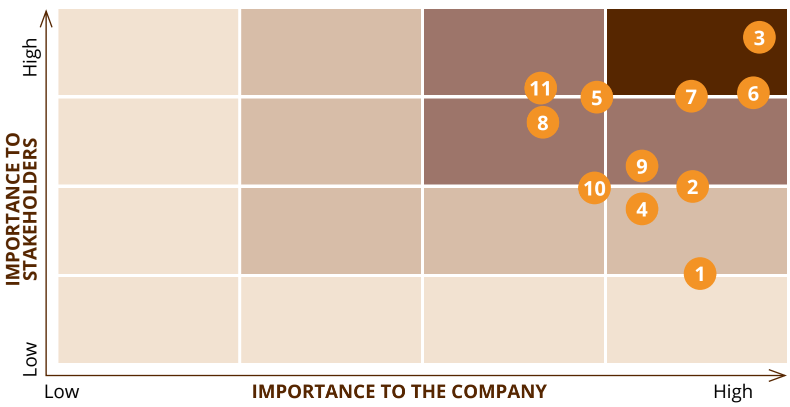
- Prioritized material sustainability matters were disclosed in a manner that illustrated the relative importance of each material sustainability matter via materiality matrix.

VALIDATION of materiality assessment

- The outcome of the materiality assessment was subjected to validation and approval.
- The frequency of undertaking the materiality assessment was determined to be every three years.

Stakeholders	Materiality Matters
Employees	• Workplace Environment, Safety and Health • Diversity & Inclusion • Learning & Development
Customers	• Product & Service Quality • Customer Satisfaction
Regulators and Local Authorities	• Environmental Regulatory Compliance • Environmental Footprint • Leadership & Governance
External Providers	• Product & Service Quality • Ethics & Integrity • Environmental Regulatory Compliance
Shareholders and Investors	• Leadership & Governance • Ethics & Integrity • Economic Growth
Financial Institutions	• Leadership & Governance • Economic growth • Environmental Regulatory Compliance

Stakeholders	Materiality Matters
Local Communities	• Environmental Footprint • Community Investment • Diversity & Inclusion
Project Partners (Concessions)	• Economic Growth • Leadership & Governance • Product & Service Quality



1 Leadership & Governance
2 Ethics & Integrity
3 Economic Growth
4 Environmental Regulatory Compliance
5 Environmental Footprint
6 Product & Service Quality
7 Customer Satisfaction
8 Workplace Environment
9 Diversity & Inclusion
10 Learning & Development
11 Community Investment

SUSTAINABILITY STRATEGIES

To advance its commitment to sustainable development, GNCB has established a comprehensive set of sustainability strategies that integrate key environmental, economic and social priorities into its core operations.

These strategies are designed to guide the company in creating long-term value for stakeholders while contributing to national and global sustainability agendas. Each strategy focuses on specific material sustainability matters and is aligned with relevant GRI indicators and the UN SDGs.

The six strategies are used to form the foundation of GNCB's approach to sustainable and responsible business practices. Detailed chapters will further elaborate on each strategy and its implementation roadmap.

Sustainability Pillar	Sustainability strategy	Material sustainability matters	GRI indicators	SDGs
Economic growth	Strategy 1: Robust Governance Structure	• Leadership and Governance	205: Anti-Corruption 418: Customer Privacy	
	Strategy 2: Sustainable Economic Strength	• Economic Growth	201: Economic Performance 203: Indirect Economic Impacts 204: Procurement Practices	
Environmental protection	Strategy 3: Safeguarding the Environment	• Environmental Regulatory Compliance • Environmental Footprint	302: Energy 303: Water and Effluents 305: Emissions 306: Waste	

SUSTAINABILITY STATEMENT

Sustainability Pillar	Sustainability strategy	Material sustainability matters	GRI indicators	SDGs
Social well-being	Strategy 4: Enhancing Our Product Quality	• Product & Service Quality • Customer Satisfaction	-	9, 8, 11
	Strategy 5: Workforce Empowerment	• Workplace Environment, Safety and Health • Diversity and Inclusion • Learning and Development	401: Employment 403: Occupational Health & Safety 404: Training and Education 405: Diversity and Equal Opportunity	4, 3, 16, 5
	Strategy 6: Serving the Community	• Community Investment	413: Local Communities	17, 3

STRATEGY 1
ROBUST GOVERNANCE

Targets and Progress

Sustainability Matters	Target(s)	Progress			Performance for FY2025
		FY2023	FY2024	FY2025	
Leadership and Governance	**Zero** non-compliance with 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.	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 cases	Zero confirmed cases	**Zero confirmed cases**	On track as per target

Leadership and Governance Performance

Strong leadership and transparent governance are fundamental to the Group's ability to deliver its sustainability commitments. The Group's governance approach ensures that sustainability is integrated into corporate decision-making, supported by clear structures, policies and accountability mechanisms. This section sets out two key components of the Group's governance framework:

- Sustainability Governance Structure
- Group Corporate Policies

Sustainability governance structure

GNCB has established a structured Sustainability Governance framework to support the effective implementation and oversight of sustainability initiatives. Operational departments across the Group are responsible for carrying out sustainability-related activities in line with company policies.

These departments report to the Sustainability Steering Committee (SSC), which coordinates sustainability efforts across the organisation. The SSC reports to the Sustainability Management Committee (SMC), made up of senior management, which oversees strategy, key decisions, and sustainability risks. The SMC reports directly to the Board of Directors, ensuring sustainability is addressed at the highest level of governance.

The Board of Directors provides oversight of sustainability-related matters, including climate-related matters where relevant. These matters are brought to the attention of the Board through the Group's existing governance processes, where relevant, including through updates on significant risks, regulatory developments, key performance information and matters requiring strategic consideration. As the Group's climate-related reporting practices mature, the frequency, format and scope of climate-related reporting to the Board may be further formalised.

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	ESH

Group corporate policies

GNCB has established corporate policies to uphold ethical conduct, compliance, and sustainability. These policies support responsible business practices and align with the Group's values. Board and Management Policies guide leadership behaviour, accountability, and ethical decision-making, while Corporate Policies ensure employees work with integrity, safety, compliance, and a focus on long-term sustainability.

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

Board and Management Policies	Corporate Policies
• Board Charter • Director & Senior Management Remuneration Policy • Directors' Fit & Proper Policy • Board & Senior Management Diversity Policy • External Auditors' Policy • Related Party Transactions Policy & Procedures	• Code of Ethics & Conduct Policy • Employee Handbook • Internal Control & Enterprise Risk Management Handbook • Anti-Bribery & Corruption ("ABC") Policy • No Gift Policy • Whistleblowing Policy • Conflict of Interest Policy • Insider Trading Policy • Quality, Environment and Safety & Health Policies • Drug and Alcohol Policy • Sustainability Policy • Personal Data Protection & Privacy Policy

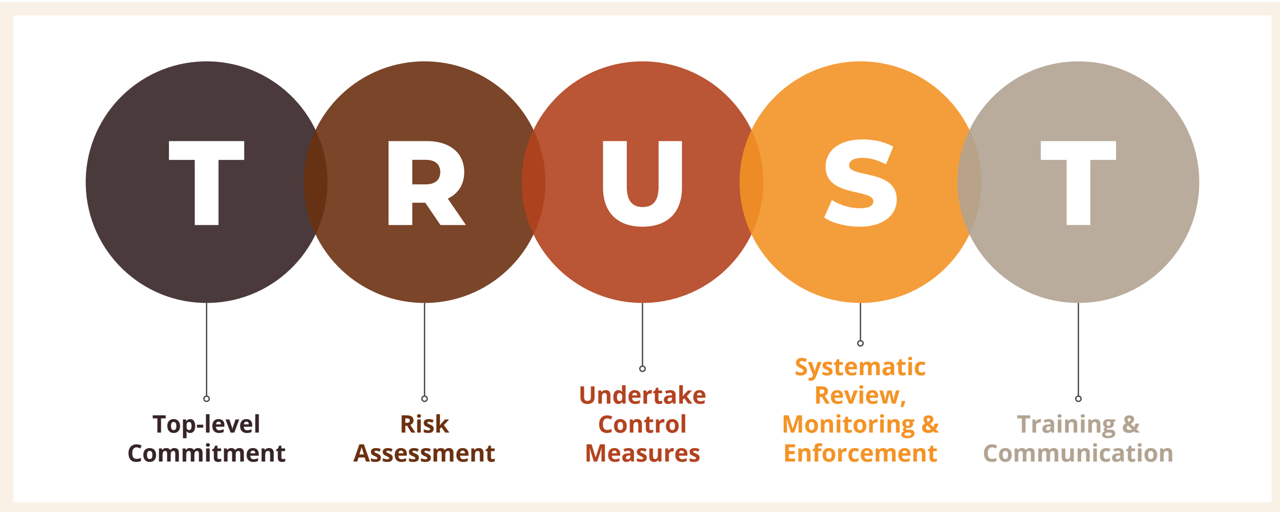
Ethics and Integrity Performance

GNCB upholds high standards of ethics, integrity, and accountability in all business dealings. The Group adopts a zero-tolerance approach toward unethical practices and ensures that governance mechanisms are in place to promote transparency, responsible conduct, and regulatory compliance across its operations. These measures strengthen stakeholder confidence, safeguard the Group's reputation, and support sustainable business practices.

SUSTAINABILITY STATEMENT

Anti-bribery and corruption stance

GNCB is committed to ethical business conduct and high standards of integrity through the implementation of its ABC Programme. The ABC Programme is established based on the TRUST principles and is guided by the Malaysian Anti-Corruption Commission (Amendment) Act 2018. It is further supported by the Group's Code of Ethics and Conduct, ABC manual and handbook, which serve as key references in promoting transparency and accountability across its operations. The Bribery and Corruption Risk Assessment Process is conducted annually to systematically identify, assess and address potential bribery and corruption risks. The programme also includes structured training and briefings for both Board members and employees. Progress is monitored through the number and percentage of personnel trained across various organisational levels. Through these measures, the Group seeks to foster a workplace culture that upholds integrity, transparency and zero tolerance for bribery and corruption.



BRIBERY AND CORRUPTION RISK ASSESSMENT PROCESS

Context Establishment → **Risk Identification** → **Risk Analysis** → **Risk Evaluation** → **Risk Treatment**

EMPLOYEES WHO RECEIVED ABC TRAINING

Reporting Year	Focus Group	Total	Percentage
FY2024	All Employees	115	46%
FY2025	New Hires	20	87%

BREAKDOWN OF TRAINED NEW HIRES BY CATEGORY IN 2025

Category	Number	Percentage
Top Management	0	0%
Senior Management	2	10%
Executive	11	55%
Non-Executive	7	35%

Whistleblowing mechanism and reported corruption cases

GNCB maintains a whistleblowing procedure to support a culture of integrity, accountability and ethical conduct across its operations. Employees and third parties are encouraged to report any suspected misconduct, including corruption, fraud, abuse of power, or other misconduct, that may harm the Group's reputation or breach legal and ethical standards.

The whistleblowing process is designed to provide a safe and secure channel for reporting. It includes measures to protect whistleblowers from retaliation, in accordance with the Whistleblower Protection Act 2010.

All reports received are reviewed and investigated in accordance with established procedures. Where allegations are substantiated, appropriate disciplinary or corrective action is taken. The Group adopts a zero-tolerance approach to corruption and remains committed to maintaining strong governance and ethical business conduct across its operations.

To report, email the Chairman of the ARMC at:

The Chairman,
Audit and Risk Management Committee,
chngboonhuat@hotmail.com
F-1 @ 8 Suria, 33, Jalan PJU 1/42, Dataran Prima,
47301 Petaling Jaya, Selangor Darul Ehsan.
Tel: 03-7887 3388 / Fax: 03-7887 3355

0
corruption cases were reported during FY2025

0
number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies in FY2025

0
substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2025

Data privacy and security

The Group collects a substantial volume of customer data as part of its business operations, making data protection and confidentiality a top priority. In full compliance with the Personal Data Protection Act 2010 (PDPA), the Group remains committed to upholding the highest standards of data privacy and security.

Each year, the Group reinforces its dedication to safeguarding digital assets by proactively monitoring cybersecurity threats, implementing robust protective measures, and leveraging advanced monitoring tools to ensure timely detection and response to potential incidents.

In addition, the Group continues to cultivate a strong culture of cybersecurity awareness among GNCB employees by promoting best practices and encouraging continuous knowledge sharing in their daily responsibilities.

STRATEGY 2
SUSTAINABLE ECONOMIC STRENGTH

Targets and Progress

Sustainability Matters	Target(s)	Progress			Performance for FY2025
		FY2023	FY2024	FY2025	
Economic growth	Maintain 100% appointment of local suppliers and subcontractors yearly.	N/A	100%	**100%**	On track as per target

Target and progress for Strategy 2 were established & reported on FY2024

SUSTAINABILITY STATEMENT

Economic Growth Performance

GNCB has established a strong reputation as a responsible organisation committed to generating sustainable economic value for both the company and its stakeholders. Through its diverse operations, GNCB has contributed to direct economic distributions while promoting positive impacts on local economies and social development. This strategic approach has enabled the company to consistently enhance its financial performance while advancing its broader sustainability objectives.

RETURN ON EQUITY (%)
15.47 %
Year 2024 > 1.25%

NET DEBT TO EQUITY RATIO
0.30 Ratio
Year 2024 > 0.22 ratio

CONSTRUCTION ORDER BOOK
229 million
Year 2024 > 460 million

Economic Value Generated and Distributed

The distribution of economic value is an important aspect of the Group's overall financial performance and long-term sustainability. GNCB seeks to create and distribute economic value responsibly through operational efficiency, sustainable business practices and ethical conduct. By investing in its people, processes and technological capabilities, the Group aims to deliver quality products and services while supporting business resilience and stakeholder value creation.

The Group recognises that long-term success is not measured solely by financial results, but also by the value created for employees, customers, suppliers and shareholders. A fair distribution of economic value supports trust, strengthens stakeholder relationships and contributes to sustainable growth. In this regard, the Group is committed to providing competitive employee remuneration, maintaining constructive supplier relationships and delivering equitable returns to shareholders, while taking into account the broader social and environmental impacts of its operations on the communities it serves.

ECONOMIC VALUE GENERATED ('000)

REVENUE	RM 413,583	YEAR 2024 > RM 262,808
NET PROFIT	RM 91,479	YEAR 2024 > RM 6,900
MARKET CAPITALISATION	RM 308,730	YEAR 2024 > RM 218,370

ECONOMIC VALUE DISTRIBUTED ('000)

REPAYMENT TO FINANCIERS	RM 11,782	YEAR 2024 > RM 10,915
PAYMENT TO DIRECTORS & EMPLOYEE (Salaries, Remuneration, etc.)	RM 29,264	YEAR 2024 > RM 27,252
GOVERNMENT (INCOME TAX)	RM 16,753	YEAR 2024 > RM 12,714
COMMUNITY INVESTMENT	RM 106	YEAR 2024 > RM 56

Value Creation from Projects

1. Economic Value

The Group's projects contribute significantly to economic growth by generating revenue and improving profitability. The Group also creates job opportunities, both directly and indirectly, supporting livelihoods across its operating communities. In addition, the Group's procurement practices prioritise local vendors and small and medium enterprises (SMEs), strengthening local supply chains and promoting inclusive economic participation.

2. Social Impact

The Group's projects contribute to local development by engaging with communities and supporting broader social outcomes. This includes the construction of affordable housing, educational institutions, and healthcare facilities that meet community needs. The Group also supports skills development, employability and workforce capability. By enhancing infrastructure and public services, its initiatives also contribute to improving the quality of life in the surrounding communities.

3. Environmental Benefits

Environmental sustainability is a key consideration in the Group's project execution. The Group implements environmental pollution control measures to minimise air, water and soil contamination during the construction and operational phases of its projects. These measures include waste management, dust suppression and erosion control. In addition, the Group adopts circular construction practices to reduce waste and promote resource efficiency, supporting responsible environmental stewardship.

4. Innovation & Digital Transformation

Innovation is embedded in the Group's project delivery approach. The Group applies technologies such as Building Information Modelling (BIM), as demonstrated in projects including Masjid Al-Sultan Abdullah at Presint Merdeka 118 and MRSM Dungun. These technologies support improvements in construction efficiency, safety and quality. Digitalisation is also applied to enhance project monitoring, safety management and stakeholder communication, thereby supporting better overall project outcomes.

5. Governance & Risk Management

The Group maintains governance oversight across its projects through a structured risk assessment process. This includes consideration of ESG factors at the early planning stages. Identified risks are assessed based on their likelihood and potential impact, with mitigation measures developed and monitored accordingly. Risk status and mitigation progress are documented and reviewed to support accountability, compliance and stakeholder confidence.

6. Stakeholder Collaboration

The Group collaborates with government agencies, NGOs, academic institutions, and private-sector partners to support inclusive and effective project outcomes. Community feedback is actively sought and incorporated during planning, resulting in shared value creation through public-private partnerships.

Masjid Al-Sultan Abdullah, Presint Merdeka 118, Kuala Lumpur

7. Alignment with Broader Goals

The Group's projects are aligned with national priorities and global agendas, including the UN SDGs. They also support national development plans and contribute to the transition towards a low-carbon economy. Each project is carefully designed to support the Group's long-term strategic objectives while generating sustainable value for stakeholders and society at large.

SUSTAINABILITY STATEMENT

Supply Chain Management

GNCB is dedicated to enhancing supplier standards and establishing a value chain that complies with industry regulations. The Group 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 centralised efforts.

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

100%
of *local suppliers and subcontractors were appointed in FY2025

STRATEGY 3
SAFEGUARDING THE ENVIRONMENT

Targets and Progress

Sustainability Matters	Target(s)	Progress FY2023	Progress FY2024	Progress FY2025	Performance for FY2025
Environmental Regulatory Compliance	Maintain ISO 14001:2015 EMS certification	Successfully Maintained	Successfully Maintained	**Successfully Recertified**	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 corporate offices by 2026. ***(from baseline)**	239.14 MWh	257.99 MWh	**245.66 MWh**	A 1% rise in electricity use due to the expansion of operational activities
	5% reduction in water consumption at GNCB head office and Property Development office by 2026. ***(from baseline)**	87,885 m^3	67,176 m^3	**107,041 m^3**	A 36% rise in water consumption is attributed to enhanced monitoring and improved data collection practices.
	2% reduction in Scope 1 emissions by 2026.	N/A	1,384.91 $mtCO_2e$	**774.42 $mtCO_2e$**	A 44% reduction in Scope 1 emissions was achieved due to reduced fuel consumption across operations and optimisation of equipment usage in FY2025.

Sustainability Matters	Target(s)	Progress			Performance for FY2025
		FY2023	FY2024	FY2025	
Environmental Footprint	2% reduction in Scope 2 emissions by 2026.	N/A	2,355.78 $mtCO_2e$	**10,406.39 $mtCO_2e$**	The increase in Scope 2 emissions was primarily due to the inclusion of Electricity Distribution System (EDS) data for FY2025.
	2% reduction in Scope 3 emissions by 2026 for Category 5 (Waste), Category 6 (Business Travel) and Category 7 (Employee Commuting).	N/A	1,305.15 mtCO2e	**1,512.82 mtCO2e**	The 15% increase in Scope 3 emissions was primarily due to the inclusion of Category 6 (business travel) data in FY2025.

Targets and progress for Scope 1,2,3 were established & reported on FY2024

Note:
Unless otherwise stated, target progress is measured against internally established baselines using the best available operational data at the reporting date. Certain year-on-year changes, particularly for Scope 2 and selected Scope 3 emissions, reflect expanded reporting boundaries, improved data coverage and ongoing methodology refinement. The Group intends to continue strengthening baseline clarity, comparability and supporting methodology disclosures over time.

Environmental Regulatory Compliance Performance

In FY2025, the Group successfully recertified its ISO 14001:2015 EMS, reflecting its ongoing commitment to effective environmental management practices. Compliance with environmental quality monitoring requirements, including air, water, and noise parameters, remained high at 99% across all operational sites, consistent with performance in previous years. Overall, the Group's performance remains on track with established targets, supported by robust monitoring systems, proactive management measures, and continuous improvement initiatives.

0

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

Certified ISO 14001 EMS

LRQA CERTIFIED ISO 14001

In support of its commitment to environmental management and sustainability, the Group has maintained its ISO 14001 certification since 2019. This internationally recognised standard provides a framework for effective environmental management and reflects the Group's commitment to minimising environmental impacts, improving resource efficiency and ensuring compliance with environmental regulations, while continuously strengthening its sustainability practices.

Environment Regulatory Compliance

GNCB is committed to environmental sustainability by maintaining a high level of compliance with applicable environmental legal requirements. During the reporting period, no instances of non-compliance were recorded. Relevant functions work together to ensure that operational activities align with applicable regulations and industry practices for environmental compliance.

In addition to its proactive approach to compliance, the Group regularly reviews and updates its processes and procedures to ensure alignment with applicable regulatory standards. This supports the Group's ability to respond to evolving environmental laws and industry guidelines, manage potential risks and maintain sound operational practices. By fostering a culture of compliance, the Group also supports environmental protection and the sustainability of its operations.

SUSTAINABILITY STATEMENT

ENVIRONMENT MONITORING PERFORMANCE

	Air Quality	Water Quality		Noise	
Project	**TSP/PM10**	**TSS**	**Oil & Grease**	**Day**	**Night**
MRSM Dungun	68.0 µg/m³ ✓	9.3 mg/L ✓	N/A	52.9 mg/L ✓	47.5 mg/L ✓
	260 µg/m³	50 mg/L	N/A	55 dB(A)	50 dB(A)
Rumah Idaman Bukit Jelutong	82.5 µg/m³ ✓	9.3 mg/L ✓	1.0 mg/L ✓	61.1 mg/L ✓	50.7 mg/L ✓
	260 µg/m³	50 mg/L	10 mg/L	65 dB(A)	55 dB(A)
Rumah Idaman Kwasa Damansara R4-1	54.5 µg/m³ ✓	3.5 mg/L ✓	3.1 mg/L ✓	61.3 mg/L ✓	56.3 mg/L ✓
	100 µg/m³	50 mg/L	10 mg/L	65 dB(A)	55 dB(A)

Average Reading   Permissible Limit   ✓ Within Permissible Limit

Environment Monitoring and Protection

To support legal compliance and environmental protection, the Group monitors air quality, noise levels and water quality at its project sites. SAMM-accredited laboratories are engaged to carry out monitoring, sampling and reporting activities, supporting the accuracy and reliability of the results. This monitoring helps the Group assess compliance with applicable regulatory requirements and respond to environmental issues in a timely manner. Through these measures, the Group seeks to manage its environmental impacts responsibly and safeguard the well-being of nearby communities.

In addition, the Group has established control measures to reduce the environmental impacts arising from its construction activities. For dust suppression, suitable techniques are applied to reduce airborne particles and maintain site cleanliness. Runoff and sediment control measures are implemented to help prevent soil erosion and protect nearby water bodies. To manage noise impacts, the Group applies both engineering and administrative controls to minimise disturbances to surrounding communities. These measures support the Group's commitment to carrying out construction activities in an environmentally responsible manner.

Environmental Pollution Control Measures		
Category		**Control Measures**
Air	Dust suppression	Water spray application
		Wash-through systems for vehicles/ equipment
		Dust screens and physical barriers
Water	Runoff and sediment control	Silt fences
		Sediment basins
		Erosion control blankets
Noise	Noise control	Acoustical barrier
		Regular inspection & maintenance of machinery
		Restriction of nighttime work (with a valid permit)

Environmental Footprint Performance

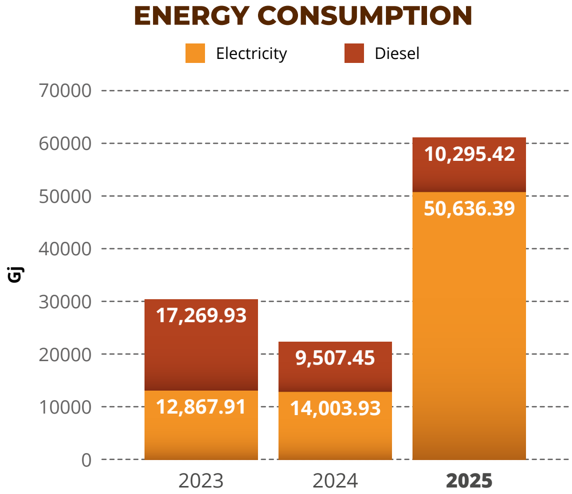
The Group's environmental footprint performance is assessed across four key areas: energy, GHG emissions, water, and waste. Energy consumption includes electricity and fuel, which are primary contributors to the Group's operational emissions. GHG emissions are monitored across Scopes 1, 2, and selected Scope 3 categories to track the Group's carbon footprint and support emissions-reduction targets.

Water consumption is managed to promote efficient use of resources across operations, while waste management focuses on minimising waste generation and improving disposal and recycling practices. Together, these indicators provide a comprehensive view of the Group's environmental impact and support ongoing efforts to enhance resource efficiency, reduce emissions, and improve overall environmental performance.

Energy Consumption Performance

The Group's total energy consumption showed a slight decrease from 30,137.84 GJ in 2023 to 23,511.38 GJ in 2024, followed by a significant increase to 60,931.81 GJ in 2025. The increase in 2025 was mainly driven by higher electricity consumption, which rose to 50,636.39 GJ, in line with the expansion of operational activities and improved data coverage.

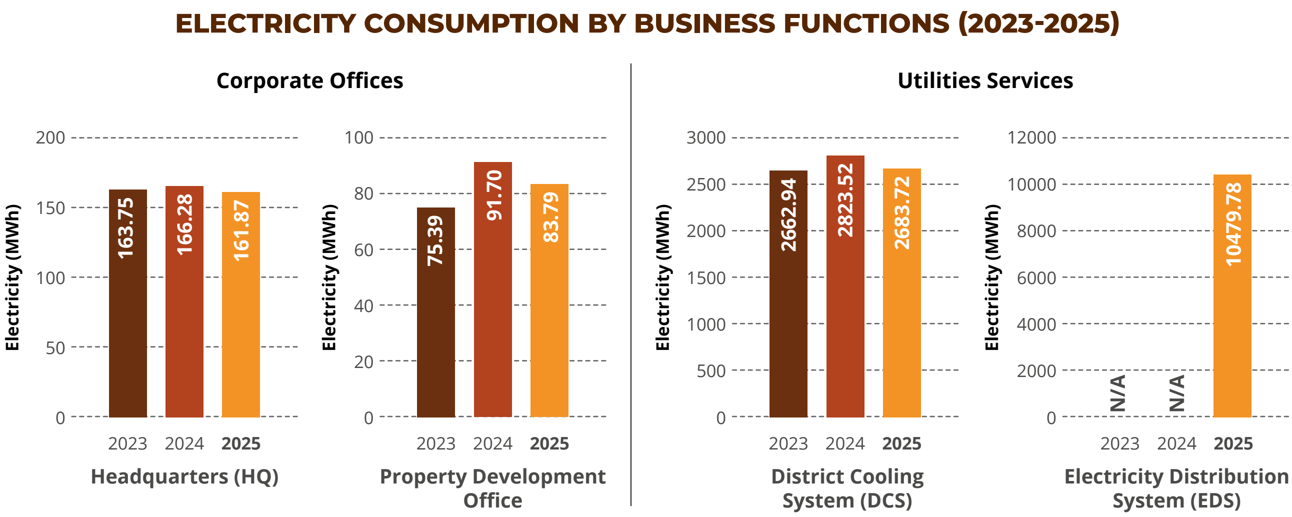
Category	2023	2024	2025
Electricity (GJ)	12,867.91	14,003.93	50,636.39
Diesel (GJ)	17,269.93	9,507.45	10,295.42
Total	**30,137.84**	**23,511.38**	**60,931.81**



Electricity Consumption

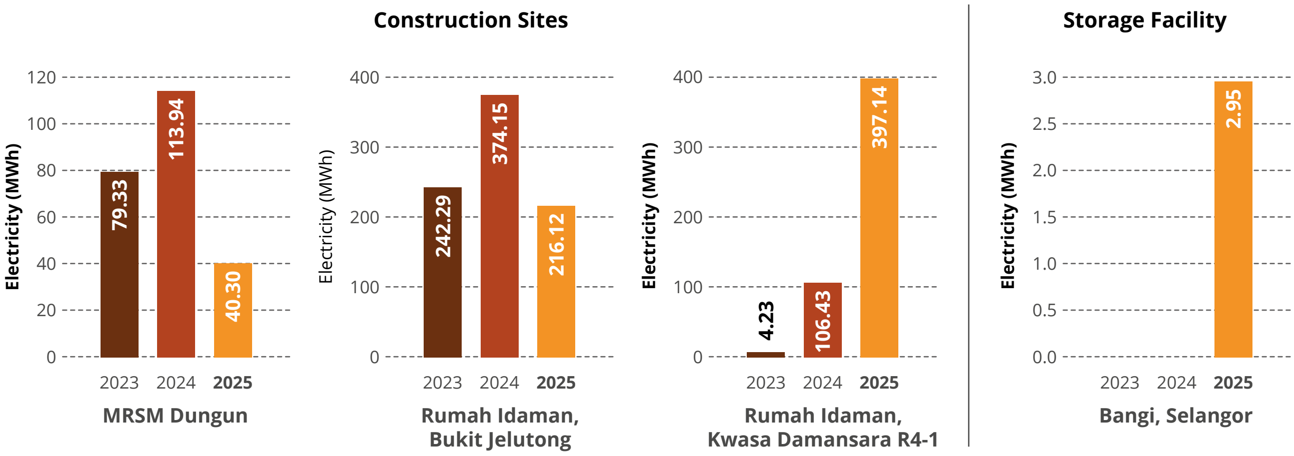
Breakdown by Business Function	Electricity Consumption (MWh)		
	2023	2024	2025
Corporate offices	239.14	257.98	245.66
Utilities services	2,662.94	2,823.52	13,163.60
Construction sites	672.34	808.47	653.56
Storage facility	-	-	2.95
Total (MWh)	3,574.42	3,889.97	[1.] 14,065.77
Total (GJ)	12,867.91	14,003.93	50,636.39
Baseline (MWh) from Corporate offices		242.24	
Percentage of Reduction from Baseline of Corporate Offices		[2.] -1.41%	

Notes:
1. *Total electricity consumption increased significantly from 3,574.42 MWh in 2023 to 14,065.77 MWh in 2025, primarily due to the inclusion of electricity data from EDS operations under Utilities Services, which recorded 10,479.78 MWh in 2025.*
2. *A 1.41% increase in electricity consumption was recorded compared to the baseline, attributed to the expansion of operational activities, including the incorporation of electricity distribution services data collection.*



SUSTAINABILITY STATEMENT

ELECTRICITY CONSUMPTION BY BUSINESS FUNCTIONS (2023-2025)

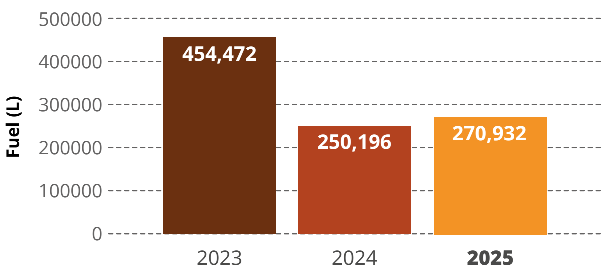


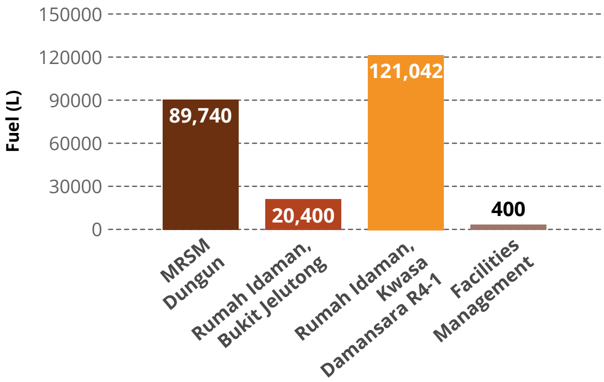
Fuel consumption

Year	2023	2024	2025
Total (L)	454,472	250,196	270,932
Total (GJ)	17,269.93	9,507.45	10,295.42
Baseline (L)	← 315,773 →		

Notes:
The data covers diesel consumption from construction and facilities management activities only, excluding petrol usage from the company-operated vehicles.

DIESEL CONSUMPTION BY OPERATIONS





Sustainable Energy Solution through District Cooling System

The Group offers sustainable cooling solutions through its District Cooling System (DCS) at Datum Jelatek Mall, supporting efficient and low-carbon urban development. The system is designed with high cooling capacity and an extensive distribution network, enabling optimised energy performance and reduced electricity demand compared to conventional cooling systems.

Through the integration of energy-efficient chillers, water-efficient operations, and smart monitoring systems, the Group enhances operational efficiency while minimising environmental impact. In addition, built-in redundancy features ensure reliable and uninterrupted service delivery. This reflects the Group's commitment to providing sustainable infrastructure solutions that support energy conservation, reduce GHG emissions, and contribute to the development of resilient and low-carbon communities.

Storage Tank

OVERVIEW OF DISTRICT COOLING SYSTEM AT DATUM JELATEK 2024

System Capacity & Infrastructure

Average Cooling Capacity: 291,692 RT

- Piping Material: Carbon steel pipe
- Chiller Water Piping Network: Extensive systematic distribution system
- Equipped with Thermal Energy Storage (TES) tank

Energy Efficiency

Chiller Efficiency (EER): 0.765 kW/RT

- Significantly reduces electricity demand compared to conventional cooling systems

**EER: Energy Efficiency Ratio*

Water Usage Efficiency

- Evaporator Side: Closed-loop system (between chiller and building) – minimizes water loss
- Condenser Side: Open-loop system (between chiller and cooling tower) – optimized for heat rejection with controlled water treatment

Redundancy & Reliability

Backup Configuration: Full N+1

- Coverage: Each critical component (chillers, pumps, cooling towers) has one standby unit
- Ensures uninterrupted operation during maintenance or failure

Smart Monitoring & Automation

System control: SCADA

- Controller: MODICON M340 BMXP342020 PLC with IO modules
- Real-time monitoring, remote operation, predictive maintenance

Certification

ISO 9001 & ISO 45001

- QMS
- Occupational Health & Safety Management
- Demonstrates commitment to efficient, sustainability, compliance, and safe operations

SUSTAINABILITY IMPACT

- ✔ Supports energy conservation
- ✔ GHG emission reduction
- ✔ Low-carbon city infrastructure
- ✔ Enables long-term operational cost savings
- ✔ Reliable cooling delivery for large developments

Chiller Plant Units

Chiller Water Pump System

Cooling Tower

SUSTAINABILITY STATEMENT

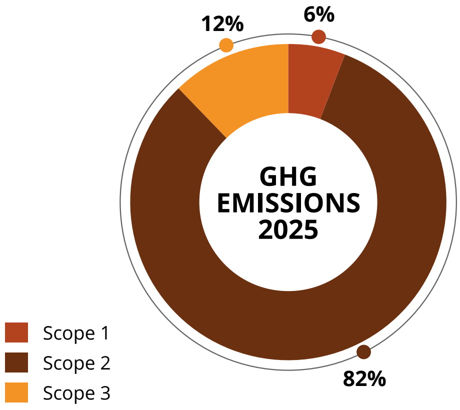
GHG Emissions Performance

Climate change is an increasingly relevant consideration for GNCB, particularly in relation to operational efficiency, environmental performance, regulatory developments and long-term business resilience. The Group's current focus is on strengthening emissions monitoring, improving data quality and supporting practical operational measures that contribute to a more climate-aware and resilient business approach.

The Group calculates its emissions in accordance with the GHG Protocol, using recognised emission factors and an operational control approach to define organisational boundaries. The current disclosure covers direct emissions (Scope 1), indirect energy emissions (Scope 2), and selected indirect emissions (Scope 3), based on data availability and relevance to operations. In certain instances, estimation methods and assumptions have been applied where complete data is not yet available, particularly for Scope 3 categories.

The Group's current GHG disclosure reflects the present stage of data availability and operational visibility. Scope 1 and Scope 2 disclosures are more established, while selected Scope 3 categories have been included where data is presently available and considered relevant. Changes in organisational boundary and data coverage, including the inclusion of EDS data, may affect year-on-year comparability and are noted where relevant.

The Group acknowledges that its climate-related metrics and disclosures are still being strengthened, and certain areas remain under development. Efforts are ongoing to improve data completeness, consistency, methodology transparency and overall reporting quality. The Group intends to continue enhancing climate-related disclosures over time as internal systems, processes and governance practices mature. Reducing emissions remains a critical step toward supporting global climate goals and ensuring long-term sustainability.



GHG Accounting Approach

	Scope 1	Scope 2	Scope 3
DATA DISCLOSED	• Fuel consumption (gallons)	• Electricity consumption (kWh)	• Waste generated (tonnes) • Business travel (km) • Employee commuting (km)
UNIT	Metric tonnes of CO2 equivalent (mtCO2e)		
STANDARD	GHG Protocol: A Corporate Accounting and Reporting Standard (2004) EPA's GHG Emission Factors Hub Energy Commission (EC) Grid Emission Factor (GEF)		

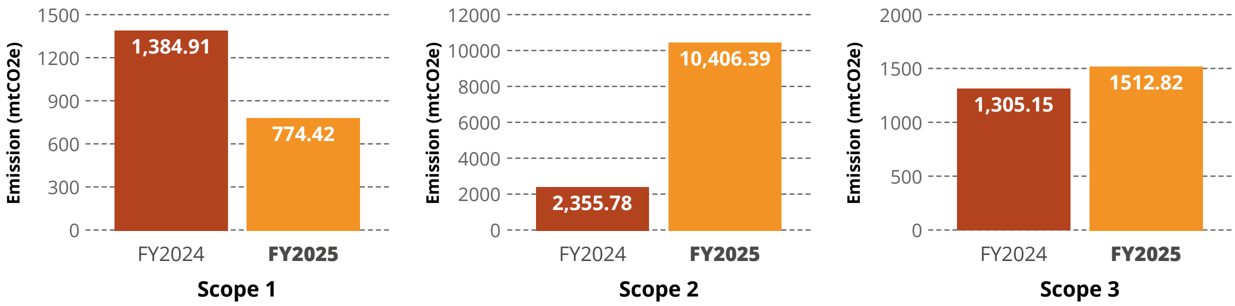
Scope	Total GHG Emissions (2025), mtCO2e	Percentage, %
1	774.42	6
2	10,406.39	82
3	1,512.82	12

Year	Scope	GHG Emissions (mtCO2e)
2024	1	1,384.91
	2	2,335.78
2025	1	774.42
	2	*10,406.39

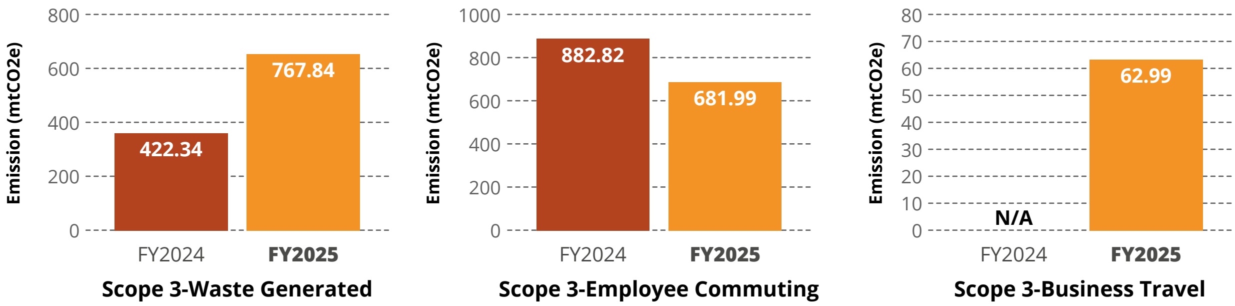
Note:
**The increase in Scope 2 emissions for FY2025 reflects the expanded reporting boundary, which now includes electricity consumption data from the EDS.*

Scope 3			
Year	Category		Total GHG Emissions (mtCO2e)
2024	Waste Generation	422.34	1,305.15
	Employee Commuting	882.82	
	Business Travel	N/A	
2025	Waste Generation	767.84	1,512.82
	Employee Commuting	681.99	
	Business Travel	62.99	

GHG EMISSIONS-SCOPE 1,2,3



GHG EMISSIONS-SCOPE 3



Water Consumption

The Group's total water consumption showed a mixed trend across operations from 2023 to 2025. Water usage at corporate offices decreased from 87,885 m³ in 2023 to 67,176 m³ in 2024, before increasing to 107,041 m³ in 2025, reflecting improved data coverage and operational requirements.

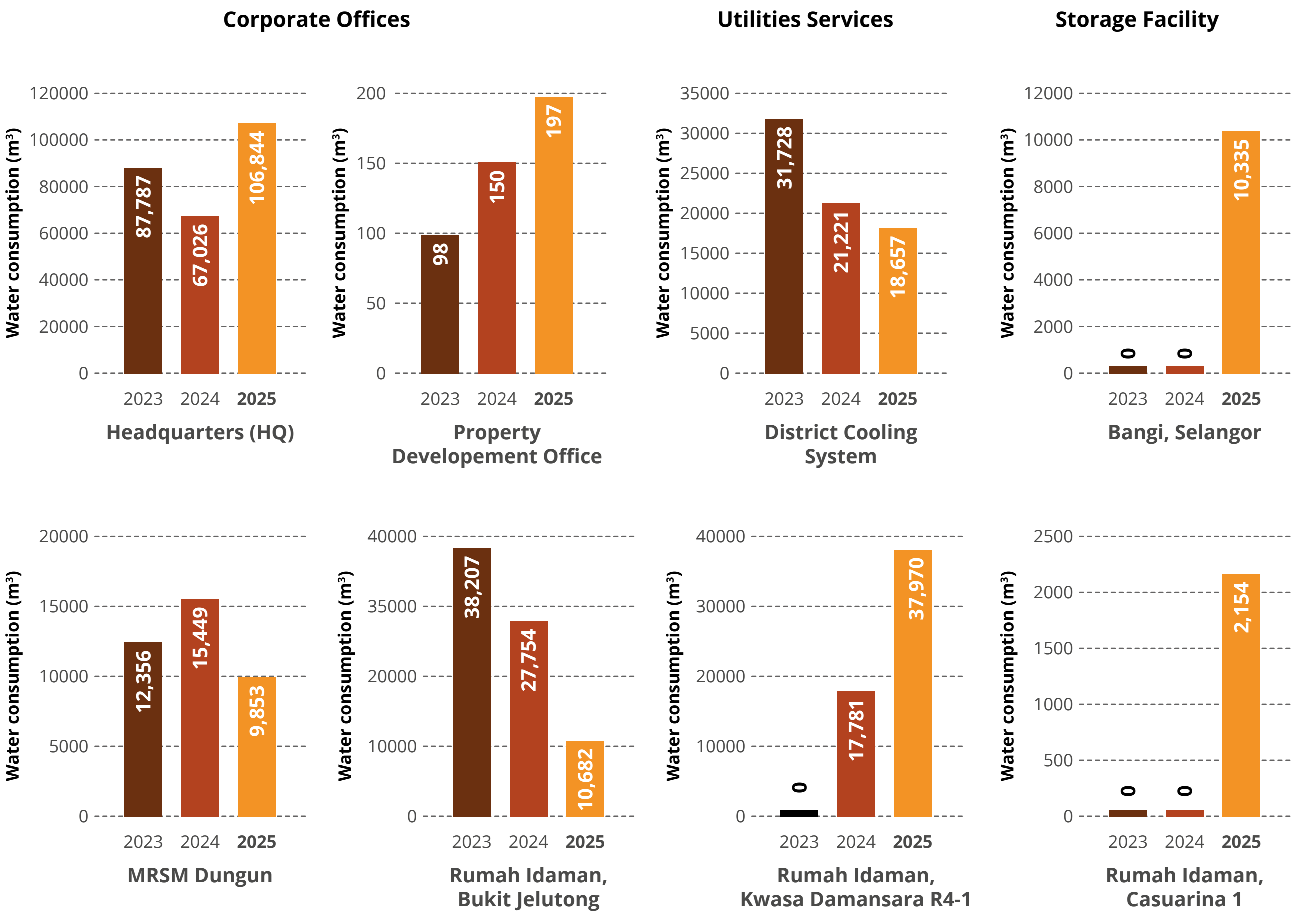
Water consumption under utilities services recorded a declining trend, while usage at construction sites decreased overall in line with project activity levels. In 2025, water consumption was also recorded for the storage facility, contributing 10,335 m³ to the total.

Breakdown by operation	Water consumption (m³)		
	2023	**2024**	**2025**
Corporate offices	87,885	67,176	107,041
Utilities services	31,728	21,221	18,657
Construction sites	75,038	68,475	60,845
Storage facility	-	-	10,335
Baseline (m³) *Corporate offices		78,635	
Percentage of Reduction from Baseline		*-36.12%	

Note:
**The increase of 36.12% in water consumption was mainly due to enhanced data coverage at the Head Office.*

SUSTAINABILITY STATEMENT

WATER CONSUMPTION



As a responsible industry player in the construction sector, the Group remains committed to raising awareness, promoting sustainable practices and building capacity in line with the National Water Sector Transformation (WST) 2040 framework through the Advocacy, Awareness and Capacity Building (AACB) programme.

Through these efforts, the Group seeks to support the implementation of Integrated Water Resources Management (IWRM) and enhance water sustainability across its business operations.

This commitment is also aligned with SDG Goal 6: Clean Water and Sanitation, reinforcing GNCB's role in supporting global efforts to ensure the availability and sustainable management of water for all.

ADVOCACY, AWARENESS, AND CAPACITY BUILDING (AACB)

1. **Elementary level** - Create awareness about sustainable water management — **2024-2025**
2. **Intermediate level** - Promote advocacy for IWRM among executive staff in companies — **2026-2027**
3. **Advanced level** - Equip professionals & top management with capacity building capabilities — **2028-2030**

Waste Management

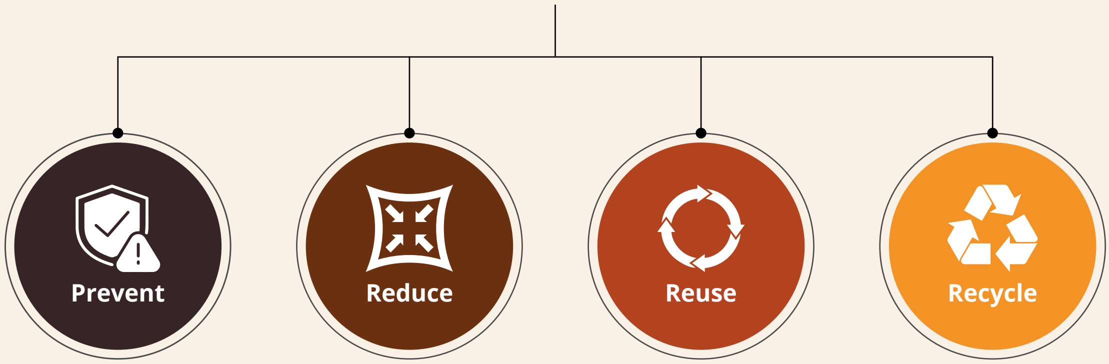
In FY2025, the Group's waste management approach was guided by GRI 306, SDG 12: Responsible Consumption and Production, and SDG 13: Climate Action. This approach supports regulatory compliance and ongoing improvement across the Group's construction sites.

1,392.55mt
of total waste generated in FY2025

The Group prioritises waste diversion through recycling, recovery and reuse. Hazardous waste is managed by licensed contractors approved by the Department of Environment (DOE), while non-hazardous waste that cannot be recovered is disposed of at approved landfills.

The Group's waste management efforts focus on key waste streams through source separation, material repurposing and recycling. Guided by the waste hierarchy of prevention, reduction, reuse and recycling, the Group seeks to minimise environmental impact, reduce landfill dependency and progressively work towards its zero-waste objective.

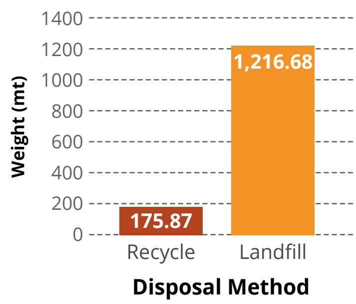
Towards ZERO waste 4 Key Actions



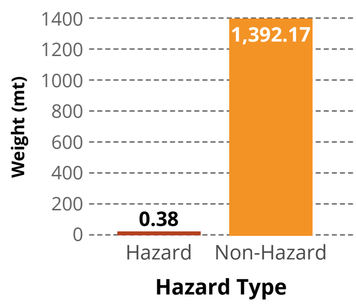
Waste management approach	Total waste generated in 2025			Remarks
	Waste category	**Weight (mt)**	**Total weight (mt)**	
Waste diverted from disposal (Recycle)	Hazardous	0.20	175.87	E-waste collected from headquarter ("HQ")
	Non-Hazardous	175.67		Recyclable materials collected across all operations, excluding e-waste from HQ
Waste directed to disposal (Landfill)	Hazardous	0.18	1,216.68	Scheduled waste collected from all operations
	Non-Hazardous	1,216.50		Domestic & construction waste collected from all operations
Total			**1,392.55**	

Note:
All hazardous waste is handled by licensed contractors approved by the DOE.

WASTE BREAKDOWN BY DISPOSAL METHOD



WASTE BREAKDOWN BY HAZARD TYPE



STRATEGY 4
ENHANCING PRODUCT AND SERVICE QUALITY

Targets and Progress

Sustainability Matters	Target(s)	Progress			Performance for FY2025
		FY2023	FY2024	FY2025	
Product and Service Quality	Maintain the ISO 9001:2015 QMS certification.	Successfully Maintained	Successfully Maintained	**Successfully Recertified**	On track as per target
Customer Satisfaction	Achieve more than 88% score on the overall client satisfaction of completed construction projects for the year.	89%	*74%	**93%**	On track as per target
	Achieve an overall customer satisfaction score of more than 80% for the EDS operation for the year.	N/A	N/A	**82% (Baseline)**	-
	Achieve an overall client satisfaction score of more than 80% for the DCS operation for the year.	N/A	N/A	**80% (Baseline)**	-
	Achieve an overall customer satisfaction score of more than 80% for facilities management (FM) services for the year.	N/A	N/A	**77% (Baseline)**	-
Targets and progress for EDS, DCS, and FM were established & reported on FY2025					

Note:
**The decrease in FY2024's score was mainly driven by post-COVID-19 operational challenges, including workforce limitations, supply chain disruptions, and the implementation of strict standard operating procedures, which collectively reduced site productivity.*

Product and Service Quality Performance

The Group is committed to upholding the highest standards of quality, excellence and customer satisfaction, guided by the principle of "Do it Right at the First Time and Every Time." The Group fosters a culture of continuous improvement through the proactive management of risks and opportunities to meet the needs and expectations of stakeholders.

Governance of Quality Management

The Group adopts a structured Governance of Quality Management framework that is aligned with the principles of ISO 9001 to ensure the consistent delivery of products and services that meet regulatory requirements, industry standards, and customer expectations.

The framework emphasises leadership accountability, risk-based thinking in operational processes, standardised work procedures, and competency development through training and supervision. Performance is monitored through audits, process evaluation, and management review, while corrective and preventive actions drive continuous improvement. This structured approach enables the Group to minimise defects, enhance operational efficiency, and sustain customer confidence while supporting long-term business resilience.

Quality Policy

In line with responsible business practices, the Group's Quality Policy integrates long term sustainability considerations, including climate responsibility, operational resilience, and energy efficient and sustainable development. Climate change is recognised as a key external factor, and its potential impacts are embedded in the Group's QMS. Operational resilience is strengthened through enhanced efficiency, minimisation of process defects, and consistent delivery of products and services.

Certified ISO 9001:2015 QMS

LRQA CERTIFIED ISO 9001

The Group remains committed to delivering exceptional products and services through a strong management approach centred on quality excellence. The Group's ISO 9001 QMS was successfully recertified in 2025, reaffirming its commitment to continuous improvement and customer satisfaction. The following subsidiaries are certified under ISO 9001:

- Nadi Cergas Sdn. Bhd.
- Nadi Cergas Urus Harta Sdn. Bhd.
- Naditech Power Sdn. Bhd.
- Naditech Energy Sdn. Bhd.
- Nadi Cergas Development Sdn. Bhd.

CIDB QLASSIC Achievement

The Group is dedicated to delivering high-quality products and services that meet regulatory requirements, client expectations and relevant industry standards. The Group's quality performance is supported by recognised certifications and awards, which reflect its adherence to established construction quality practices and standards.

- CIDB QLASSIC Achievement: Successfully achieved QLASSIC certification, reflecting the Group's focus on construction quality.
- Anugerah Kecemerlangan QLASSIC 2025 Masjid Sultan Abdullah: Recognised for excellence in workmanship and adherence to best construction practices in the 2025 evaluation.

Customer Satisfaction Performance

Customer satisfaction performance is monitored across the Group's core business segments, including construction projects, EDS, DCS and FM services. Performance data are assessed against established satisfaction criteria to evaluate service delivery effectiveness, project execution, and responsiveness to customer requirements.

Feedback and assessment results are reviewed to identify improvement opportunities, strengthen service quality, and support continuous improvement initiatives. This approach enables the Group to maintain consistent service standards, fulfil contractual obligations, and sustain long term customer relationships across all operations.

Customer Satisfaction Ratings by Project/Operation (2023–2025)

Year	Category	Project/Operation	Rating (%)
2023	Construction	Antara Residence, Presint 5	84
		Selindung Daun, Ulu Yam (Phase 1 & 2)	94
2024	Construction	Sakura Residence, Presint 11	68
		Masjid Al-Sultan Abdullah, Presint Merdeka 118	80
2025	Construction	Rumah Idaman Bukit Jelutong, Shah Alam	90
		MRSM Dungun, Terengganu	96
	EDS	Datum Jelatek Mall	82
	DCS	Datum Jelatek Mall	80
	FM	International Islamic University Malaysia Kuantan (IIUM)	77

93%
average client satisfaction rate achieved for construction in FY2025

82%
average customer satisfaction rate achieved for EDS in FY2025

80%
average client satisfaction rate achieved for DCS in FY2025

77%
average customer satisfaction rate achieved for FM in FY2025

STRATEGY 5
WORKFORCE EMPOWERMENT

Targets and Progress

Sustainability Matters	Target(s)	Progress			Performance for FY2025
		FY2023	FY2024	FY2025	
Workplace Environment	Maintain the ISO 45001:2018 OHSMS certification.	Successfully Maintained	Successfully Maintained	**Successfully Recertified**	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	1	**0**	On track as per target.
Diversity and Inclusion	Achieve 30% representation of women in Senior Management positions by 2026.	28%	28%	***23%**	Progressing towards the target, continued efforts are required to achieve 30% by 2026.
	35% of employees comprise of women by 2026.	34%	35%	**36%**	On track as per target.
Learning and Development	At least 55% of employees attended a minimum of 8 hours of training.	70%	76%	**95%**	On track as per target
	Maintain a minimum of 200 hours of occupational health and safety-related training.	366 hours	820 hours	**363.5 hours**	On track as per target

Note:
**The percentage of women holding Senior Management positions has experienced a minimal decline in FY2025, primarily due to the recent restructuring of employee categorisation.*

Governance of Occupational Safety and Health (OSH)

GNCB implements a structured Safety and Health Governance Framework to OSH risks across its operations. The framework supports accountability, proactive risk management and continuous improvement in protecting employees, contractors and other stakeholders.

In line with its safety and health governance principles, the Group seeks to prevent loss of life, work-related injuries and ill health through systematic hazard identification and control measures. The Group also ensures compliance with applicable legal and other requirements, provides relevant information, training, instruction and supervision, promotes worker consultation and participation, and maintains safe and healthy working conditions. The continuous enhancement of the OSH management system (OSHMS), together with environmental protection measures including pollution prevention, remains an integral part of the Group's overall safety performance.

PRINCIPLES OF GOVERNANCE OF SAFETY AND HEALTH

- Fulfilling legal and other requirements
- Provide appropriate information, training, instruction & supervision in all aspects of OSH
- Dedicated to protecting the environment, including pollution prevention
- Provide safe & healthy working conditions to prevent work-related injury & ill health
- Strive towards ZERO loss of life at all workplaces
- Continual improvement in OSHMS
- Committed to consultation & participation of workers, employees & external parties
- Preventing, controlling, guarding & eliminating hazards & reducing OSH risks

GOVERNANCE OF SAFETY AND HEALTH FRAMEWORK

Management Oversight
Top Management provides overall oversight of OSH by:

1. Setting safety expectations;
2. Reviewing performance;
3. Ensuring adequate resources are available for safety programmes and improvements.

Risk and Compliance Management:
We manage workplace risks through:

1. Hazard identification and risk assessment;
2. Workplace inspections and audits;
3. Safe work instructions, and PPE requirements;
4. Compliance with applicable OSH laws and regulations.

Safety and Health Structure

1. Safety and Health Committee
2. Safety Officer / OSH Coordinator
3. Supervisors
4. Employees and Contractors

Incident Reporting and Continuous Improvement

1. Investigation of incidents and near misses to identify root causes
2. Implementation of corrective and preventive actions to prevent recurrence

0
incidents resulting in permanent disability or fatality of employees and contractors

Workplace OSH

GNCB is committed to providing a safe, healthy, and conducive workplace environment for all employees, contractors, and visitors. The Group's approach to workplace safety and health is guided by governance, regulatory compliance and continuous improvement practices aimed at preventing work-related injuries, occupational illnesses and unsafe conditions across its operations.

During the reporting period, the Group recorded zero incidents of permanent disability or fatality involving employees and contractors at locations under GNCB's control, reflecting the effectiveness of its OSHMS, risk control measures, and proactive safety culture across all operations.

OSH performance

GNCB continuously monitors occupational safety and health performance across all active project sites to ensure the well-being of employees and contractors. During the reporting period, the Group recorded zero fatalities in FY2025, representing an improvement from FY2024 and reflecting the continued implementation of safety controls and risk management measures.

OSH Performance Parameter	FY2023	FY2024	FY2025
Number of active project sites:	7	5	4
Total hours worked:	2,931,006	3,850,480	2,723,994
Absolute number of fatalities:	0	1	0
Number of LTI/accidents with lost workdays:	0	1	0
LTI frequency rate (Number of LTI cases per 1 million hours worked):	0	5.3	0
Number of work-related employee fatalities over the last 3 years:	0	0	0
Number of work-related contractor fatalities over the last 3 years:	0	1	0

Overall, the Group's OSH performance in FY2025 reflects continued progress towards a safer workplace environment, supported by systematic hazard management, enhanced supervision and ongoing safety improvement across its operations.

LRQA
CERTIFIED
ISO 45001

OSH regulatory and standard compliance

GNCB complies with all applicable occupational safety and health legislation in Malaysia, including the Occupational Safety and Health Act 1994 (OSHA 1994) and its related regulations, codes of practice, and guidelines issued by the Department of Occupational Safety and Health (DOSH). Compliance requirements are embedded within the Group's OSHMS, which is aligned with the ISO 45001:2018 OHSMS standard.

Through regular monitoring, workplace inspections, internal audits, and management reviews, the Group ensures effective implementation of safety controls and continuous compliance across all operations, thereby providing a safe and healthy working environment for employees, contractors, and visitors at locations under GNCB's control.

During the reporting year, Nadi Cergas Sdn. Bhd., as the main contractor, achieved multiple 5-Star SHASSIC certifications for its projects, namely MRSM Dungun, Terengganu; Sakura Residence, Precinct 11, Putrajaya; and Rumah Idaman Kwasa Damansara, Selangor.

In addition, the Company was awarded the CIDB QUEST Awards 2025, Anugerah Keselamatan Cemerlang by CIDB Malaysia, in recognition of its strong safety management practices and commitment to occupational safety and health performance. These recognitions reflect the Company's continued efforts to uphold high safety standards and regulatory compliance across its operations.

5 STAR SHASSIC PROJECTS

- MRSM Dungun, Terengganu
- Sakura Residence, Precint 11, Putrajaya
- Rumah Idaman Kwasa Damansara R4-1, Selangor

OSH process and practices

The Group implements structured OSH processes and practices to proactively identify hazards, manage risks, and promote a safe and healthy workplace across all operations. These practices are embedded within daily operations and supported by employee participation, regular monitoring, and continuous improvement initiatives.

CONTINUOUS OSH PRACTICES

Continuous Safety and Health Training

- Conducted a total of 363.5 hours of training and awareness programmes in 2025 for employees and contractors
- Toolbox meetings
- ESH dengue prevention campaigns

Safety & Health Inspections

- Routine workplace and site inspections conducted
- Identification of unsafe conditions and practices
- Implementation and monitoring of corrective and preventive actions
- Implementation of Safety, Compliance, Observation, Reward, & Evaluation (S.C.O.R.E) Performance System

Emergency Drill Training

- Regular emergency drills, including fire and site-specific emergency scenarios
- Ensures readiness and effective response during emergencies

Hazard identification and Risk Management

- Implementation of a structured Hazard Identification, Risk Assessment and Determining Controls (HIRADC) system across all operations.
- Assessment of risks based on likelihood and severity

PPE Compliance

- Mandatory PPE requirements enforced across all operations
- Ongoing monitoring and awareness to ensure proper PPE usage

Safety and Health Meeting

- Regular meetings at site and management levels
- Review of safety performance, incidents, inspection findings, and improvement actions

Safety and Health Audits

- Conducted annual internal and external audits to ensure compliance with occupational safety and health requirements
- Maintained certification to ISO 45001 through regular audit and continuous improvement processes

Dengue prevention campaign – Kwasa Damansara project site.

First aid training conducted at the Elmina project site

SUSTAINABILITY STATEMENT

Employee Welfare and Engagement

GNCB recognises that employee wellbeing and engagement are essential to organisational sustainability and performance. The Group continues to foster a supportive, inclusive, and engaging workplace by providing comprehensive welfare benefits, recognising employee contributions, and encouraging active participation in engagement initiatives.

Through structured remuneration and welfare support, recognition programmes and employee engagement activities, the Group seeks to enhance employee satisfaction, support work-life balance and foster a motivated and resilient workforce.

Employment Benefits

GNCB provides fair and competitive remuneration and employment benefits to support the well-being, security and motivation of its employees. The Group's benefits framework includes medical and hospitalisation coverage, as well as welfare assistance such as newborn tokens, marriage tokens and family bereavement assistance.

These benefits are designed to support employees' health and personal well-being while fostering a caring, inclusive, and supportive workplace culture.

- **Medical and hospitalisation**

  The Group provides medical and hospitalisation benefits to support employees' physical health and well-being. These benefits ensure access to healthcare services, promote preventive care, and contribute to a healthier and more productive workforce.

- **Other welfare assistance**

  The Group provides employee welfare assistance to support employees during significant personal and family life events. This includes tokens and assistance extended to employees in conjunction with childbirth, marriage, and bereavement, reflecting the Group's commitment to employee wellbeing, compassion, and a supportive, family friendly workplace culture.

  - Newborn token: RM300 provided to eligible employees upon the birth of a child.
  - Marriage token: RM1,000 provided to employees upon marriage.
  - Family bereavement assistance: RM2,000 provided in the event of the loss of an immediate family member.

Employee Recognition

The Group recognises and appreciates employees and their families through structured recognition programmes that acknowledge long term service and academic excellence. These initiatives are designed to foster loyalty, motivation, and a culture of appreciation within the organisation.

Long Service Award

A 50 gram gold bar awarded to employees in recognition of their long-term service, commitment, and contribution to the Company.

Children Excellence Award

An award extended to employees' children in recognition of outstanding academic achievement, supporting educational excellence and family wellbeing.

Employee Engagement Activities

The Group organises various employee engagement activities to strengthen teamwork, promote employee well-being, and foster a positive and inclusive workplace culture. These activities provide opportunities for employees to connect, participate in healthy lifestyles, and engage in learning initiatives beyond their daily work responsibilities.

Diversity and Inclusion

The Group is committed to fostering a diverse, inclusive, and respectful workplace where employees are valued based on merit, capability, and contribution. Diversity and inclusion are embedded within employee management practices, supporting equal opportunities and non-discriminatory employment across all levels of the organisation. This commitment aligns with SDG 5: Gender Equality, which promotes equal participation and opportunities for all genders, as well as SDG 8: Decent Work and Economic Growth, which advocates for inclusive and productive employment.

Selangor Half Marathon 2025

Employee participation in the Selangor Half Marathon held at Dataran Shah Alam, promoting health, fitness, and an active lifestyle.

Kurma Distribution

A festive initiative organised in conjunction with the Ramadan period to promote togetherness and appreciation among employees.

Raya Celebration

The Hari Raya Aidilfitri Celebration provided an opportunity for employees to come together, celebrate cultural diversity, and strengthen social bonds within the organisation.

5@5 Program

Awareness session on the new electricity tariff and fire safety campaign to enhance employee knowledge on energy efficiency and workplace safety.

Team Building 2025

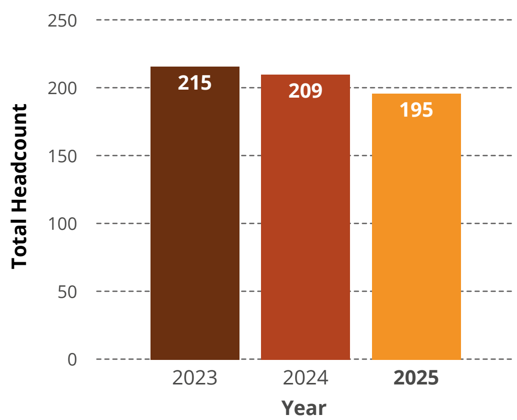
A team-building programme held at Semenyih Eco Venture Resort aimed at enhancing collaboration, communication, and teamwork among employees.

SUSTAINABILITY STATEMENT

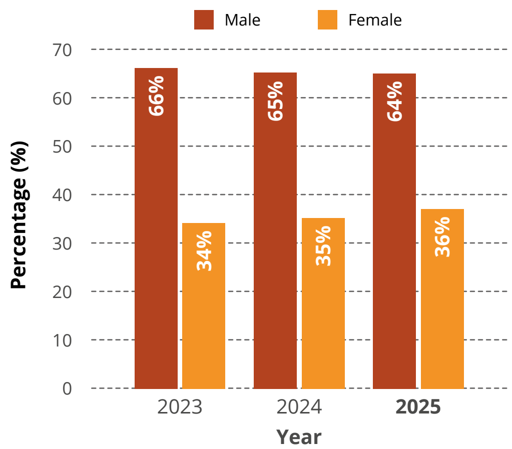
Workforce demographic data

The Group monitors workforce demographic data to better understand employee composition and support fair and inclusive employment practices. This includes data on employee distribution by gender, age group, employment category and job level. Regular monitoring of workforce demographics enables the Group to promote balanced representation, support workforce planning, and strengthen an inclusive workplace culture.

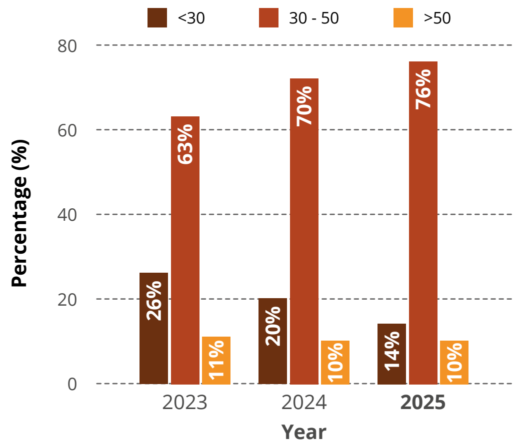
TOTAL HEADCOUNT



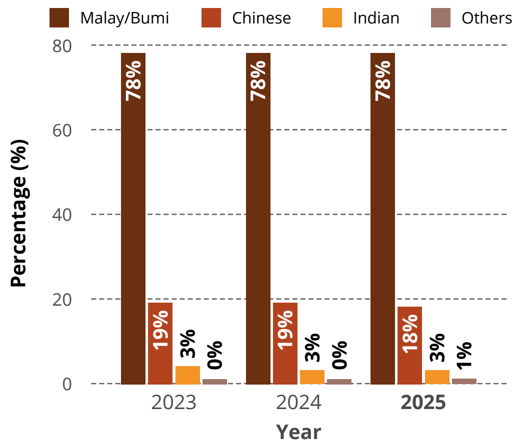
PERCENTAGE OF EMPLOYEES BY GENDER



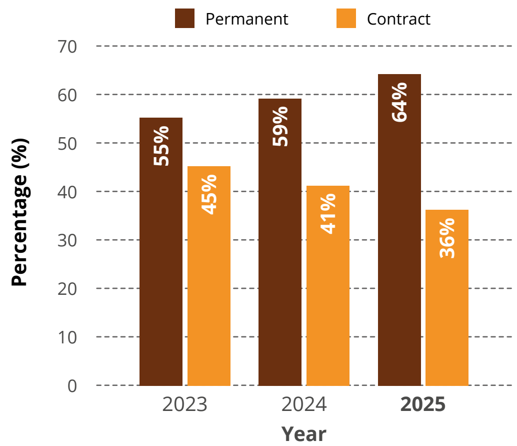
PERCENTAGE OF EMPLOYEES BY AGE GROUP



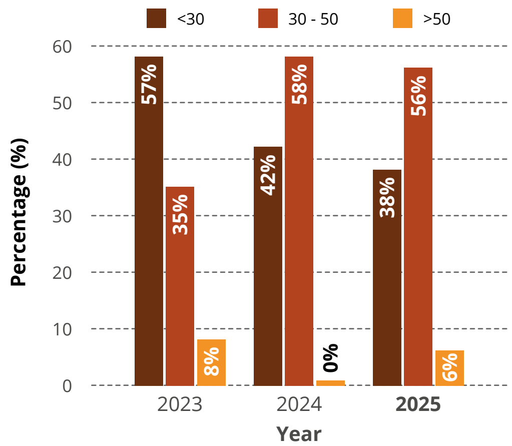
PERCENTAGE OF EMPLOYEES BY ETHNICITY



PERCENTAGE OF EMPLOYEES BY EMPLOYMENT TERM



PERCENTAGE OF NEW HIRES BY AGE GROUP



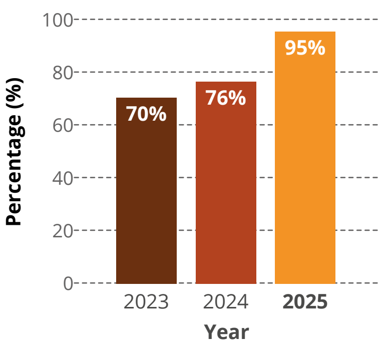
Learning and Development

The Group continues to develop a competent, skilled and future-ready workforce through continuous learning and development initiatives. These programmes are designed to enhance employees' technical competencies, professional capabilities and safety awareness, while supporting career development and organisational effectiveness. Training needs are identified in alignment with business requirements, regulatory expectations, and individual development plans to ensure employees are equipped with the necessary knowledge and skills to perform their roles effectively.

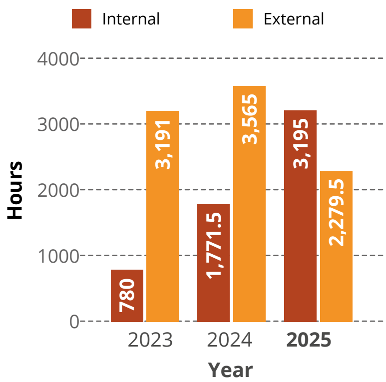
RM217,135.76
for employee training and recorded
5,474.5 hours
of training in FY2025

Gender	FY2023		FY2024		FY2025	
	Total Training (HRS)	Avg. Training (HRS)	Total Training (HRS)	Avg. Training (HRS)	Total Training (HRS)	Avg. Training (HRS)
Male	2,450.0	20.6	3,504.5	24.2	3,612.0	27.6
Female	1,521.0	17.5	1,832.0	23.2	1,862.5	26.2
Total	**3,971.0**	**-**	**5,336.5**	**-**	**5,474.5**	**-**

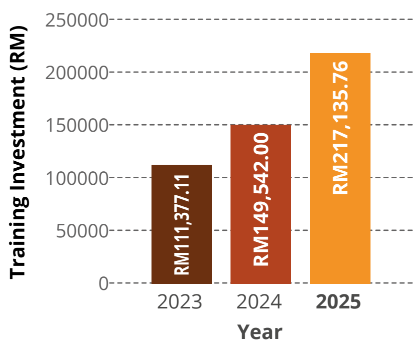
PERCENTAGE OF EMPLOYEES ATTENDED MIN. 8 HOURS OF TRAINING



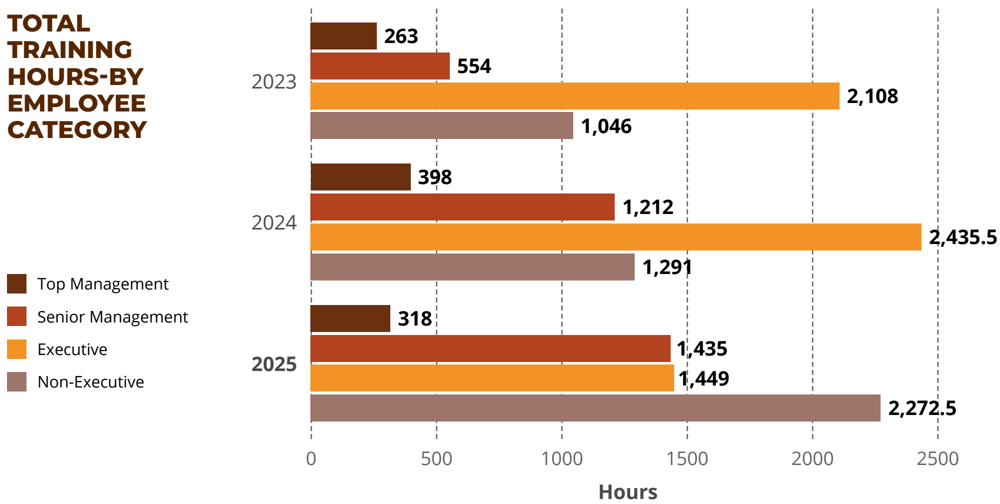
TOTAL TRAINING HOURS-BY TYPE OF TRAINING



TOTAL INVESTMENT IN TRAINING



TOTAL TRAINING HOURS-BY EMPLOYEE CATEGORY



STRATEGY 6
SERVING THE COMMUNITY

Targets and Progress

Sustainability Matters	Target(s)	Progress FY2023	Progress FY2024	Progress FY2025	Performance for FY2025
Community Investment	Invest 0.01% of the previous year's revenue in CSR initiatives.	Revenue of RM318,349,000 was generated. RM12,000 was invested.	Revenue of RM262,817,000 was generated. RM56,000 was invested.	**Revenue of RM413,583,000 was generated. RM106,000 was invested.**	On track as per target.

Community Investment Performance

GNCB seeks to create meaningful and lasting social impact through strategic community investment initiatives. These programmes focus on environmental stewardship, health and well-being, and community engagement, reflecting the Group's view that sustainable business growth is closely linked to the well-being of the communities in which it operates.

RM106,000
was invested into our community

0
number of beneficiaries of investment in communities

Nadi Cergas Beach Clean-Up Day

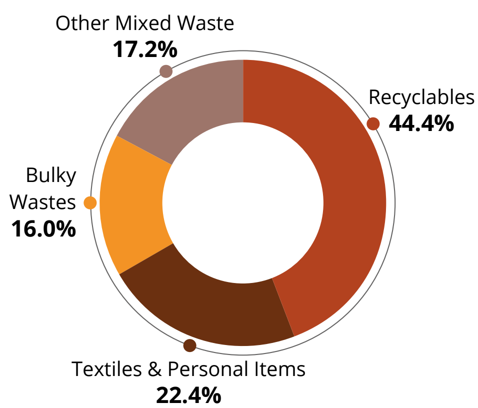
Protecting coastal and marine ecosystems forms part of the Group's environmental stewardship efforts. In FY2025, the Group's Beach Clean-Up Project involved employees in collecting litter and debris from Pantai Morib, Banting, Selangor.

The initiative contributed to improved beach cleanliness and safety, while also promoting awareness of marine conservation.

- **Participants:** 30 volunteers
- **Impact:** Collected over 125 kg of waste, reducing potential harm to marine life and local biodiversity.

By actively reducing plastic pollution and protecting marine ecosystems, the project directly supports UN SDG 14: Life Below Water. The Beach Clean Up Project exemplifies GNCB's commitment to environmental sustainability, reinforcing the importance of employee engagement in creating a cleaner, healthier, and more sustainable future for all.

BREAKDOWN OF WASTE REMOVED FROM MORIB BEACH CLEAN-UP



Public Blood Donation Drive & Health Screening Day 2025

As part of its community investment efforts, GNCB organised a Public Blood Donation Drive and Health Screening Day to promote preventive healthcare and support access to essential medical services. The programme provided a meaningful platform for employees and members of the public to contribute towards saving lives through blood donation, while also benefiting from basic health screening and wellness awareness activities.

- **Participants:** 185 volunteers (employees and public)
- **Impact:** Blood was collected from 85 donors, and 100 health screenings were conducted, supporting early detection of health risks and contributing to life-saving healthcare initiatives.

The initiative was conducted in collaboration with local healthcare partners to ensure a safe and effective programme implementation. Participants were offered health screening services such as blood pressure checks, body mass index (BMI) assessment, and basic health consultations, helping to promote early awareness of potential health risks. In addition to improving community health awareness, the programme contributed directly to supporting local hospitals' blood supply needs. It also strengthened the social responsibility culture within the organisation, as employees actively participated as blood donors, facilitators, and programme volunteers.

Nadi Cergas Plant Trees Grow Green

In support of environmental stewardship and climate resilience efforts, GNCB implemented the 400 Trees Planting Project to enhance local green spaces and contribute to long-term ecosystem restoration. The initiative aimed to promote biodiversity conservation, improve local air quality, and increase awareness of environmental protection through hands-on community engagement.

The planting of 400 *Ruellia brittonia* trees at Taman Botani Negara Shah Alam, Selangor, supports local ecosystem resilience by improving carbon sequestration, reducing urban heat, stabilising soil, and enhancing biodiversity.

- **Participants:** 35 volunteers
- **Impact:** 400 trees planted, contributing to improved air quality, soil stabilisation, and local biodiversity conservation.

The programme also served as an employee engagement initiative, helping to foster environmental awareness and encourage active participation in sustainability-related activities. By empowering both employees and communities to take part in environmental conservation, the project reinforces the importance of collective responsibility in building a healthier and more sustainable future.

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Gagasan Nadi Cergas Berhad

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Top Management	Percentage	* 0%	-	No assurance
Footnote 2025	Amended Disclosure: The training data reported excludes existing staff, as the 2025 training programme is focused solely on new hires.				
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Senior Management	Percentage	* 10%	-	No assurance
Footnote 2025	Amended Disclosure: The training data reported excludes existing staff, as the 2025 training programme is focused solely on new hires.				
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Executive	Percentage	* 55%	-	No assurance
Footnote 2025	Amended Disclosure: The training data reported excludes existing staff, as the 2025 training programme is focused solely on new hires.				
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category: Non-Executive	Percentage	* 35%	-	No assurance
Footnote 2025	Amended Disclosure: The training data reported excludes existing staff, as the 2025 training programme is focused solely on new hires.				
Bursa (Anti-corruption)	BursaC1(c) Confirmed incidents of corruption and action taken	Number	0	0 confirmed incidents	No assurance
Bursa (Anti-corruption)	Disclosure of number of staff disciplined ordismissed due to non-compliance with anti-corruption policy/policies	Number	0	-	No assurance

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Gagasan Nadi Cergas Berhad
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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Data privacy and security)	BursaC8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	No assurance
Bursa (Supply chain management)	BursaC7(a) Proportion of spending on local suppliers	Percentage	100	100% appointment of local suppliers and subcontractors yearly	No assurance
Bursa (Energy management)	Bursa C4(a) Total energy consumption	Gigajoule	60,931.81	5% reduction in electricity consumption at corporate offices by 2026 (from baseline)	No assurance
Bursa (Emissions management)	BursaC11(a) Scope1 emissions in tonnes of CO2e	Metric tonnes	774.42	2% reduction in Scope 1 emissions by 2026	No assurance
Bursa (Emissions management)	BursaC11(b) Scope2 emissions in tonnes of CO2e	Metric tonnes	10,406.39	2% reduction in Scope 2 emissions by 2026	No assurance
Bursa (Emissions management)	BursaC11(b) Scope3 emissions in tonnes of CO2e	Metric tonnes	1,512.82	2% reduction in Scope 3 emissions by 2026 for Category 5 (Waste), Category 6 (Business Travel) and Category 7 (Employee Commuting)	No assurance
Bursa (Water)	Bursa C9(a) Total volume of water used	Megalitres	196.878	* 5% reduction in water consumption at corporate offices by 2026 (from baseline)	No assurance
Footnote Target	The water consumption target has been revised to align with the energy consumption target, with both targets now applied to corporate offices for consistency.				
Bursa (Water)	Number of incidents of non-compliance with water quality/quantity permits, standards and regulations	Number	0	0 incidents of non-compliance with water quality/quantity permits, standards and regulations	No assurance
Bursa (Waste management)	Bursa C10(a) Total waste generated	Metric tonnes	1,392.55	-	No assurance
Bursa (Health and safety)	BursaC5(a) Number of work-related fatalities	Number	0	0 work-related fatalities	No assurance
Bursa (Health and safety)	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	-	No assurance

Gagasan Nadi Cergas Berhad
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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Health and safety)	BursaC5(c) Number of employees trained on health and safety standards	Number	228	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Top Management under 30	Percentage	0	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Top Management between 30-50	Percentage	0	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Top Management above 50	Percentage	100	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Senior Management under 30	Percentage	0	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Senior Management between 30-50	Percentage	96.78	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Senior Management above 50	Percentage	3.23	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Executive under 30	Percentage	19.51	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Executive between 30-50	Percentage	73.17	-	No assurance

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Gagasan Nadi Cergas Berhad
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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Executive above 50	Percentage	7.32	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Non-Executive under 30	Percentage	16.44	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Non-Executive between 30-50	Percentage	79.45	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age group, for each employee category: Non-Executive above 50	Percentage	4.10	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Top Management Male	Percentage	77.78	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Top Management Female	Percentage	22.22	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Senior Management Male	Percentage	77.42	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Senior Management Female	Percentage	22.58	30% representation of women in Senior Management positions by 2026.	No assurance

Gagasan Nadi Cergas Berhad

BMLR Transition Period

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Executive Male	Percentage	42.68	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Executive Female	Percentage	57.32	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Non-Executive Male	Percentage	79.45	-	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender group, for each employee category: Non-Executive Female	Percentage	20.55	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category: Top Management	Hours	318	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category: Senior Management	Hours	1435	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category: Executive	Hours	1449	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category: Non-Executive	Hours	2272.5	-	No assurance
Bursa (Labour practices and standards)	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	35.90	-	No assurance
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	106,000	0.01% of the previous year's revenue in CSR initiatives	No assurance

Gagasan Nadi Cergas Berhad

IFRS S2

Date & Time: 2026-04-27 10:55:02

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Climate-related metrics	Greenhouse gases emissions: Scope 1	Metric tonne	774.42	2% reduction in Scope 1 emissions by 2026	No assurance
Climate-related metrics	Greenhouse gases emissions: Scope 2	Metric tonne	10406.39	2% reduction in Scope 2 emissions by 2026	No assurance
Climate-related metrics	Greenhouse gases emissions: Scope 3 (Category 5,6,7)	Metric tonne	1512.82	2% reduction in Scope 3 emissions by 2026 for Category 5 (Waste), Category 6 (Business Travel) and Category 7 (Employee Commuting)	No assurance

CORPORATE GOVERNANCE OVERVIEW STATEMENT

> The Board of Directors ("the Board") of Gagasan Nadi Cergas Berhad ("Gagasan Nadi Cergas" or "the Company" or "the Group") presents this Corporate Governance Overview Statement ("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 2025 ("FY2025")

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 Bursa Malaysia Securities Berhad ("ACE LR") and it is to be read together with the Company's Corporate Governance Report 2025, which is available on the Company's corporate website at ***www.nadicergas.com***.

As at 31 December 2025, the Company has complied in all material aspects with the principles as set out in the MCCG except the following five (5) recommended CG practices:

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

(ii) Practice 4.4 : Performance evaluations 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.

(v) Practice 13.3 : Listed companies should leverage technology to facilitate:

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

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 such as strategy, performance, resources and standards of conduct.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The responsibilities of the Board include reviewing and approving strategic plans for each business segment and ensuring that adequate resources are in place to achieve the Company's objectives. In discharge its duties effectively, the Board has assumed the following roles and responsibilities: -

- Promote good corporate governance culture within the Group;
- Review and approve 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 the 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 systems; and
- Ensure the integrity of the Company's financial and non-financial reporting.

The Board delegates the day-to-day management of the Group's business to the Group Managing Director ("GMD") . As such, the authority and accountability of Management reside with the GMD, whilst significant matters remain vested under the purview of the Board.

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

The roles, responsibilities and authorities of the Board, the 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 was last reviewed on 29 May 2025 and is available on the Company's website: ***www.nadicergas.com***.

The Board is supported by two (2) suitably qualified and competent Company Secretaries in the discharge of its functions. All Directors have full access to the advice and services of the Company Secretaries. The secretarial function of the Group is outsourced to Tricor Corporate Services Sdn. Bhd.

In relation to Board and Board Committee 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 members via email or hard copy at least five (5) business days prior to each meeting to allow Directors to have sufficient time to prepare, attend and actively participate during the Board and Board Committee meetings. During the year, the Board met five (5) times to review, deliberate on and approve all key matters reserved for the Board.

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

Director	Designation	Board attendance during FY2025	Attendance at Committee meetings in 2025		
			ARMC	NC	RC
Ir. Dr. Muhamad Fuad Bin Abdullah	Independent Non-Executive Chairman	**5/5**	5/5	**2/2**	1/1
Dato' Sr Hj Wan Azman Bin Wan Kamal	Group Managing Director	5/5			
Dato' Sri Subahan Bin Kamal *(Resigned on 20 April 2026)*	Executive Director	5/5			
Professor Emerita Siti Naaishah Binti Hambali	Independent Non-Executive Director	5/5	5/5	2/2	**1/1**
Chng Boon Huat	Independent Non-Executive Director	5/5	**5/5**	2/2	1/1

Chairman *Non-member*

The positions of Chairman and GMD of the Company are held by different individual, with clear and distinct roles formally set out in the Board Charter of the Company, to ensure an appropriate balance of power and authority, as well as checks and balances 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 maintain 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 facilitate the reporting of violations or improper conduct within the Group, so that appropriate action can be taken in a timely and effective manner. 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 a detailed study to establish a meaningful and appropriate criteria for the performance evaluations of the Board and Senior Management to address the Group's material sustainability risks and opportunities, is still being developed. The Board targets to establish appropriate performance evaluations criteria for the Board and Senior Management in addressing the Group's material sustainability risks and opportunities by 2026.

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 themselves abreast of 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 FY2025 were as follows:

Director	Training Programme	Date of Training
Ir. Dr. Muhamad Fuad Bin Abdullah	• Industry Briefing by ICM of SC for Registered Shariah Advisers	21 January 2025
	• "Minutes to Meltdown" Simulated Cyber Attack. Panel of Speakers	3 February 2025
	• ASAS Module: Critical Analysis of Contemporary Resolutions In Islamic Finance	4-6 February 2025
	• Project Management Tool & Techniques for ESG & SDG Projects	12 February 2025
	• TH Group Summit 2025 "Empowering Growth with AI: A Vision for the Future of My Company"	17 February 2025
	• Global Insights & Strategic Leadership in Climate Risk Governance	28 February 2025
	• M&A Mastery 2025: Cracking the Code of Corporate Power Plays in a Shifting Global Landscape	6 March 2025
	• Emerging Climate and Nature Priorities	7 April 2025
	• Training on Fair Treatment of Financial Customers (FTFC)	7 April 2025
	• Study Visit: Broader Professional Insights Into Islamic Financial Institutions of Pakistan **Training 1:** Musyarakah Model in Pakistan (Meezan Bank) **Training 2:** Liquidity level Malaysia vis-a-vis Pakistan (State Bank of Pakistan) **Training 3:** Ijarah to Finance Sale (Meezan Bank) **Training 4:** How to finance cash in place of Tawarruq? (Meezan Bank) **Training 5:** Pakistan Islamic trade businesses (Meezan Bank) **Training 6:** Mudharabah Venture Capital (Meezan Bank)	12-18 April 2025
	• 3rd Nadwah of Shariah Advisers in Islamic Capital Market 2025	16 May 2025
	• ICDM Advocacy: E-invoicing for Directors MyInvois & MyTax Portal Walkthrough with EY Malaysia	26 June 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Director	Training Programme	Date of Training
Ir. Dr. Muhamad Fuad Bin Abdullah	• Level 3 Certified Shariah Adviser Programme Case Study on Structuring, Policy & Strategy in Islamic Finance	1-2 July 2025
	• Directors' Training on Operational Resilience	30 July 2025
	• E-Invoicing and Impacts on Non-Executive Directors	30 July 2025
	• Personal Data Protection Act (PDPA) 2010 e-Learning with Self Assessment	19 August 2025
	• Reverse Governance: What if the Algorithm Assesses the Board?	21 August 2025
	• Muzakarah PIDM National Resolution Symposium	27 August 2025
	• Anti-Bribery and Anti-Corruption Policy & Procedure Mandatory Online Training & Self Assessment	15 September 2025
	• Directors' & Senior Management Training 2025 Board Accountability in AML Governance	8 October 2025
	• Directors' & Senior Management Training 2025 Whistleblowing Oversight	8 October 2025
	• Directors' & Senior Management Training 2025 Whistleblowing Oversight	17 October 2025
	• "Social Return on Investment Workshop"	15 November 2025
	• "Boardroom Under Fire: D&O Protection & Director Liability"	20 November 2025
	• Statement on Risk Management and Internal Control (SORMIC) Guide; Amendments to the ACE Market Listing Requirements regarding Enhanced Continuing Disclosure Requirements and Exempted Related Party Transaction and Corporate Governance Monitor 2025	27 November 2025
	• "Trust on Trial: Fiduciary Duties in the Modern Boardroom"	17 December 2025
Dato' Sr Hj Wan Azman Bin Wan Kamal	• Statement on Risk Management and Internal Control (SORMIC) Guide; Amendments to the ACE Market Listing Requirements regarding Enhanced Continuing Disclosure Requirements and Exempted Related Party Transaction and Corporate Governance Monitor 2025	27 November 2025
Dato' Sri Subahan Bin Kamal *(Resigned on 20 April 2026)*	• Mandatory Accreditation Programme Part II : Leading For Impact (LIP)	12-13 February 2025
	• Statement on Risk Management and Internal Control (SORMIC) Guide; Amendments to the ACE Market Listing Requirements regarding Enhanced Continuing Disclosure Requirements and Exempted Related Party Transaction and Corporate Governance Monitor 2025	27 November 2025
Professor Emerita Siti Naaishah Binti Hambali	• Statement on Risk Management and Internal Control (SORMIC) Guide; Amendments to the ACE Market Listing Requirements regarding Enhanced Continuing Disclosure Requirements and Exempted Related Party Transaction and Corporate Governance Monitor 2025	27 November 2025
Chng Boon Huat	• Sales Tax Revision and Service Tax Expansion 2025	19 June 2025
	• Future-Ready Boards: Implementing Strategies with a Skills Matrix	8 July 2025
	• Leading for Longevity: The Board's Role in Driving Innovation	10 July 2025
	• Cybersecurity Awareness	10 October 2025
	• SC's Audit Oversight Board Conversation with Audit Committees	25 November 2025

The Board via the Nomination Committee ("NC") and with the support of the Company Secretary continuously evaluates and determines the training needs of the Directors to enhance their knowledge and keep them abreast of the latest developments in the Group's business and industry, thereby facilitating the effective discharge of their duties.

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.

As at to-date, more than half of the Board comprised of Independent Directors, and this allow the Board to 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 21 in the Directors' Profile section of the Annual Report.

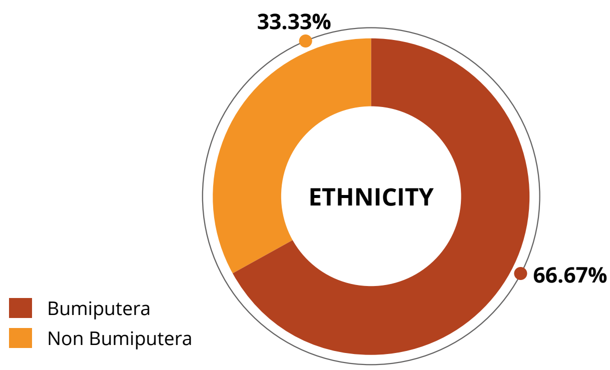
None of our Independent Non-Executive Directors had served the Company for a cumulative term of 9 years. The Company did not adopt a policy that limits the tenure of its Independent Non-Executive Directors to 9 years.

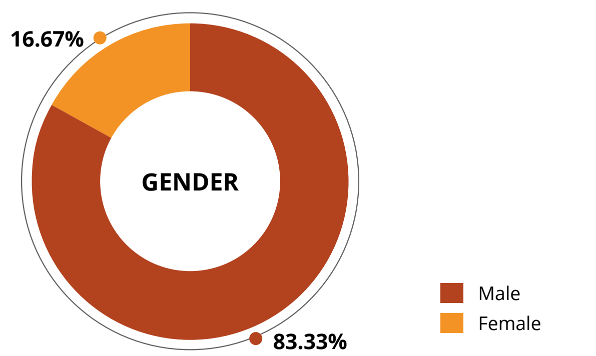
The Board is of the view that there is no necessity to fix a maximum tenure limit for directors as the amended ACE LR has limit the tenure of an Independent Director to not more than a cumulative period of 12 years. Furthermore, the ability of a Director to serve effectively as an Independent Director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

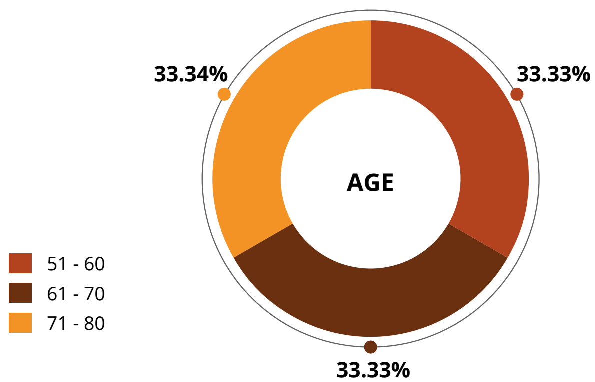
During the FY2025, the Company has yet to adopt Practice 5.9 of MCCG as the Board currently has one (1) female Director, representing 20% women representation on the Board. The Board recognises the importance of providing fair and equal opportunities and nurturing diversity within the Group and will 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.

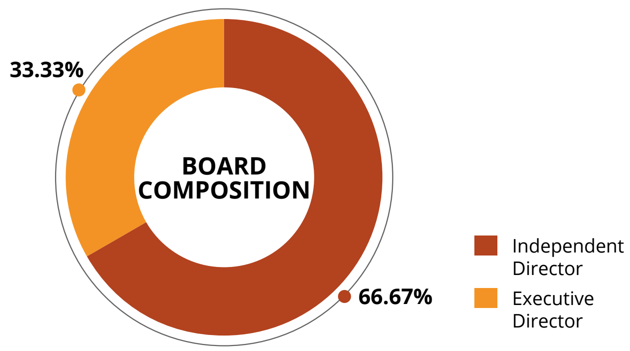
In line with its Board and Senior Management Diversity Policy, the Group also set a target to have at least 20% women in Senior Management positions. Currently, the Senior Management team has already achieved 25% women representation.

The board composition as of 31 March 2026 is as follows: -









Nomination Committee

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 were last reviewed on 29 May 2025 and 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. This policy is also available on the Company's corporate website. The NC will ensure that all retiring Directors and Board candidates meet the criteria set out in the Fit and Proper Policy before they are recommended for re-election.

Based on the annual assessment on the Board size and composition, the Board agreed with the NC's recommendation that the Board's current size of 6 members is appropriate and adequate after taking into consideration the current size of the Group's business.

Selection and Assessment of Directors

The appointment of Director is undertaken by the Board as a whole upon the recommendation by the NC. In identifying candidates for the Board, recommendations from existing Board members, Management and/or major shareholders will be taken into consideration to gain access to a wider pool of potential candidates. The NC will seek professional advice and/or conduct search by utilising a variety of independent source to identify suitably qualified candidates if required.

The NC considers the following factors in evaluating suitable candidates:

(a) assess the candidates' expertise, skills, knowledge, experience, professionalism, commitment, contribution, performance, integrity, competence and character;

(b) consider board diversity, including age and gender;

(c) in the case of candidates for the position of Independent Non-Executive Director ("INED"), evaluate the candidates' ability to discharge such responsibilities/functions as are expected from INED; and

(d) in the case of candidates filling seats in respect of the Audit and Risk Management Committee ("ARMC") in particular, to ensure the candidate is financially literate and possesses a wide range of necessary skills to discharge his/her duties.

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 and questionnaires were issued to all members of the Board and Board Committees. 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"). The NC also conducted an annual assessment of Independent Directors to assess whether they continue to bring independent and objective judgement to Board deliberations.

Re-election of Directors

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 Director who seek for re-election at the forthcoming AGM namely, Professor Emerita Siti Naaishah Binti Hambali, as well as for the newly appointed Director, Dato' Seri Hj Rosli Bin Isa. The assessment includes the submission of Fit and Proper Declaration Forms by the retiring and new Directors to the NC.

Based on the satisfactory results of the annual assessment of the retiring Directors, the Board 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 to 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 Remuneration Committee ("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 were last reviewed on 29 May 2025 and 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 FY2025 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 (Resigned on 20 April 2026)	-	-	-	-	-	-	-
Non-Executive Directors							
Ir. Dr. Muhamad Fuad Bin Abdullah	126.0	-	-	-	6.0	-	132.0
Professor Emerita Siti Naaishah Binti Hambali	114.0	-	-	-	6.0	-	120.0
Chng Boon Huat	120.0	-	-	-	6.0	-	126.0
Total	**360.0**	**-**	**-**	**-**	**18.0**	**-**	**378.0**

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	-	15.5	-	238.4	2,233.9
Dato' Sri Subahan Bin Kamal (Resigned on 20 April 2026)	-	900.0	-	-	-	109.4	1,009.4
Non-Executive Directors							
Ir. Dr. Muhamad Fuad Bin Abdullah	126.0	-	-	-	6.0	-	132.0
Professor Emerita Siti Naaishah Binti Hambali	114.0	-	-	-	6.0	-	120.0
Chng Boon Huat	120.0	-	-	-	6.0	-	126.0
Total	**360.0**	**2,880.0**	**-**	**15.5**	**18.0**	**347.8**	**3,621.3**

The Board has also not adopted 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 an 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 were last reviewed on 29 May 2025 and are available on the Company's corporate website: ***www.nadicergas.com***.

During the financial year under review, 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 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 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 under review, the Board was updated on the Group's internal control system which encompasses risk management practices as well as financial, operations and compliance controls on a regular basis. The Board has in place an ongoing process to identify, evaluate, monitor and manage significant risks affecting the Group's businesses, and 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 available in the Statement on Risk Management and Internal Control of this Annual Report on pages 94 to 100.

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 General Meetings

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 FY2025, Gagasan Nadi Cergas held its 8th AGM and an Extraordinary General Meeting ("EGM") on 4 June 2025 and 4 December 2025, respectively. Both meetings were conducted physically at Tropicana Golf & Country Resort. The Board did not adopt the hybrid meeting format after considering the small number of shareholders in the Company as well as the associated costs involved.

The Notice of the 8th AGM and the Annual Report were circulated to shareholders at least 28 days prior to the meeting. The additional time provided allows shareholders to make necessary arrangements to attend, participate, and vote at the AGM, as well as to review the Annual Report and the information supporting the proposed resolutions. The Notice of the 8th AGM was also accompanied with an administrative guide to provide information in relation to the AGM as well as an explanatory statement with relevant information or recommendations for the proposed resolutions to facilitate shareholders making an informed decision. The poll voting results were validated by an independent scrutineer.

During the 8th AGM and EGM, the shareholders were encouraged to pose questions where the Chairman of the meeting and the Chief Financial Officer had addressed all the questions and comments raised by shareholders and proxies.

All the resolutions set out in the Notice of the 8th AGM and EGM were duly passed by the shareholders of the Company by way of poll voting. The results of the 8th AGM and EGM were announced to Bursa Securities on the same day.

The minutes of the 8th AGM and EGM were published on the Company's corporate website on 2 July 2025 and 9 January 2026, respectively, which were within 30 business days after the general meeting.

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 2025 of the Company, which is available on the Company's corporate website: ***www.nadicergas.com***.

The Board is of the view that this 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 CG practices, professionalism and integrity in delivering its strategic objectives and sustainable performance of the Group over the long term.

This Statement was approved by the Board on 20 April 2026.

AUDIT AND 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 2025 ("FY2025").

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. The composition of the ARMC complies with Rule 15.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("ACE LR") and is in line with Practice 9.4 of the Malaysian Code on Corporate Governance (MCCG), which recommends that the audit committee comprise solely independent directors. The current composition of the ARMC is as follows:

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

Mr Chng Boon Huat is a Chartered Accountant of the Malaysian Institute of Accountants (MIA) which meets the requirements of Rule 15.09(1)(c)(i) of the ACE LR. In line with Rule 15.09(2) of the ACE LR, no alternate director was appointed as member of the ARMC.

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

3.0 MEETINGS AND ATTENDANCE

The ARMC held five (5) meetings during FY2025, comprising four (4) regular meetings and one (1) special meeting. The Chief Financial Officer ("CFO"), Company Secretary and Compliance Lead were invited to attend all ARMC meetings. The CFO attended the meetings to provide input, advice and clarification on the Group's operations, as well as auditing and accounting matters. The Compliance Lead attended to present the Group's Enterprise Risk Management ("ERM") reports and internal audit follow-up reports, while the Company Secretaries ensured that proper records of the proceedings were maintained. The minutes of each meeting were tabled for confirmation at the subsequent ARMC meeting.

An outsourced independent professional firm, Sterling Business Alignment Consulting Sdn Bhd ("SBAC" or "the Internal Auditors"), was appointed to carry out the Group's internal audit reviews and reports directly to the ARMC. Other Senior Management personnel were also invited to attend the meetings, from time to time, to brief the ARMC on specific matters. The External Auditors were invited to present their audit findings and to discuss issues arising from the audit, and the ARMC also met with the External Auditors without the presence of Management, where necessary.

Details of meetings held during FY2025 are as follows:
- 1st ARMC Meeting : 27 February 2025
- Special ARMC Meeting : 22 April 2025 (To consider the Audited Financial Statements and Annual Report for the financial year ended 31 December 2024)
- 2nd ARMC Meeting : 29 May 2025
- 3rd ARMC Meeting : 28 August 2025
- 4th ARMC Meeting : 27 November 2025

The ARMC also convened a meeting on 26 February 2026, as part of the FY2025 financial reporting cycle, to review, among other items, the fourth quarter financial results for FY2025.

Details of attendance of each ARMC members at the meetings held during FY2025 are tabulated below:

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

Following each ARMC meeting, the ARMC Chairman updated the Board on the matters discussed and deliberated during the meetings. The Group's annual financial statements and quarterly financial reports, which were reviewed by the ARMC, were recommended to the Board for approval. Any significant matters or concerns raised by the External Auditors or Internal Auditors were also communicated to the Board for their consideration.

4.0 SUMMARY OF ARMC ACTIVITIES

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

4.1 Financial Reporting and Compliance

The ARMC reviewed all the unaudited quarterly financial reports and the annual audited financial statements of the Group and of the Company for FY2025 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 ARMC reviewed the unaudited quarterly financial reports and the annual audited financial statements of the Group and the Company, with particular focus on 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.

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

- applicable accounting policies are adopted and applied consistently;
- the going 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 were prepared, in all material respects, in accordance with the applicable financial reporting framework and provide a true and fair view of the financial statements of the Group and the Company for FY2025.

The ARMC also reviewed and recommended to the Board for approval the proposed interim single-tier dividend of 2 sen per ordinary share for FY2025, after taking into consideration the Company's profits, cash flow and solvency.

4.2 External Audit

The ARMC recommended the re-appointment of Crowe Malaysia PLT as the Company's External Auditors after they reviewed the independence, performance and suitability of the External Auditors. The assessment covered, among others, 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 FY2025, the ARMC was satisfied with their suitability, objectivity, independence, as well as the quality of audit services provided, sufficiency of audit resources and interactions with the ARMC and Management.

On 27 November 2025, the ARMC discussed and reviewed the Audit Planning Memorandum for FY2025, 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.

The ARMC also met with the External Auditors at the ARMC meetings held on 27 February 2025 and 27 November 2025 without the presence of the Management, to ensure there were no restriction on the scope of external audit (in terms of adequacy of information provided and cooperation from Management) and to discuss key matters that required the ARMC's attention and suggestions thereon. No major concerns or material issues were noted. The External Auditors confirmed that they received full cooperation from Management throughout the audit process.

The audit findings were subsequently presented by the External Auditors to the ARMC at its meeting held on 26 February 2026, where the ARMC reviewed and deliberated on the matters reported.

4.3 Internal Audit

The Compliance Department supports the ARMC in overseeing the Group's internal audit, enterprise risk management and compliance-related matters, as well as in recommending improvements to the Group's internal control system, governance processes and risk management framework.

During the financial year under review, the ARMC carried out the following activities in relation to the Group's internal audit function:

- reviewed and approved the internal audit plan for FY2025 to ensure that the scope of work and audit coverage were aligned with the Group's key risk areas;
- reviewed the internal audit reports presented for the respective quarters and assessed the adequacy and effectiveness of the Group's governance, risk management, operational and compliance controls;
- reviewed and monitored the status of corrective actions taken by Management to address audit findings, including the rescheduling of implementation timelines where necessary; and
- reviewed the adequacy of internal audit resources, budget and audit fees to ensure sufficient coverage of the Group's key risk areas.

The internal audit reviews conducted during FY2025 covered the following functions:

Period	Focus Area
Quarter 1	Cybersecurity and Data Privacy
Quarter 2	Human Resources Management and Administration
Quarter 3	Finance and Accounts
Quarter 4	Tender Management, Costing and Contract Management

The internal audit reviews conducted during FY2025 generally concluded that the control environment in the audited areas was adequate, with controls in place although certain areas require further strengthening.

Key areas for improvement identified included gaps in cybersecurity and personal data protection compliance, disaster recovery readiness, formalisation of policies and Standard Operating Procedures (SOPs), user access controls, succession planning, timely updating of employment-related documentation and processes, as well as certain finance and accounting control matters.

Management has taken the necessary steps to address the issues identified, while the ARMC continues to monitor the progress of outstanding matters through follow-up reports tabled during the year.

4.4 Risk Management

The ARMC also oversees the Group's ERM framework through the Risk Management Sub-Committee, which is responsible for reviewing the ERM framework, monitoring key risk areas, evaluating the effectiveness of mitigation plans at both corporate and operational levels, and promoting a proactive risk management culture across the Group.

The Sub-Committee comprises C-Level Officers, Head of Departments and key representatives from each department and business segment, and is responsible for ensuring that action plans and corrective measures are implemented in a timely and effective manner.

During FY2025, ERM reports were tabled to the ARMC for deliberation and approval. The ARMC reviewed the key risk areas and selected operational risks identified by Management, together with the corresponding mitigation plans and actions taken.

In particular, the ARMC deliberated on the following matters:

- data breach and cybersecurity risk, including cybersecurity awareness, disaster recovery testing, back-up arrangements and the applicability of relevant regulatory requirements;
- bribery and corruption risks, including the need to ensure that the Group's anti-bribery and corruption measures and governance documentation are properly documented and implemented;
- health, safety and environmental compliance risks, including the importance of strict monitoring of safety, waste management and environmental compliance matters; and
- selected operational risks, including foreign worker compliance, labour shortages and climate-related risks.

4.5 Internal Control Assurance

In supporting the ARMC, the Compliance Department carried out ongoing internal control assurance activities during FY2025, including:

- reviewing and discussing with the Internal Auditors the key audit matters and scope of the audit plan;
- advising the ARMC on operational issues relevant to future audit planning;
- reviewing internal audit reports prior to their presentation to the ARMC to facilitate discussions with Management and the Internal Auditors;
- coordinating with the relevant departments on observations, recommendations and corrective actions arising from internal audit reviews;
- monitoring the resolution of audit findings within agreed timelines or approved revised deadlines; and
- supporting ongoing compliance with the Group's internal standards, policies and certification requirements.

The Internal Auditors concluded that Management is aware of its responsibility to maintain a sound internal control system to safeguard shareholders' investments and the Group's assets, and that the Group has established an adequate system of internal controls for its key processes. No material weaknesses were identified during the financial year under review that would result in significant losses. Where areas for improvement were identified, appropriate actions have been or are being implemented by Management. Management continues to undertake initiatives to enhance the Group's internal control system.

4.6 Recurrent Related Related Party Transactions ("RRPTs"), Related Party Transactions ("RPTs") and Conflict of Interest ("COI")

In accordance with the ACE LR, the ARMC shall review RRPTs, RPTs and COI situations that may arise within the Group, including any transaction, procedure or course of conduct that raises concerns regarding Management's integrity.

During FY2025, the Group did not enter into any RPTs or RRPTs of a revenue or trading nature requiring shareholders' mandate pursuant to the ACE LR. There were also no COI situations or potential COI involving Directors and Senior Management of the Group.

5.0 INTERNAL AUDIT FUNCTION

5.1 Governance of the Internal Audit Function

The ARMC is supported by the Compliance Department in discharging its oversight responsibilities over the Group's internal control system, risk management framework and governance processes. The Compliance Department provides coordination and follow-up support on internal audit matters and reports functionally to the ARMC and administratively to the Group Managing Director ("GMD").

The ARMC reviews and approves the annual internal audit plan to ensure that the audit coverage is aligned with the Group's key risk areas. Internal audit reviews are conducted using a risk-based approach, covering operational, financial and compliance processes. Internal audit work is performed in accordance with the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF) and where applicable, the Global Internal Audit Standards, and adopts the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control Framework as a basis for evaluating the effectiveness of the Group's internal control environment.

Internal audit reports are discussed with Senior Management, together with Management's responses and corrective action plans, prior to being tabled to the ARMC. The Compliance Department monitors the implementation status and provides updates to the ARMC, including progress against agreed or revised timelines.

5.2 Internal audit resources and independence

The person principally responsible for the internal audit engagement is Dr. So Hsien Ying (DBA, MBA (Finance), BSc Econ (Hons)), with over 30 years' experience in corporate planning, process improvement, risk management and internal audit. A total of four (4) professionals were deployed for the internal audit function during FY2025. The ARMC is satisfied that the internal audit personnel were free from any relationships or COI that could impair their objectivity and independence.

During the financial year under review, the ARMC reviewed the performance, competency and adequacy of resources of SBAC and was satisfied that the internal audit function possessed the necessary expertise, experience and resources to discharge its responsibilities effectively.

The total cost incurred for the internal audit function in respect of FY2025 was RM60,000 (2024: RM50,000).

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") for the financial year ended 31 December 2025 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	60	260
Non-audit Fees	67	67
	127	327

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	89

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 2025, or entered into since the end of the previous financial year other than those disclosed in the Audited Financial Statements.

4. Disclosure of Financial Data for Shariah Screening

Pursuant to Rule 9.25A of the ACE LR, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	The Group	
	2025 RM'000	2024 RM'000
Revenue	413,583	262,817
Other income	75,774	23,911
Finance income	1,618	1,534
Total	**490,975**	**288,262**
Total Assets	**1,389,833**	**885,929**

(b) Business Activities

		The Group	
Shariah Non-Compliant Activities	**Remark**	**2025 RM'000**	**2024 RM'000**
Interest income	Conventional	1,271	1,259
Total		**1,271**	**1,259**

4. Disclosure of Financial Data for Shariah Screening (Cont'd)

(c) Cash Component

	The Group	
Islamic Account/Instruments	**2025 RM'000**	**2024 RM'000**
Cash at bank (exclude cash in hand)	114,536	20,703
Cash held under Islamic Housing Development Accounts	25,019	9,453
Cash in hand	47	58
Deposits with licensed bank	1,354	8,715
Total	**140,956**	**38,929**

	The Group	
Conventional Account/Instruments	**2025 RM'000**	**2024 RM'000**
Cash at bank (exclude cash in hand)	99,193	33,279
Deposits with licensed bank	5,968	16,301
Total	**105,161**	**49,580**

(d) Debt Component

	The Group	
Islamic Financing	**2025 RM'000**	**2024 RM'000**
Current		
Bank overdrafts	287	4,385
Bank borrowings	34,341	22,344
Sukuk	39,137	-
Islamic Hire purchase payables	-	42
Non-Current		
Bank borrowings	66,467	79,199
Sukuk	243,596	-
Total	**383,828**	**105,970**

		The Group	
Conventional Borrowing	**Remarks**	**2025 RM'000**	**2024 RM'000**
Current			
Hire purchase payables		1,140	820
Other interest bearing debt	Lease liabilities	7	-
Revolving credit and loans		7,831	-
Conventional bonds		-	20,000
Non-Current			
Hire purchase payables		3,268	2,370
Other interest bearing debt	Lease liabilities	85	-
Conventional bonds		-	40,000
Total		**12,331**	**63,190**

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1.0 INTRODUCTION

1.1 Basis of Preparation

The Board of Directors ("the Board") is committed to maintaining a sound system of risk management and internal control of Gagasan Nadi Cergas Berhad and its subsidiaries (the "Group"), and is pleased to present this Statement on Risk Management and Internal Control ("the Statement"), which outlines the nature and scope of the Group's risk management and internal controls for FY2025.

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("ACE LR"), the Board is required to include in its annual report a statement on the state of risk management and internal control of the Group, and to be guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (the "SORMIC Guide 2025").

1.2 Limitations of Internal Control

The Group's system of risk management and internal control is designed to manage risk rather than eliminate the risk of failure to achieve business objectives, and can only provides reasonable, but not absolute assurance against material misstatement of loss.

The system is dependent on people, processes and judgment, and is therefore subject to inherent limitations, including the possibility of human error and, in exceptional circumstances, intentional circumvention of controls (including collusion or management override). In addition, changes in the business environment, operating conditions or regulatory requirements may affect the effectiveness of the system over time. Accordingly, the Board and Management continue to review and improve the Group's risk management and internal control framework to ensure that it remains appropriate and effective.

2.0 SCOPE OF THE STATEMENT

This Statement covers the risk management and internal control systems of the Group for the financial year ended 31 December 2025.

During the financial year under review, the Company completed the acquisition of 100% equity interest in Serata Ehsan Sdn Bhd ("SERATA") and 45% equity interest in Seri Delima Anggun Sdn Bhd ("SDASB") on 30 December 2025. Following the completion, SERATA and SDASB became subsidiaries of the Group and are included within the scope of the Group's risk management and internal control system from the completion date, with progressive alignment of governance, reporting and key control processes where applicable.

As the acquisitions were completed close to the year-end, Management has initiated integration and alignment activities to ensure the subsidiaries' policies, processes and controls are aligned with the Group's governance framework, with oversight by the Audit and Risk Management Committee ("ARMC") or the Board.

3.0 BOARD RESPONSIBILITIES AND GOVERNANCE

3.1 Board Oversight

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 assurance that risks are managed within the Group's risk appetite, an ARMC at the Board level and a Risk Management Sub-Committee ("RMSC") at the Management level were established.

3.2 Audit and Risk Management Committee

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 ARMC has three (3) members, all of whom are Independent Non-Executive Directors.

The main responsibilities of the ARMC are as follows:

- Ensure robust and effective implementation of the ERM framework; and
- Review the adequacy of the Group's internal control system, such as compliance with applicable laws, rules, directives and guidelines.

3.0 BOARD RESPONSIBILITIES & GOVERNANCE (CONT'D)

3.3 Risk Management Sub-Committee

The RMSC comprises the Chief Financial Officer, Chief Operating Officer and Heads of Department of each business function.

The main responsibilities of the RMSC are:

- 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; and
- Identify changes to risks and emerging risks and promptly bring them forward to the attention of the ARMC and the Board.

4.0 KEY FEATURES OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

4.1 Risk Management Framework

The Group's risk management framework is based on the internationally recognised Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework and is applied in a manner proportionate to the Group's size, nature and complexity.

The 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.

4.2 Compliance Department Function

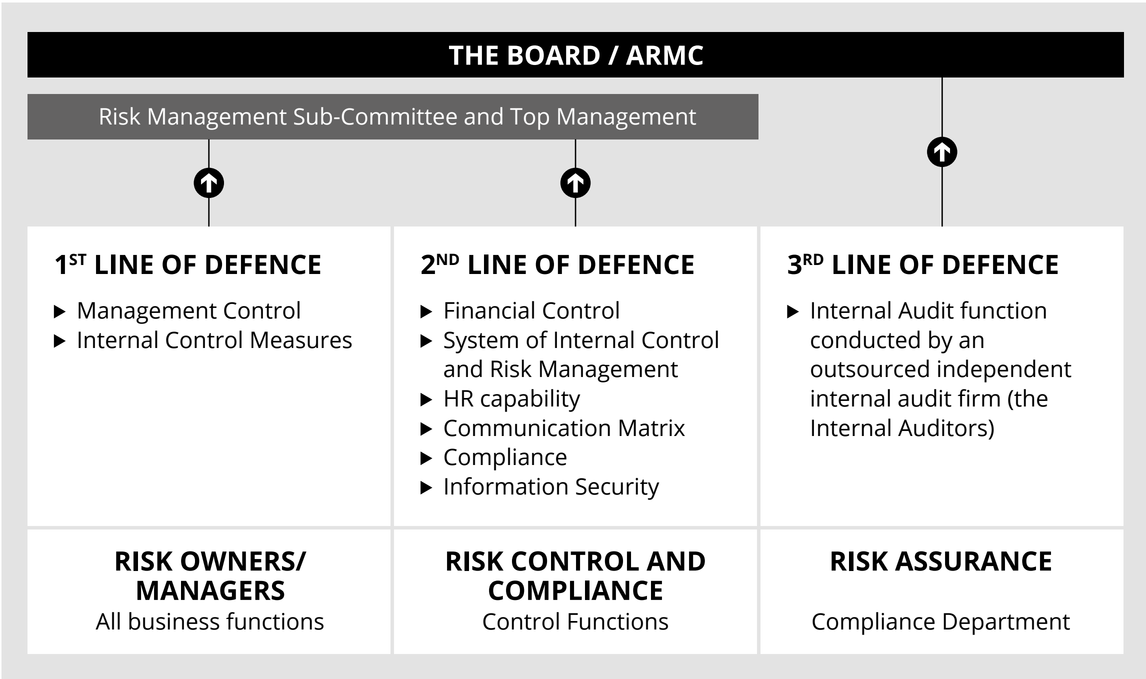
The Compliance Department monitors the adequacy and effectiveness of the Group's governance and internal controls based on the risk management framework. Any internal control issues identified will be reported to the respective department immediately.

Any updates regarding risk management will be discussed at RMSC meetings. To enhance employee awareness, the Compliance Department conducts periodic briefings on compliance and management system matters.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

4.3 The Three (3) Lines of Defence

The 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, as shown in the diagram below:



4.4 Internal Audit Function

The internal independent audit firm, Sterling Business Alignment Consulting Sdn Bhd ("Internal Auditors"), assists the Board and ARMC by providing reviews and assessments on 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 Auditors 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.

In line with the Board's commitment to ensure an effective and independent internal audit function is in place, the following disclosures are provided:

- Internal audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence.
- The internal audit function comprises four (4) professionals from the outsourced firm assigned to the Group.
- The person principally responsible is Dr. So Hsien Ying (DBA, MBA (Finance), BSc Econ (Hons)), with over 30 years' experience in corporate planning, process improvement, risk management and internal audit. She is a Certified Internal Control Professional and a member of relevant professional bodies.
- During the financial year under review, the Internal Auditors conducted their work in accordance with the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF). In light of the introduction of the Global Internal Audit Standards by the IIA, the Internal Auditors are in the process of transitioning their practices and methodologies to align, where appropriate, with the new standards. These standards outline the purpose of internal auditing and set expectations regarding ethics, governance, internal audit management, and the performance of internal audit services, including audit planning, execution, documentation, and the communication of findings with key stakeholders.

5.0 RISK MANAGEMENT PROCESS

5.1 Planning

To achieve a high standard of quality excellence, the ARMC provides oversight on risk management matters to ensure that the Group practises prudent risk management over its business operations. 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 performance and safeguarding the Group's assets against loss.
- Reporting: Ensure that the financial and non-financial reporting structure is reliable and transparent as required by relevant regulators and standard setters.
- Compliance: Monitor compliance with laws and regulations applicable to the Group's operations.

5.2 Monitoring

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 within the Group, awareness programmes have been conducted and communicated to every employee. The procedures for 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 to enhance compliance with internal controls and relevant legal requirements. These policies and procedures are available on the Group's SharePoint to guide 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 have been disseminated to all employees to enhance staff competency and evaluate employee performance.
- The Group has clear limits of authority which define the approval limits assigned and delegated to each approving authority within the Group covering procurements, payments, tenders, investments, and other operational matters. These limits of authority are reviewed periodically and updated to reflect the changes in the business environment.

During the financial year under review, the Board (through the ARMC) conducted an annual review and periodic testing of the Group's risk management and internal control framework, supported by management reporting and assurance activities. Periodic testing included internal audit reviews and follow-up assessments presented to the ARMC, as well as monitoring of the implementation status of agreed corrective actions with defined owners and timelines.

Key insights arising from the review included the need for continued strengthening of selected controls, timely closure of improvement actions (including those arising from internal audit follow-ups), and further enhancement of cybersecurity and data privacy governance, as well as consistency in implementation across operations.

Enhancements implemented during the year included strengthened remediation tracking with clearer ownership/and timelines, follow-up verification, and improved assurance reporting and audit planning for ARMC oversight.

5.3 Reporting

The ERM process is adopted to implement a structured approach for identifying, evaluating, managing, and monitoring significant risks. At the Group level, risk management is monitored through the consolidation of risks identified by each department. The respective risk owners will drive the implementation of risk mitigation measures towards achieving a residual risk within the approved level of risk tolerance.

The risk and corresponding mitigation measures are incorporated into the departmental risk registers and managed at the departmental level. The proposed mitigation measures are assessed and evaluated to ensure that the proposed action plans are adequate in addressing the identified risks.

5.4 Escalation

At the corporate level, any departmental risk with a significant or severe risk rating will be escalated to the ARMC for deliberation. This approach supports a robust risk management system that is self-sustaining and will continue to evolve along with the constant change in the business environment.

5.5 Confirmation of coverage

The Board confirms that the risk management processes described above were in place throughout the financial year under review and up to the date of approval of this Statement.

6.0 KEY RISK AREAS

In its oversight, the Board (through the ARMC or the RMSC) considers the Group's key risk areas, including financial, operations, regulatory compliance, reputation, cyber security and sustainability. These key risk areas are identified and assessed through the Group's ERM process, including periodic risk assessments, risk register updates, risk scoring and prioritisation, and monitoring of mitigation plans and key controls.

Following the completion of the acquisitions close to year-end, Management has initiated the inclusion of the new subsidiaries' key risks into the Group's risk assessment and reporting processes. The key risk areas (including those assessed as severe or significant), together with the corresponding mitigating actions for the year under review, are summarised below:

Risk Area	Risk Identified	Controls and Mitigating Actions	Risk Owner	Oversight
Cyber Security	Data breach of the Company's IT system	Layered technical and operational controls, including anti-spam email protection, anti-virus and firewall systems, routine monitoring, daily server backups and annual disaster recovery testing; supported by cybersecurity policies or procedures and staff awareness.	Admin (IT)	Periodic reporting to Management; significant incidents escalate to the ARMC and the Board for oversight.
Regulatory/ Compliance	Bribery and corruption	Anti-Bribery and Corruption (ABC) programme initiatives, including annual corruption risk assessment questionnaires, continuous engagement and communication, and periodic review of the effectiveness of "Adequate Procedures" to ensure continued relevance to current practices.	All operations	Compliance Department updates Management and ARMC; material issues escalate to the Board for appropriate actions to be taken.
Financial	Materials price fluctuation	Active price monitoring and forecasting prior to purchase orders; close monitoring of delivery schedules to support timely execution; controls to reduce wastage (including inventory and stock monitoring); explore feasible alternatives to optimise costs.	Construction and Procurement	Periodic reporting to Management; significant cost pressures escalate to the ARMC and the Board.
Sustainability	Environmental pollution at construction sites	Environmental Management Plan ("EMP") and site controls; monitoring of water, air and noise levels (as applicable); compliance practices; awareness and briefing programmes to reinforce required standards at construction sites.	Construction and Environment, Safety and Health ("ESH")	ESH and EMP personnel monitors outcomes and reports to Management; material environmental issues escalate to the ARMC and the Board.
Sustainability	Improper waste management	Systematic waste control at the site, including segregation practices; engagement of licensed waste collectors; ongoing monitoring to reduce commingled waste and material wastage.	Construction, Facilities Management and ESH	Monitored by site and ESH and reports to Management; issues with potential regulatory or ESG impact escalate to the ARMC and the Board for oversight.

Risk Area	Risk Identified	Controls and Mitigating Actions	Risk Owner	Oversight
Operations	Health and safety	ESH management system and site-level controls, including toolbox meetings, safety induction, ongoing ESH awareness and training, enforcement of safety systems (e.g., Unsafe Act system and Permit-to-Work ("PTW") where applicable), and continual inspection and monitoring to drive compliance and reduce incidents.	All operations	Periodic reporting to Management; serious incidents and systemic issues escalate to the ARMC and the Board for oversight.

The Board recognises that incidents relating to compliance, workplace safety, environmental management and cyber security may also have reputational implications. Accordingly, these key risks are monitored through periodic reporting and escalation to the ARMC or the Board where necessary.

7.0 REVIEW AND ACTIONS

7.1 Review by the Board and/or ARMC

The Board (through the ARMC) reviews the adequacy and effectiveness of the Group's risk management and internal control system through periodic reporting during the year, including updates from Management, the Compliance Department and internal audit reports. Where any significant failings or weaknesses are identified, these are escalated to the ARMC with corrective action plans, responsible owners and implementation timelines.

Progress is monitored through follow-up reviews and reported until closure. The Board provides assurance that actions have been taken or are being taken to remedy any identified issues.

7.2 Significant Weaknesses/Failings and Remediation Tracking

During the financial year under review, the Group did not identify any significant weaknesses or material failings that resulted in a material breakdown of the risk management and internal control system.

The ARMC reviewed internal audit reports and follow-up assessments during the year, including areas such as finance and accounts, operations, regulatory compliance, cybersecurity and data privacy, HR administration and anti-bribery management system, and monitored remediation actions through periodic status reporting and follow-up reviews.

Corrective actions were assigned to the relevant process owners with agreed timelines, and progress was tracked through structured updates to the ARMC that summarised closure status. Where necessary, revised completion timelines were reviewed and agreed upon by the ARMC to support timely closure and sustained improvement. The ARMC receives periodic updates on the status of remediation actions, including follow-up verification, until the actions are completed and closed.

8.0 ADEQUACY AND EFFECTIVENESS

8.1. Board's Review of the System's Performance

The Board is of the view that the Group's risk management and internal control system for the financial year under review is adequate and effective, and provides reasonable assurance in safeguarding the Group's assets and shareholders' investments. In arriving at this view, the Board considered, among other things, the Compliance Department's ongoing monitoring and quarterly reporting to the ARMC, and the results of internal audit reviews during the year.

8.2. Material Internal Control Matters

There were no material internal control matters arising from significant failure of the internal control system being reported to the Board or ARMC, by the Compliance Department or the independent Internal Auditors during the year and up to the date of approval of this Statement. Where such matters arise, the Group applies a structured remediation approach including escalation to the ARMC, root-cause assessment, corrective action plans with timelines and responsible owners, and monitoring through follow-up reviews until full resolution.

9.0 JOINT VENTURES AND ASSOCIATES

This section is not applicable as the Group does not have joint ventures or associates during the financial year under review.

10.0 GROUP MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER ASSURANCES

The Board has received assurances from both the Group Managing Director ("GMD") and the Chief Financial Officer ("CFO") that the Group's risk management and internal control system is operating adequately and effectively in all material aspects for FY2025.

In forming its view, the Board also considered the credibility and sufficiency of the assurances provided by the GMD and the CFO, supported by the Compliance Department's and the outsourced independent Internal Auditor's quarterly reporting and assurance activities during the year.

11.0 EXTERNAL AUDITORS' REVIEW OF THE STATEMENT

In accordance with Section 7 of the SORMIC Guide 2025, the External Auditors have reviewed this Statement on Risk Management and Internal Control 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 the External Auditors' review, nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by Section 7 of the SORMIC Guide 2025, nor that this Statement is factually inaccurate.

Our Internal Auditors have also reported that the Group's risk management and internal control system in place during the reviewed year is adequate.

12.0 CONCLUSION

Based on the risk management and internal control framework in place, the Board is satisfied that the Group's system of risk management and internal control for the financial year under review remains adequate and effective and provides reasonable assurance in safeguarding the Group's assets and shareholders' investments.

The Board notes that, while certain compliance and operational observations were identified during the financial year, these were addressed through corrective action plans monitored by Management and the ARMC.

The Board will continue to review the Group's risk profile and strengthen the risk management and internal control system to ensure it remains appropriate to the Group's operating environment and business needs.

This Statement was approved by the Board on 20 April 2026.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required under Rule 15.26(a) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement explaining its responsibility for preparing 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 2025 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 2025, 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 the Company, and to prevent and to detect fraud and other irregularities.

The Statement was approved by the Board on 20 April 2026.

FINANCIAL
REPORTS

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 2025.

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	91,479	163,475
Attributable to:-		
Owners of the Company	75,531	163,475
Non-controlling interests	15,948	-
	91,479	163,475

DIVIDENDS

On 26 February 2026, the Company declared an interim dividend of 2 sen per ordinary share amounting to RM15,060,000 in respect of the current financial year, payable on 15 May 2026, to shareholders whose names appeared in the record of depositors on 15 April 2026. The financial statements for the current financial year do not reflect this interim dividend. Such a dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

The directors do not recommend the payment of any further dividends 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 have 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 other than the acquisition of new subsidiaries as disclosed in Note 25 to the financial statement.

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	
Chng Boon Huat	
Ir Dr Muhamad Fuad Bin Abdullah	
Professor Emerita Siti Naaishah Binti Hambali	
Dato' Seri Hj. Rosli Bin Isa	(Appointed on 4.3.2026)
Dato' Sri Subahan Bin Kamal	(Resigned on 20.4.2026)

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	
Hj Zulkifli Bin Abdul	
Nik Pa'ezah Binti Ismail	
Haji Nik Mohd Zaid Bin Nik Taib	(Resigned on 13.1.2026)
Mohd Zainal Abidin Bin Mohd Tulus	(Resigned on 12.1.2026)

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 1.1.2025	**Bought**	**Sold**	**At 31.12.2025**
The Company				
Direct Interests				
Dato' Sr Hj Wan Azman Bin Wan Kamal	487,116,663	-	-	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.

The other director at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

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" section 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 28(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	3,619	18
Defined contribution benefits	389	-
	4,368	**378**

INDEMNITY AND INSURANCE COST

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

SUBSIDIARIES

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

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 33 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period is disclosed in Note 34 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	260	60
Non-audit fees	67	67
	327	127

Signed in accordance with a resolution of the directors dated 20 April 2026.

Dato' Sr Hj Wan Azman Bin Wan Kamal

Chng Boon Huat

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

We, Dato' Sr Hj Wan Azman Bin Wan Kamal and Chng Boon Huat, 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 114 to 190 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2025 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 20 April 2026.

Dato' Sr Hj Wan Azman Bin Wan Kamal | **Chng Boon Huat**

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 114 to 190 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 20 April 2026

Dato' Sr Hj Wan Azman Bin Wan Kamal

Before me

Muhammad Faiz Dharmendra (No. W-737)
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 2025 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 114 to 190.

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 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GAGASAN NADI CERGAS BERHAD

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

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.

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.

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;
- Testing property development costs incurred to date to supporting documentation such as contractors' claim certificates;
- Assessing the reasonableness of the estimated total property development costs to supporting documentation such as contracts, quotations and variation orders with contractors;
- Inquiring for any variation orders and check changes to contracts and quotations with the contractors, if any, are properly supported for ongoing projects;
- Testing sales of properties to signed sales and purchase agreements and progress billings raised to property buyers; and
- Re-computing the stage of completion and check the journal entries impacting revenue are recognised appropriately with reference to the computation of the stage of completion of the projects.

Recoverability of Trade Receivables

Refer to Note 9 to the financial statements

Key Audit Matter

The trade receivables of the Group amounted to approximately RM866.47 million and it constituted 62% of the total assets of the Group. As at 31 December 2025, trade receivables that were past due amounted to RM29.98 million. The details of trade receivables and its credit risk have been disclosed in Note 32 to the financial statements.

Management recognised impairment losses on trade receivables based on specific known facts, circumstances or the ability of customers to pay.

The determination of whether trade receivables are recoverable involves management judgement.

How our audit addressed the Key Audit Matter

Our audit procedures included, among others:

- Reviewing recoverability of major receivables including but not limited to the review of subsequent collections;
- Enquiring management on project/receivables status for major customers;
- Reviewing collections and sales trends during the financial year of major receivables; and
- Reviewing management's basis of estimation on the adequacy of the Group's allowance for impairment loss on trade receivables.

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)

Accounting effect of bargain purchase gain from the acquisition of Serata Ehsan Sdn. Bhd. ("SERATA") and Seri Delima Anggun Sdn. Bhd. ("SDASB")

Refer to Note 25 to the financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
Acquisition accounting for SERATA and SDASB under MFRS 3 - Business Combinations On 30 December 2025, the Group completed the acquisition of the entire issued share capital of SERATA for a total purchase consideration of RM80,000,000, and the acquisition of the 45% of issued share capital of SDASB for a total purchase consideration of RM47,250,000. We focused on this area due to the acquisition is material and requires the use of significant management judgement regarding the identification of intangible assets, valuation of assets acquired and liabilities assumed. A purchase price allocation exercise was performed by management, assisted by an external expert. The allocation considered the fair values of non-current and current assets and non-current and current liabilities.	Our audit procedures included, among others: • Evaluating the competence and capabilities of the external expert and reviewing the terms of engagement of the expert appointed by the Group to determine whether there were any matters that might have affected their objectivity or limited their scope of their work; • Assessing the methodology adopted by management and its appointed expert for calculating the fair values and validating the key assumptions used; and • Reviewing the adequacy of disclosure of acquisition in the financial statements.

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, IFRS Accounting 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GAGASAN NADI CERGAS BERHAD

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.
- 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

Chan Kuan Chee
02271/10/2027 J
Chartered Accountant

Kuala Lumpur

20 April 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		The Group		The Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	31,526	30,354	-	-
Inventories	6	92,110	98,701	-	-
Investments in subsidiaries	7	-	-	224,176	96,926
Right-of-use assets	8	90	-	-	-
Trade receivables	9	707,289	391,347	-	-
		831,015	520,402	224,176	96,926
CURRENT ASSETS					
Inventories	6	82,675	65,856	-	-
Trade receivables	9	159,184	115,867	-	-
Contract assets	10	44,720	58,764	-	-
Other receivables, deposits and prepayments	11	22,834	30,202	1	1,851
Amount owing by subsidiaries	12	-	-	84,218	86,903
Current tax assets		3,315	6,329	-	-
Fixed deposits with licensed banks	13	8,197	25,016	-	-
Cash and bank balances		237,921	63,493	46,291	438
		558,846	365,527	130,510	89,192
TOTAL ASSETS		1,389,861	885,929	354,686	186,118

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025 (CONT'D)

		The Group		The Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	136,444	136,444	136,444	136,444
Retained profits		389,513	313,982	212,396	48,921
Equity attributable to owners of the Company		525,957	450,426	348,840	185,365
Non-controlling interests	7	102,815	6,622	-	-
TOTAL EQUITY		628,772	457,048	348,840	185,365
NON-CURRENT LIABILITIES					
Borrowings	15	313,416	121,569	-	-
Deferred tax liabilities	16	133,721	70,132	-	-
		447,137	191,701	-	-
CURRENT LIABILITIES					
Trade payables	17	98,766	93,512	-	-
Contract liabilities	10	57,280	46,183	-	-
Other payables and accruals	18	65,727	43,964	1,981	328
Amount owing to a subsidiary	12	-	-	3,566	-
Borrowings	15	82,743	47,591	-	-
Current tax liabilities		9,436	5,930	299	425
		313,952	237,180	5,846	753
TOTAL LIABILITIES		761,089	428,881	5,846	753
TOTAL EQUITY AND LIABILITIES		1,389,861	885,929	354,686	186,118

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 2025

		The Group		The Company	
	Note	**2025 RM'000**	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
REVENUE	19	413,583	262,817	164,325	19,500
COST OF SALES		(328,265)	(220,454)	-	-
GROSS PROFIT		85,318	42,363	164,325	19,500
OTHER INCOME		77,392	25,445	4,119	3,441
		162,710	67,808	168,444	22,941
SELLING AND DISTRIBUTION EXPENSES		(1,052)	(1,051)	(28)	(3)
ADMINISTRATIVE EXPENSES		(37,074)	(33,760)	(3,960)	(1,433)
OTHER EXPENSES		(3,297)	(3,329)	(24)	(7)
FINANCE COSTS	20	(11,782)	(10,872)	-	-
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS	21	(1,273)	(926)	-	-
PROFIT BEFORE TAXATION	22	108,232	17,870	164,432	21,498
INCOME TAX EXPENSE	23	(16,753)	(10,810)	(957)	(810)
PROFIT AFTER TAXATION		91,479	7,060	163,475	20,688
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		91,479	7,060	163,475	20,688
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		75,531	5,866	163,475	20,688
Non-controlling interests		15,948	1,194	-	-
		91,479	7,060	163,475	20,688
EARNINGS PER SHARE (SEN)	24				
- Basic		10.03	0.78	-	-
- Diluted		10.03	0.78	-	-

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Share Capital RM'000	Distributable 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 1.1.2024	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 31.12.2024/1.1.2025	136,444	313,982	450,426	6,622	457,048
Profit after taxation/Total comprehensive income for the financial year	-	75,531	75,531	15,948	91,479
Contributions by and distribution to owners of the Company:					
- Dividends paid by the subsidiary to non-controlling interests	-	-	-	(2,151)	(2,151)
Acquisition of the subsidiaries	-	-	-	82,396	82,396
Balance at 31.12.2025	136,444	389,513	525,957	102,815	628,772

	Share Capital RM'000	Retained Profits RM'000	Total Equity RM'000
The Company			
Balance at 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 31.12.2024/1.1.2025	136,444	48,921	185,365
Profit after taxation/Total comprehensive income for the financial year	-	163,475	163,475
Balance at 31.12.2025	136,444	212,396	348,840

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	The Group		The Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	108,232	17,870	164,432	21,498
Adjustments for:-				
Depreciation:				
- property, plant and equipment	2,116	2,139	-	-
- right-of-use assets	-	14	-	-
Impairment losses:				
- trade receivables	613	1,176	-	-
- other receivables	2,039	1,240	-	-
Finance costs	11,782	10,872	-	-
Accretion of fair value on non-current trade receivables	(20,341)	(22,105)	-	-
Dividend income	-	-	(164,325)	(19,500)
Gain on disposal of property, plant and equipment	(85)	(74)	-	-
Gain on bargain purchase	(54,881)	-	-	-
Finance income	(1,618)	(1,534)	(4,119)	(3,441)
Reversal of impairment losses:				
- trade receivables	(1,379)	(1,490)	-	-
Operating profit/(loss) before working capital changes	46,478	8,108	(4,012)	(1,443)
Decrease in inventories	9,162	8,461	-	-
Decrease/(Increase) in contract assets	14,044	(38,754)	-	-
Decrease/(Increase) in trade and other receivables	58,662	33,741	1,850	(1,250)
Increase in trade and other payables	22,877	16,935	1,653	65
Increase in contract liabilities	11,097	9,066	-	-
CASH FROM/(FOR) OPERATIONS CARRIED FORWARD	162,320	37,557	(509)	(2,628)

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Note	The Group 2025 RM'000	The Group 2024 RM'000	The Company 2025 RM'000	The Company 2024 RM'000
CASH FROM/(FOR) OPERATIONS BROUGHT FORWARD		162,320	37,557	(509)	(2,628)
Income tax paid		(18,409)	(12,714)	(1,093)	(469)
Income tax refunded		3,312	583	10	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		147,223	25,426	(1,592)	(3,097)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Repayment from/(Advances to) subsidiaries		-	-	2,685	(24,994)
Dividend received		-	-	164,325	19,500
Finance income received		1,618	1,534	4,119	3,441
Acquisition of subsidiaries, net of cash and cash equivalents acquired		(96,898)	-	(127,250)	-
Withdrawal of pledged fixed deposits and with tenure more than 3 months		9,339	2,158	-	-
Proceeds from disposal of property, plant and equipment		85	74	-	-
Additions to inventories - land held for future development		(19,390)	(12,038)	-	-
Purchase of property, plant and equipment	26(a)	(1,115)	(1,025)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(106,361)	(9,297)	43,879	(2,053)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Advances from a subsidiary				3,566	
Dividends paid to:					
- non-controlling interests		(2,151)	-	-	-
Finance costs paid		(11,782)	(10,872)	-	-
Proceeds from drawdown	26(b)	353,448	47,219	-	-
Repayment of borrowings	26(b)	(209,331)	(77,060)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		130,184	(40,713)	3,566	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		171,046	(24,584)	45,853	(5,150)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		69,038	93,622	438	5,588
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	26(c)	240,084	69,038	46,291	438

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

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

Registered office	:	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
Principal place of business	:	F-1 @ 8 Suria, 33, Jalan PJU 1/42, 47301 Petaling Jaya, Selangor Darul Ehsan.

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

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

The consolidated financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 20 April 2026.

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 121: Lack of Exchangeability

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 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
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
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 that could change significantly due to 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 expected usage levels and technological development could affect 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

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

(e) Revenue Recognition for Construction Contracts

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

(f) Revenue and Cost Recognition of Property Development Activities

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(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 liabilities 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 RM3,315,000 and RM9,436,000 (2024 - RM6,329,000 and RM5,930,000).

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

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

(b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances, including past practice and any cost that will be incurred to change the asset if an option to extend is not exercised. 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 of 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, 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 a significant financing component which are measured at the transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

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, upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measure at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4.3 INVESTMENTS IN SUBSIDIARIES

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

4.4 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost including the estimated costs of dismantling and removing the items and restoring the 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 petrol station and forest park under construction. They are not depreciated until such time when the asset is available for use.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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.

4.6 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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.

(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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.7 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(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.

4.8 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2025 RM'000	Additions RM'000	Disposal RM'000	Depreciation Charges RM'000	Acquisition of Subsidiaries RM'000	At 31.12.2025 RM'000
2025						
Carrying Amount						
Freehold land and buildings	15,239	-	-	(297)	-	14,942
Chiller plant and machineries	7,802	27	-	(464)	-	7,365
Cabins, furniture and office equipment	1,007	150	-	(183)	-	974
Plant and machinery	5,436	2,353	-	(744)	-	7,045
Computers and software	265	153	-	(128)	21	311
Motor vehicles	228	371	#	(160)	-	439
Renovation	345	-	-	(140)	-	205
Capital work-in-progress	32	213	-	-	-	245
	30,354	3,267	#	(2,116)	21	31,526

- Amount below RM1,000

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

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

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
2025			
Freehold land and buildings	18,849	(3,907)	14,942
Chiller plant and machineries	9,249	(1,884)	7,365
Cabins, furniture and office equipment	4,093	(3,119)	974
Plant and machinery	12,020	(4,975)	7,045
Computers and software	3,375	(3,064)	311
Motor vehicles	5,480	(5,041)	439
Renovation	1,816	(1,611)	205
Capital work-in-progress	245	-	245
	55,127	(23,601)	31,526
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	3,201	(2,936)	265
Motor vehicles	5,919	(5,691)	228
Renovation	1,816	(1,471)	345
Capital work-in-progress	32	-	32
	52,649	(22,295)	30,354

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 RM14,941,049 (2024 - RM11,238,012) which have been charged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 15(d) and 31 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. INVENTORIES

	The Group	
	2025 RM'000	2024 RM'000
Non-current:-		
Land held for future property development	92,110	98,701
Current:-		
Property development costs	60,665	35,715
Completed development properties held for sale	22,010	30,141
	82,675	65,856
	174,785	164,557

(a) Land Held for Future Property Development

	2025 RM'000	2024 RM'000
At cost:-		
At 1 January	98,701	99,863
Additions during the financial year	17,070	12,038
Transfer to property development costs	(23,661)	(13,200)
At 31 December	92,110	98,701
Analysed by:-		
Freehold land	30,197	56,413
Leasehold land	45,839	20,289
Development costs	16,074	21,999
	92,110	98,701

(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 RM32,997,000 (2024 - RM45,904,000) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. INVENTORIES (CONT'D)

		The Group	
		2025 RM'000	2024 RM'000
(b)	**Property Development Costs**		
	At cost:-		
	At 1 January		
	Freehold land	19,980	17,135
	Leasehold land	9,408	-
	Development costs	233,236	97,745
		262,624	114,880
	Additions during the financial year:		
	Freehold land	2,845	2,845
	Leasehold land	(282)	-
	Development costs	249,832	131,699
		252,395	134,544
	Reversal of completed projects:		
	Freehold land	(9,024)	-
	Leasehold land	-	-
	Development costs	(253,642)	-
		(262,666)	-
	Transfer from land held for future property development:		
	Freehold land	8,304	-
	Leasehold land	-	9,408
	Development costs	15,357	3,792
		23,661	13,200
	Transfer to completed development properties held for sale:		
	Freehold land	(636)	-
	Leasehold land	-	-
	Development costs	(8,037)	-
		(8,673)	-
	At 31 December		
	Freehold land	21,469	19,980
	Leasehold land	9,126	9,408
	Development costs	236,746	233,236
	Balance carried forward	267,341	262,624

6. INVENTORIES (CONT'D)

		The Group	
		2025 RM'000	**2024 RM'000**
(b)	**Property Development Costs (Cont'd)**		
	Balance brought forward	267,341	262,624
	Costs recognised in profit or loss:		
	At 1 January	(226,909)	(84,052)
	Costs recognised during the financial year	(242,432)	(142,857)
	Reversal of completed properties during the financial year	262,665	-
	At 31 December	(206,676)	(226,909)
	Property development costs as at 31 December	60,665	35,715

(i) Certain property development costs with a total carrying amount of RM72,215,000 (2024 - RM51,796,000) 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	
		2025 RM'000	**2024 RM'000**
(c)	**Completed Development Properties Held for Sale**		
	Unsold completed development properties, at cost	22,010	30,141
	Recognised in profit or loss:-		
	Inventories recognised as cost of sales	18,350	148

(j) Certain unsold completed development properties with a total carrying amount of RM6,449,000 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.

7. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025 RM'000	**2024 RM'000**
Unquoted shares, at cost	224,176	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
	2025 %	**2024 %**	
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
GNCB Capital Sdn. Bhd. ("GCAP")	100	-	Special purpose vehicle established to raise debt financing to part-fund the acquisition, prepayment of existing financing facilities and for general corporate purposes
Serata Ehsan Sdn. Bhd. ("SERATA")	100	-	Investment holding
Seri Delima Anggun Sdn. Bhd. ("SDA")	45	-	Investment holding
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
Selindung Rimba Sdn. Bhd. ("SRSB")	66.5	-	Dormant

NOTES TO THE FINANCIAL STATEMENTS
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7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiaries	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2025 %	2024 %	
Subsidiary of NERSB			
Nadi Emery (KKD) Sdn. Bhd. ("NEKKD")	52.5	52.5	Property development
Nadi Emery (KKD2) Sdn. Bhd. ("NEKKD2")	52.5	52.5	Property development
Nadi Emery (KL) Sdn. Bhd. ("NEKL")	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
Subsidiary of SERATA			
P.A.E Builders Sdn. Bhd. ("PAE")	100	-	Investment holding
Subsidiary of SDA			
Konsortium PAE Sepakat Sdn. Bhd. ("KPSSB")	69.4	-	Investment holding
Subsidiaries of KPAE			
Konsortium PAE (Ipoh) Sdn. Bhd. ("KPAEIP")	69.4	-	Single purpose to carry out concession project for hostel accommodation for 2,500 students at Ungku Omar Polytechnic, Ipoh, Perak
Konsortium PAE (Banting) Sdn. Bhd. ("KPAEBT")	69.4	-	Single purpose to carry out concession project for hostel accommodation for 1,500 students at Banting Polytechnic, Banting, Selangor
Konsortium PAE (Johor Bahru) Sdn. Bhd. ("KPAEJB")	69.4	-	Single purpose to carry out concession project for hostel accommodation for 1,000 student at Ibrahim Sultan Polytechnic, Pasir Gudang, Johor
Konsortium PAE (Jeli) Sdn. Bhd. ("KPAEJL")	69.4	-	Single purpose to carry out concession project for hostel accommodation for 1,500 students at Jeli Polytechnic, Jeli, Kelantan
Konsortium PAE (Seberang Perai) Sdn. Bhd. ("KPAESP")	69.4	-	Single purpose to carry out concession project for hostel accommodation for 1,000 students at Seberang Perai Polytechnic, Seberang Perai, Pulau Pinang
Konsortium PAE (Port Dickson) Sdn. Bhd. ("KPAEPD")	69.4	-	Single purpose to carry out concession project for hostel accommodation for 1,000 students at Port Dickson Polytechnic, Port Dickson, Negeri Sembilan
Konsortium PAE (Kota Bharu) Sdn. Bhd. ("KPAEKB")	69.4	-	Single purpose to carry out concession project for hostel accommodation for 1,500 students at Kota Bharu Polytechnic, Kota Bharu, Kelantan

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) During the current financial year, the Company has acquired 100% equity interest in Serata Ehsan Sdn. Bhd. and 45% equity interest in Seri Delima Anggun Sdn. Bhd.. The details of the acquisition are disclosed in Note 25 to the financial statements.

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

	Effective Equity Interest		The Group	
	2025 %	2024 %	2025 RM'000	2024 RM'000
Nadi Emery (KKD) Sdn. Bhd.	47.5	47.5	9,997	(490)
Nadi Emery Sdn. Bhd.	47.5	47.5	5,220	2,065
Naditech Utilities Sdn. Bhd.	40	40	3,190	4,422
Nadi Cergas Development Sdn. Bhd.	30	30	3,514	2,647
Konsortium PAE Sepakat Sdn. Bhd. and its subsidiaries	30.6	-	76,380	-
Seri Delima Anggun Sdn. Bhd.	55	-	6,016	-
Other individually immaterial subsidiaries			(1,502)	(2,022)
			102,815	6,622

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

	Nadi Emery (KKD) Sdn. Bhd.	
	2025 RM'000	2024 RM'000
At 31 December		
Non-current assets	8,160	5,276
Current assets	98,948	56,407
Non-current liability	(78,334)	(17,807)
Current liabilities	(7,727)	(44,908)
Net assets/(liabilities)	21,047	(1,032)
Financial Year Ended 31 December		
Revenue	194,460	23,831
Profit/(Loss) after taxation/Total comprehensive Income/(expenses) for the financial year	22,079	(59)
Total comprehensive income/(expenses) attributable to non-controlling interests	10,488	(28)
Net cash from/(for) operating activities	37,982	(11,358)
Net cash for investing activities	(2,730)	(159)
Net cash (for)/from financing activities	(9,202)	19,189

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Nadi Emery Sdn. Bhd.	
	2025 RM'000	**2024 RM'000**
At 31 December		
Non-current assets	9,535	25,332
Current assets	77,735	64,400
Non-current liability	(23)	(23)
Current liabilities	(76,257)	(85,360)
Net assets	10,990	4,349
Financial Year Ended 31 December		
Revenue	78,345	132,880
Profit after taxation/Total comprehensive income for the financial year	8,642	6,926
Total comprehensive income attributable to non-controlling interests	4,105	3,290
Net cash from operating activities	25,235	712
Net cash for investing activities	(8,692)	(5,339)
Net cash for financing activities	(6330)	(4,884)

	Naditech Utilities Sdn. Bhd.	
	2025 RM'000	**2024 RM'000**
At 31 December		
Non-current assets	475	475
Current assets	7,516	10,592
Current liabilities	(15)	(12)
Net assets	7,976	11,055
Financial Year Ended 31 December		
(Loss)/Profit after taxation/Total comprehensive (expenses)/income for the financial year	(79)	29
Total comprehensive (expenses)/income attributable to non-controlling interests	(32)	12
Dividends paid to non-controlling interests	(1,200)	-
Net cash for operating activities	(37)	(25)
Net cash from/(for) investing activities	3,959	(247)
Net cash for financing activities	(3,000)	-

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	Nadi Cergas Development Sdn. Bhd.	
	2025 RM'000	**2024 RM'000**
At 31 December		
Non-current assets	2,371	2,441
Current assets	35,013	45,323
Current liabilities	(25,670)	(38,941)
Net assets	11,714	8,823
Financial Year Ended 31 December		
Revenue	20,130	-
Profit/(Loss) after taxation/Total comprehensive income/(expenses) for the financial year	4,391	(5,604)
Total comprehensive income/(expenses) attributable to non-controlling interests	1,317	(1,681)
Dividends paid to non-controlling interests	(450)	-
Net cash from/(for) operating activities	16,990	(8,898)
Net cash for investing activities	(2,853)	(1,308)
Net cash (for)/from financing activities	(11,251)	4,425

	Konsortium PAE Sepakat Sdn. Bhd. and its subsidiaries
	2025 RM'000
At 31 December	
Non-current assets	338,388
Current assets	51,291
Non-current liabilities	(125,650)
Current liabilities	(31,603)
Net assets	232,426

	Seri Delima Anggun Sdn. Bhd.
	2025 RM'000
At 31 December	
Non-current assets	2,500
Current assets	8,591
Current liabilities	(152)
Net assets	10,939

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8. RIGHT-OF-USE ASSETS

The Group	At 1.1.2025 RM'000	Depreciation Charges RM'000	Acquisition of Subsidiaries RM'000	At 31.12.2025 RM'000
2025				
Carrying Amount				
Lands	-	-	90	90

	At 1.1.2024 RM'000	Depreciation Charges RM'000	At 31.12.2024 RM'000
2024			
Carrying Amount			
Buildings	14	(14)	-

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

(i) Leasehold lands — The Group has entered into 7 (2024 - Nil) non-cancellable operating lease agreements for the use of land. The leases are for a period of 20 (2024 - Nil) years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer, sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

9. TRADE RECEIVABLES

	The Group	
	2025 RM'000	2024 RM'000
Non-current		
Concession services receivables	708,411	392,051
Allowance for impairment losses	(1,122)	(704)
	707,289	391,347
Current		
Concession services receivables	73,812	38,809
Trade receivables	85,677	78,547
Allowance for impairment losses	(305)	(1,489)
	159,184	115,867
	866,473	507,214
Allowance for impairment losses:-		
At 1 January	2,193	2,507
Addition during the financial year	613	1,176
Reversal during the financial year	(1,379)	(1,490)
At 31 December	1,427	2,193

9. TRADE RECEIVABLES (CONT'D)

(i) The Group's normal trade credit terms range from 30 to 90 (2024 - 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 projects as follows:-

	The Group	
	2025 RM'000	**2024 RM'000**
Gross trade receivables		
- IIUM Project	183,322	206,725
- UTeM Project	211,830	224,135
- Polytechnic Campus in Banting	57,681	-
- Polytechnic Campus in Ipoh	87,770	-
- Polytechnic Campus in Port Dickson	37,070	-
- Polytechnic Campus in Johor Bahru	37,927	-
- Polytechnic Campus in Seberang Perai	39,908	-
- Polytechnic Campus in Jeli	60,988	-
- Polytechnic Campus in Kota Bharu	65,727	-
	782,223	430,860
Less: Allowance for impairment losses		
- IIUM Project	(572)	(370)
- UTeM Project	(673)	(401)
	(1,245)	(771)
Net trade receivables		
- IIUM Project	182,750	206,355
- UTeM Project	211,157	223,734
- Polytechnic Campus in Banting	57,681	-
- Polytechnic Campus in Ipoh	87,770	-
- Polytechnic Campus in Port Dickson	37,070	-
- Polytechnic Campus in Johor Bahru	37,927	-
- Polytechnic Campus in Seberang Perai	39,908	-
- Polytechnic Campus in Jeli	60,988	-
- Polytechnic Campus in Kota Bharu	65,727	-
	780,978	430,089

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.

9. TRADE RECEIVABLES (CONT'D)

Concession Agreement ("CA") (Cont'd)

(c) On 25 March 2013, Konsortium PAE (Banting) Sdn. Bhd. has executed a CA with the Government of Malaysia ("GOM") to grant the Company 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 Polytechnic Campus in Banting, Selangor 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 GOM and expire on the Expiry Date ("Maintenance Period"). GOM shall pay the Company 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.

(d) On 25 March 2013, Konsortium PAE (Ipoh) Sdn. Bhd. has executed a CA with the Government of Malaysia ("GOM") to grant the Company 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 Polytechnic Campus in Ipoh, Perak 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 GOM and expire on the Expiry Date ("Maintenance Period"). GOM shall pay the Company 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.

9. TRADE RECEIVABLES (CONT'D)

Concession Agreement ("CA") (Cont'd)

(e) On 25 March 2013, Konsortium PAE (Port Dickson) Sdn. Bhd. has executed a CA with the Government of Malaysia ("GOM") to grant the Company 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 Polytechnic Campus in Port Dickson, Negeri Sembilan 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 GOM and expire on the Expiry Date ("Maintenance Period"). GOM shall pay the Company 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.

(f) On 25 March 2013, Konsortium PAE (Johor Bahru) Sdn. Bhd. has executed a CA with the Government of Malaysia ("GOM") to grant the Company 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 Polytechnic Campus in Pasir Gudang, Johor 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 GOM and expire on the Expiry Date ("Maintenance Period"). GOM shall pay the Company 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.

9. TRADE RECEIVABLES (CONT'D)

Concession Agreement ("CA") (Cont'd)

(g) On 25 March 2013, Konsortium PAE (Seberang Perai) Sdn. Bhd. has executed a CA with the Government of Malaysia ("GOM") to grant the Company 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 Polytechnic Campus in Seberang Perai, Pulau Pinang 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 GOM and expire on the Expiry Date ("Maintenance Period"). GOM shall pay the Company 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.

(h) On 25 March 2013, Konsortium PAE (Jeli) Sdn. Bhd. has executed a CA with the Government of Malaysia ("GOM") to grant the Company 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 Polytechnic Campus in Jeli, Kelantan 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 GOM and expire on the Expiry Date ("Maintenance Period"). GOM shall pay the Company 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.

9. TRADE RECEIVABLES (CONT'D)

Concession Agreement ("CA") (Cont'd)

(i) On 25 March 2013, Konsortium PAE (Kota Bharu) Sdn. Bhd. has executed a CA with the Government of Malaysia ("GOM") to grant the Company 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 Polytechnic Campus in Kota Bharu, Kelantan 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 GOM and expire on the Expiry Date ("Maintenance Period"). GOM shall pay the Company 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	
	2025 RM'000	2024 RM'000
At 1 January	12,581	(17,107)
Revenue recognised during the financial year	363,614	237,003
Billings to customers during the financial year	(388,755)	(207,315)
At 31 December	(12,560)	12,581
Represented by:-		
Construction contracts	(21,295)	(22,630)
Property development activities	8,735	35,211
	(12,560)	12,581
Contract Assets		
Construction contracts	35,367	23,553
Property development activities	9,353	35,211
	44,720	58,764
Contract Liabilities		
Construction contracts	(56,662)	(46,183)
Property development activities	(618)	-
	(57,280)	(46,183)

10. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables:-				
Third parties	19,043	14,101	-	-
Related party	5,961	5,961	-	-
Allowance for impairment losses	(13,188)	(11,149)	-	-
	11,816	8,913	-	-
Deposits	7,516	9,317	1	1
Prepayments	3,255	4,271	#	1,850
Advance payment	247	7,701	-	-
	22,834	30,202	1	1,851

- Amount below RM1,000

	The Group	
	2025 RM'000	2024 RM'000
Allowance for impairment losses:-		
At 1 January	11,149	9,909
Addition during the financial year-	2,039	1,240
At 31 December	13,188	11,149

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/(TO) SUBSIDIARIES

	2025 RM	2024 RM
Amount owing by subsidiaries		
Non-trade balance	84,218	86,903
Amount owing to a subsidiary		
Non-trade balance	(3,566)	-

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 RM77,349,000 (2024 - RM79,952,000) which bears interest at 5.00% (2024 - 5.00%) per annum. The amount is to be settled in cash.

The amount owing to a subsidiary represent unsecured payments on behalf. The amounts owing are repayable on demand and are to be settled in cash.

13. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest/profit rates ranging from 1.65% to 3.70% (2024 - 2.20% to 3.50%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2024 - 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 RM3,973,000 (2024 - 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			
	2025 Number of Shares	2024 '000	2025 RM'000	2024 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	2025 RM'000	2024 RM'000
Non-current			
Hire purchase payables	15(a)	3,268	2,370
Lease liabilities	15(c)	85	-
Islamic financing facilities	15(e)	66,467	79,199
Bonds	15(f)	-	40,000
Sukuk Wakalah	15(g)	243,596	-
		313,416	121,569
Current			
Hire purchase payables	15(a)	1,140	820
Hire purchase payables (Ijarah)	15(b)	-	42
Lease liabilities	15(c)	7	-
Revolving credit	15(d)	7,831	-
Islamic financing facilities	15(e)	34,341	22,344
Bonds	15(f)	-	20,000
Sukuk Wakalah	15(g)	39,137	-
Islamic bank overdrafts	15(h)	287	4,385
		82,743	47,591
		396,159	169,160

(a) Hire purchase payables

	The Group	
	2025 RM'000	2024 RM'000
At 1 January	3,190	2,360
Acquisition of new hire purchase	2,152	1,528
Finance costs recognised in profit or loss	196	133
Repayment of principal	(934)	(698)
Repayment of finance costs	(196)	(133)
At 31 December	4,408	3,190

(b) Hire purchase payables (Ijarah)

	The Group	
	2025 RM'000	2024 RM'000
At 1 January	42	244
Finance costs recognised in profit or loss	1	6
Repayment of principal	(42)	(202)
Repayment of finance costs	(1)	(6)
At 31 December	-	42

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15. BORROWINGS (SECURED) (CONT'D)

(c) Lease liabilities

	The Group	
	2025 RM'000	**2024 RM'000**
At 1 January	-	14
Additions through acquisition of subsidiaries	92	-
Repayment of principal	-	(14)
At 31 December	92	-

(d) Revolving credit

	The Group	
	2025 RM'000	**2024 RM'000**
At 1 January	-	-
Proceeds from drawdown	9,059	-
Finance costs recognised in profit or loss	101	-
Repayment of principal	(1,228)	-
Repayment of finance costs	(101)	-
At 31 December	7,831	-

The effective interest rate of revolving credit of the Group as at end of the reporting period is bearing interest rate at effective cost of fund + 2.00% per annum.

The revolving credit against progressive claim - post-financing to be settled via contract proceeds received in escrow account, tenure is up to 150 days and secured by:

(i) A First Party/Third Party Letter of Set-Off in the form and substance acceptable to the bank over the Fixed Deposits of the 10% of Performance Guarantee value together with interest thereon placed with the Bank;

(ii) Notice of Assignment or Irrevocable Letter of Instruction to notify the subsidiary on the Assignment and to irrevocably instruct and authorize them to remit all of the contract proceeds directly to another subsidiary's Escrow Account maintained with the Bank;

(iii) Third Party legal charge over a parcel of freehold vacant land held under Geran 311478, Lot 42589, Pekan Kampung Sungai Tangkas, Daerah Ulu Langat, Negeri Selangor by the registered proprietor, a subsidiary to secure the principal sum of RM18,000,000 together with interest thereon and all monies due and payable ("Property 1"); and

(iv) Third Party legal charge over a parcel of freehold vacant land held under H.S.(D) 69087, PT 915 Seksyen 12, Bandar Ulu Yam, Daerah Ulu Selangor, Negeri Selangor by the registered proprietor, a subsidiary to secure the principal sum of RM18,000,000 together with interest thereon and all monies due and payable ("Property 2").

15. BORROWINGS (SECURED) (CONT'D)

(e) Islamic financing facilities

The Islamic financing facilities are analysed as follows:-

	The Group	
	2025 RM'000	**2024 RM'000**
Islamic financing facility 1	-	72,203
Islamic financing facility 2	729	1,921
Islamic financing facility 3	7,616	9,612
Islamic financing facility 4	7,727	17,807
Islamic financing facility 5	12,268	-
Islamic financing facility 6	18,695	-
Islamic financing facility 7	7,870	-
Islamic financing facility 8	8,046	-
Islamic financing facility 9	8,409	-
Islamic financing facility 10	14,413	-
Islamic financing facility 11	15,035	-
	100,808	101,543

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 + 1.20% per annum.

(v) The effective profit rate structure of Islamic financing facility 5 to 11 is disclosed below:-

Year	**Effective Profit Rate (per annum)**
1st to 4th	Cost of Fund + 1.40%
5th to 6th	6.50%
7th to 15th	Cost of Fund + 0.75%

Islamic financing facility 1 is represented by a facility under Tawarruq arrangement ("TWF") awarded by Bank Pembangunan Malaysia Berhad to an indirect 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. The term financing is 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;

15. BORROWINGS (SECURED) (CONT'D)

(e) Islamic financing facilities (Cont'd)

(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 1 was fully redeemed ahead of its maturity during the financial year.

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

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

(ii) a corporate guarantee executed by the Company.

Islamic financing facility 3 is represented by a facility under TWF awarded by RHB Islamic Bank Berhad to an indirect subsidiary to part finance the purchase consideration relating to the Sale and Purchase Agreement to acquire four (4) parcels of freehold unencumbered properties. The term financing 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 MBSB Bank Berhad to an indirect subsidiary to part finance the development rights value and building construction costs in relation to Rumah Idaman Kwasa Damansara Project. The term financing, bank guarantee and bridging financing are secured by:-

(i) the Letter of Offer;

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

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

(iv) third party open monies charge over 1 parcel of freehold land, measuring approximately 25.21 acres within Kwasa Damansara and held under Title H.S.(D) 326633, PT 57006 in Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor ("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;

15. BORROWINGS (SECURED) (CONT'D)

(e) Islamic financing facilities (Cont'd)

(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.

Islamic financing facility 5 to 11 are represented by a Private Finance Initiative ("PFI") scheme/fund awarded by Bank Berhad to seven (7) indirect subsidiary to part finance the construction cost and the incidental cost/ PFI costs relating to the projects of "The design, development, construction and the maintenance of student hostels for Malaysian Government owned Polytechnic campuses located in Banting, Selangor, Jeli, Kelantan, Pasir Gudang, Johor, Port Dickson, Negeri Sembilan, Seberang Perai, Pulau Pinang, Kota Bharu, Kelantan and Ipoh, Perak.

Islamic financing facility 5 to 11 are repayable by 144 equal monthly instalments after the expiry of the moratorium period of 36 months.

Islamic financing facility 5 to 11 are secured by:

(i) a debenture creating a first fixed and floating charge over all present and future assets of the subsidiaries;

(ii) an assignment of all rights, title, interests and benefits of the subsidiaries under the clause of assignment over the availability charges, asset management services charges, compensation and reimbursable costs stipulated in the Concession Agreements executed with Government of Malaysia;

(iii) an assignment of all rights, titles, interests and benefits of the subsidiaries under the lease/sub-lease agreement entered with Government of Malaysia in relation to the land, as described in the Concession Agreements;

(iv) an assignment of all rights, titles, interests and benefits of the subsidiaries under the construction contract including the performance guarantee sum/retention sum given in favour of the subsidiaries, and all liquidated damages payable to the subsidiaries arising from the Projects;

(v) an assignment over the relevant Designated Accounts;

(vi) an assignment of all rights, interests and benefits of the subsidiaries under all policies of insurance taken out in respect of as arising from the Projects;

(vii) corporate guarantee by immediate holding company of the subsidiaries;

(viii) an irrevocable letter of undertaking from the subsidiaries;

(ix) an irrevocable letter of undertaking by immediate holding company of the subsidiaries to complete the project in accordance to the terms in Concession Agreements and to provide cash injection in the event of cost overrun during concession period and cashflow shortfall during the concession period; and

(x) personal guarantee by the directors of the subsidiaries.

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	2025 RM'000	2024 RM'000
9	5.00%	24 April 2025	-	20,000
10	5.10%	24 April 2026	-	20,000
11	5.20%	24 April 2027	-	20,000
			-	60,000

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 were fully redeemed ahead of its maturity during the financial year.

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) Sukuk Wakalah

A subsidiary of the Company had established an Islamic Medium Term Note programme with RM330.00 million in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Facility"). The Sukuk Wakalah Facility is for tenures of 12 years commencing from 12 December 2025 to 11 December 2037.

Details of the Sukuk Wakalah as at 31 December 2025 are as follows:-

Date of Issuance	Tenure (Months)	Nominal Value RM'000	Periodic Distribution Rate (Per Annum) %	Maturity Date
12 December 2025	3	10,000	5.04	12 March 2026
12 December 2025	6	10,000	5.04	12 June 2026
12 December 2025	9	10,000	5.04	14 September 2026
12 December 2025	12	10,000	5.04	14 December 2026
12 December 2025	15	8,125	5.04	12 March 2027
12 December 2025	18	8,125	5.04	11 June 2027
12 December 2025	21	8,125	5.04	10 September 2027
12 December 2025	24	8,125	5.04	10 December 2027
12 December 2025	27	8,562	5.04	10 March 2028
12 December 2025	30	8,563	5.04	12 June 2028
12 December 2025	33	8,562	5.04	12 September 2028
12 December 2025	36	8,563	5.04	12 December 2028
12 December 2025	39	8,000	5.04	12 March 2029
12 December 2025	42	8,000	5.04	12 June 2029
12 December 2025	45	8,000	5.04	12 September 2029
12 December 2025	48	8,000	5.04	12 December 2029
12 December 2025	51	6,062	5.04	12 March 2030
12 December 2025	54	6,063	5.04	12 June 2030
12 December 2025	57	6,062	5.04	12 September 2030
12 December 2025	60	6,063	5.04	12 December 2030
12 December 2025	63	6,500	5.04	12 March 2031
12 December 2025	66	6,500	5.04	12 June 2031
12 December 2025	69	6,500	5.04	12 September 2031
12 December 2025	72	6,500	5.04	12 December 2031
12 December 2025	75	6,475	5.04	12 March 2032
12 December 2025	78	6,475	5.04	11 June 2032
12 December 2025	81	6,475	5.04	10 September 2032
12 December 2025	84	6,475	5.04	10 December 2032
12 December 2025	87	6,925	5.04	11 March 2033
12 December 2025	90	6,925	5.04	10 June 2033
12 December 2025	93	6,925	5.04	12 September 2033
12 December 2025	96	6,925	5.04	12 December 2033
12 December 2025	99	6,875	5.04	10 March 2034
12 December 2025	102	6,875	5.04	12 June 2034
12 December 2025	105	6,875	5.04	12 September 2034
12 December 2025	108	6,875	5.04	12 December 2034
12 December 2025	111	4,225	5.04	12 March 2035
12 December 2025	114	4,225	5.04	12 June 2035
12 December 2025	117	4,225	5.04	12 September 2035
12 December 2025	120	4,225	5.04	12 December 2035
		287,000		

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15. BORROWINGS (SECURED) (CONT'D)

(g) Sukuk Wakalah (Cont'd)

The Sukuk Wakalah is secured by:

(a) a first ranking debenture comprising a fixed and floating charge over all present and future assets of a subsidiary ("Debenture");

(b) a first ranking assignment and charge by a subsidiary over the Designated Accounts and all the credit balances therein (including profit earned and/or to be earned thereon) and the Permitted Investments ("Assignment and Charge Designated Accounts");

(c) a first ranking assignment and charge by a subsidiary to other two subsidiaries ("Assignment of Intercompany Advances");

(d) a first ranking charge over the shares of three subsidiaries ("Share Charges");

(e) a legal assignment of the two subsidiaries' contractual rights, titles, benefits and interest over all takaful/ insurances, if any, pursuant to the concession agreement dated 25 October 2011 and 5 September 2014 respectively ("Material Project Agreement") and the proceeds therefrom, to the extent where they are assignable and permitted by the prevailing laws and the Material Project Agreement, and endorsement of the Security Trustee as co-insured and/or loss payee of such takaful/insurances ("Assignment of Takaful/ Insurance");

(f) such other security as may be required by the Principal Advisor/Lead Arranger ("PA/LA") or advised by the Solicitors for the PA/LA and acceptable to the Shariah Adviser; and

(g) joint corporate guarantee from the Company and its two subsidiaries.

(h) 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 to be held under Title H.S.(D) 326633, PT 57006 in Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor ("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% (2024 - 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	Acquisition of Subsidiaries RM'000	At 31 December RM'000
2025				
Deferred Tax Liabilities				
Trade receivables	71,190	(4,482)	66,825	133,533
Property, plant and equipment	23	1,491	-	1,514
	71,213	(2,991)	66,825	135,047
Deferred Tax Assets				
Provisions	(1,081)	1,061	-	(20)
Unabsorbed capital allowances	-	(1,301)	-	(1,301)
Unutilised tax losses	-	(5)	-	(5)
	(1,081)	(245)	-	(1,326)
	70,132	(3,236)	66,825	133,721

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

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	
	2025 RM'000	2024 RM'000
Unused tax losses	48,290	51,022
Accelerated capital allowances	202	1,058
Unabsorbed capital allowances	2,300	5,408
Unabsorbed investment tax allowances	-	1,071
Other temporary differences	99	-
	50,891	58,559

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 (2024 - 30 to 60) days.

18. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other payables	9,099	7,306	7	85
Accruals	56,628	36,658	1,974	243
	65,727	43,964	1,981	328

19. REVENUE

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from Contracts with Customers				
Recognised over time				
Construction services	70,314	90,463	-	-
Rendering of facilities management services	15,713	15,764	-	-
Property development activities	294,640	146,012	-	-
Rendering of utility services	9,594	10,578	-	-
	390,261	262,817	-	-
Recognised a point at time				
Completed development properties held for sale	23,322	-	-	-
	413,583	262,817	-	-
Revenue from Other Sources				
Recognised at a point in time				
Dividend income	-	-	164,325	19,500
	413,583	262,817	164,325	19,500

19. REVENUE (CONT'D)

(a) The information on the disaggregation of revenue by geographical market is disclosed in Note 29 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	
	2025 RM'000	**2024 RM'000**
Aggregate amount of transaction price allocated to remaining contracts:-		
Construction revenue	399,164	454,851
Property development revenue	221,648	313,287
	620,812	768,138

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

(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

NOTES TO THE FINANCIAL STATEMENTS
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20. FINANCE COSTS

	The Group	
	2025 RM'000	2024 RM'000
Interest expenses/Profit payments:-		
Islamic bank overdrafts	256	378
Bonds	2,375	3,380
Hire purchase interest	196	133
Hire purchase finance cost (Ijarah)	1	6
Term loans	-	3
Islamic financing facilities	5,529	6,972
Revolving credit	101	-
Sukuk Wakalah	808	-
Loss on extinguishment of debt (Bond)	1,675	-
Loss on extinguishment of debt (Islamic financing facilities)	739	-
Others	102	-
	11,782	10,872

21. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	The Group	
	2025 RM'000	2024 RM'000
Impairment losses:		
- trade receivables (Note 9)	613	1,176
- other receivables (Note 11)	2,039	1,240
Reversal of impairment losses:		
- trade receivables (Note 9)	(1,379)	(1,490)
	1,273	926

22. PROFIT BEFORE TAXATION

	The Group		The Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees				
- current financial year	260	257	60	58
- (over)/underprovision in the previous financial year	(9)	33	#	2
- non-audit fees:				
- auditors of the Company	67	47	67	47
Depreciation:				
- property, plant and equipment (Note 5)	2,116	2,139	-	-
- right-of-use assets (Note 8)	-	14	-	-
Directors' remuneration (Note 27(a))	4,368	3,957	378	380
Lease expenses:				
- short-term leases	39	60	12	-
- low value assets	26	32	-	-
Staff costs (including other key management personnel as disclosed in Note 27(b)):				
- short-term employee benefits	21,736	19,581	-	-
- defined contribution benefits	2,694	2,343	-	-
- others	454	511	-	6
Accretion of fair value on non-current trade receivables	(20,341)	(22,105)	-	-
Dividend income	-	-	(164,325)	(19,500)
Gain on disposal of property, plant and equipment	(85)	(74)	-	-
Gain on bargain purchase	(54,881)	-	-	-
Finance income	(1,618)	(1,534)	(4,119)	(3,441)
Rental income	(154)	(147)	-	-

- Amount below RM1,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

23. INCOME TAX EXPENSE

	The Group		The Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Current tax expense	19,742	12,687	958	808
Under/(Over)provision in the previous financial year	247	1,788	(1)	2
	19,989	14,475	957	810
Deferred tax (Note 16):				
- origination and reversal of temporary differences	(3,006)	(2,802)	-	-
- overprovision in the previous financial year	(230)	(863)	-	-
	(3,236)	(3,665)	-	-
	16,753	10,810	957	810

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	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Profit before taxation	108,232	17,870	164,432	21,498
Tax at the statutory tax rate of 24% (2024 - 24%)	25,976	4,289	39,464	5,160
Tax effects of:-				
Non-deductible expenses	6,226	4,545	932	328
Non-taxable income	(13,626)	(644)	(39,438)	(4,680)
Utilisation of deferred tax assets previously not recognised	(1,890)	-	-	-
Deferred tax assets not recognised during the financial year	50	1,695	-	-
Under/(Over)provision of current tax in the previous financial year	247	1,788	(1)	2
Overprovision of deferred taxation in the previous financial year	(230)	(863)	-	-
	16,753	10,810	957	810

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024 - 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	
	2025	**2024**
Profit attributable to owners of the Company (RM'000)	75,531	5,866
Weighted average number of ordinary shares in issue ('000)	753,000	753,000
Basic earnings per share (sen)	10.03	0.78

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. ACQUISITION OF SUBSIDIARIES

On 30 December 2025, the Company had completed the acquisition of the entire issued share capital of Serata Ehsan Sdn. Bhd. comprising 150,000 ordinary shares for a total purchase consideration of RM80,000,000, and the acquisition of the 45% of issued share capital of Seri Delima Anggun Sdn. Bhd. comprising 3,825,000 ordinary shares for a total purchase consideration of RM47,250,000.

The following summaries the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(a) Fair Value of Purchase Consideration

	The Group 30.12.2025 RM'000	The Company 30.12.2025 RM'000
Serata Ehsan Sdn. Bhd.	80,000	80,000
Seri Delima Anggun Sdn. Bhd.	47,250	47,250
Total purchase consideration	127,250	127,250

25. ACQUISITION OF SUBSIDIARIES (CONT'D)

The following summaries the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:- (Cont'd)

(b) Identifiable Assets Acquired and Liabilities Assumed

	The Group 30.12.2025 RM'000
Equipment	21
Right-of-use assets	90
Trade receivables	387,071
Other receivables, deposits and prepayments	4,414
Current tax assets	#
Bank balances	30,352
Islamic term financing	(84,736)
Trade payables	(3,585)
Other payables and accruals	(555)
Lease liabilities	(92)
Current tax liabilities	(1,628)
Deferred tax liabilities	(66,825)
Fair value of net identifiable assets acquired	264,527

(c) Cash Flows Arising from Acquisition

	The Group 30.12.2025 RM'000	The Company 30.12.2025 RM'000
Consideration transferred	127,250	127,250
Less: Bank balances acquired	(30,352)	-
Net cash outflow arising from acquisition of subsidiaries	96,898	127,250

- Amount below RM1,000

(d) Bargain Purchase Arising from Acquisition

	The Group 30.12.2025 RM'000
Fair value of consideration transferred	127,250
Fair value of non-controlling interests	82,396
Fair value of identifiable assets acquired and liabilities assumed	(264,527)
Bargain purchase	(54,881)

The non-controlling interests are measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

(e) Impact of Acquisition on the Group's Results

The acquisition of subsidiaries does not bring any impact on the Consolidated Statement of Profit or Loss and Other Comprehensive Income as the business combinations are deemed taken place at the end of reporting period.

26. CASH FLOW INFORMATION

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

	The Group	
	2025 RM'000	2024 RM'000
Property, Plant and Equipment		
Cost of property, plant and equipment purchased (Note 5)	3,267	2,553
Less: Acquired through hire purchase arrangements (Note 26 (b))	(2,152)	(1,528)
	1,115	1,025

26. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Islamic Financing Facilities RM'000	Lease Liabilities RM'000	Hire Purchase Payables RM'000	Hire Purchase Payables (Ijarah) RM'000	Bonds RM'000	Revolving Credit RM'000	Sukuk Wakalah RM'000	Total RM'000
2025								
At 1 January	101,543	-	3,190	42	60,000	-	-	164,775
Changes in Financing Cash Flows								
Proceeds from drawdown	61,656	-	-	-	-	9,059	282,733	353,448
Acquisition of new hire purchase	-	-	2,152	-	-	-	-	2,152
Addition through business combinations	84,736	92	-	-	-	-	-	84,828
Repayment of borrowing principal	(147,127)	-	(934)	(42)	(60,000)	(1,228)	-	(209,331)
Repayment of finance charges	(6,268)	-	(196)	(1)	(4,050)	(101)	(808)	(11,424)
	(7,003)	92	1,022	(43)	(64,050)	7,730	281,925	219,673
Non-cash Changes								
Finance charges recognised in profit or loss	6,268	-	196	1	4,050	101	808	11,424
At 31 December	100,808	92	4,408	-	-	7,831	282,733	395,872

26. 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
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

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26. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Fixed deposits with licensed banks	8,197	25,016	-	-
Cash and bank balances	237,921	63,493	46,291	438
Bank overdrafts	(287)	(4,385)	-	-
	245,831	84,124	46,291	438
Less: Fixed deposits pledged to licensed banks and fixed deposits with tenure more than 3 months (Note 13)	(5,747)	(15,086)	-	-
	(5,747)	(15,086)	-	-
	240,084	69,038	46,291	438

27. 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	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
(a) Directors				
Directors of the Company				
Short-term employee benefits:				
- fees	360	360	360	360
- salaries, bonuses and other benefits	2,900	2,901	18	20
	3,260	3,261	378	380
Defined contribution benefits	346	346	-	-
	3,606	3,607	378	380
Directors of the Subsidiaries				
Short-term employee benefits:				
- salaries, bonuses and other benefits	719	313	-	-
Defined contribution benefits	43	37	-	-
	762	350	-	-
Total directors' remuneration (Note 22)	4,368	3,957	378	380

27. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows:- (Cont'd)

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(b) Other Key Management Personnel				
Short-term employee benefits	1,524	1,408	-	-
Defined contribution benefits	181	168	-	-
Total compensation for other key management personnel	1,705	1,576	-	-

28. 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	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Subsidiaries					
- Dividend income		-	-	164,325	19,500
- Interest income		-	-	4,046	3,392
Related Parties					
- Consultation fee	(a)	-	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.

29. 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.

29. OPERATING SEGMENTS (CONT'D)

29.1 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
2025							
Revenue							
External revenue	70,314	15,713	9,594	317,962	-	-	413,583
Inter-segment revenue	220,465	4,035	1,175	-	8,520	(234,195)	-
	290,779	19,748	10,769	317,962	8,520	(234,195)	413,583

29. OPERATING SEGMENTS (CONT'D)

29.1 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
2025							
Results							
Segment profit	175,510	3,084	1,543	51,363	160,725	(345,747)	46,478
Accretion of fair value on non-current trade receivables	-	20,341	-	-	-	-	20,341
Impairment losses on financial assets	(2,000)	(579)	(64)	(9)	-	-	(2,652)
Depreciation:							
- property, plant and equipment	(1,120)	(53)	(508)	(202)	-	(233)	(2,116)
- right-of-use assets	(555)	-	-	-	-	555	-
Gain on disposal of property, plant and equipment	85	-	-	-	-	-	85
Gain on bargain purchase	-	-	-	-	-	54,881	54,881
Finance income	1,861	506	167	556	4,822	(6,294)	1,618
Finance costs	(494)	(9,476)	-	(7,316)	(809)	6,313	(11,782)
Reversal of impairment losses	316	105	267	691	-	-	1,379
Profit before taxation	173,603	13,928	1,405	45,083	164,738	(290,525)	108,232
Income tax expense	(579)	(4,154)	(210)	(10,636)	(1,174)	-	(16,753)
Profit after taxation	173,024	9,774	1,195	34,447	163,564	(290,525)	91,479

29. OPERATING SEGMENTS (CONT'D)

29.1 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
2025							
Assets							
Segment assets	115,485	825,129	14,892	327,702	102,748	590	1,386,546
Unallocated asset:							
- current tax assets							3,315
Consolidated total assets							1,389,861
Additions to non-current assets other than financial instruments are:							
- property, plant and equipment	2,861	33	34	126	213	-	3,267
- inventories - land held for future development	-	-	-	17,070	-	-	17,070
Liabilities							
Segment liabilities	158,935	89,703	3,324	78,345	287,924	(299)	617,932
Unallocated liabilities:							
- deferred tax liabilities							133,721
- current tax liabilities							9,436
Consolidated total liabilities							761,089

29. OPERATING SEGMENTS (CONT'D)

29.1 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							
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

29. OPERATING SEGMENTS (CONT'D)

29.1 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							
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

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. OPERATING SEGMENTS (CONT'D)

29.1 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

29. OPERATING SEGMENTS (CONT'D)

29.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segment is not presented.

29.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	Revenue		Segment
	2025 RM'000	**2024 RM'000**	
Customer A	*	2,297	Construction
Customer B	*	36,548	Construction
Customer C	*	36,479	Construction

* There is no single customer that contributed 10% or more to the Group's revenue as at 31 December 2025.

30. CAPITAL COMMITMENTS

	The Group	
	2025 RM'000	**2024 RM'000**
Development rights value on property development costs	5,689	8,534
Development rights value on land held for future property development	52,559	59,883
Purchase of land	1,800	-
	60,048	68,417

31. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group		The Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Performance guarantee extended by subsidiaries to third parties	51,311	69,835	-	-
Stamp duty payable	2,873	-	-	-

32. 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.

32.1 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) and 15(h) 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	
	2025 RM'000	**2024 RM'000**
Effects on Profit After Taxation		
Increase of 100 basis points	(2,977)	(805)
Decrease of 100 basis points	2,977	805

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(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 and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 9 (2024 - 2) customers which constituted approximately 88% (2024 - 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 statements of financial position of the Group after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group's has an informal credit policy in place and the 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 the following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulties of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 1 year past due unless the Group has reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit 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.

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than 1 year are deemed credit impaired and assesses for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 1 year from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have a low risk of default as they have a strong capacity to meet their debts.

For property development, purchasers are generally financed by loan facilities from banks and therefore, there is minimal exposure to credit risk. In addition, the credit risk is limited as the ownership and rights to the properties sold will not transfer to cash purchasers in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk from its property development activities.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

	Gross Amount RM'000	Individual Allowance RM'000	Collective Allowance RM'000	Carrying Amount RM'000
The Group				
2025				
Current (not past due)	838,883	(2,363)	(29)	836,491
1 to 30 days past due	7,645	-	-	7,645
31 to 60 days past due	2,930	-	(15)	2,915
More than 60 days but less than a year past due	19,560	-	(138)	19,422
Trade receivables	869,018	(2,363)	(182)	866,473
Contract assets	44,720	-	-	44,720
	913,738	(2,363)	(182)	911,193

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 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)

	Gross Amount RM'000	Individual Allowance RM'000	Collective Allowance 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

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 that as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when contractual terms change or payment are delayed. 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.

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 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)

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
Non-performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

	Gross Amount RM'000	Individual Allowance RM'000	Collective Allowance RM'000	Carrying Amount RM'000
The Group				
2025				
Low credit risk	16,883	-	(5,067)	11,816
Credit impaired	8,121	(8,121)	-	-
	25,004	(8,121)	(5,067)	11,816
2024				
Low credit risk	11,941	-	(3,028)	8,913
Credit impaired	8,121	(8,121)	-	-
	20,062	(8,121)	(3,028)	8,913

The movements in the loss allowances in respect of other receivables are disclosed in Note 11 to the financial statements.

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed banks to be of low credit risk. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and is therefore not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

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 that 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.

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts (Cont'd)

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 to which the financial guarantee contracts were issued. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(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.

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

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 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
2025						
Non-derivative Financial Liabilities						
Hire purchase payables	2.15 - 3.10	4,408	4,912	1,359	3,553	-
Islamic financing facilities	5.05 - 6.15	100,808	109,002	38,704	70,298	-
Islamic bank overdrafts	5.26	287	287	287	-	-
Lease liabilities	4.00 - 9.45	92	97	8	31	58
Revolving credit	5.79	7,831	7,831	7,831	-	-
Sukuk Wakalah	5.04	282,733	354,548	54,544	160,438	139,566
Trade payables	-	98,766	98,766	98,766	-	-
Other payables and accruals	-	65,727	65,727	65,727	-	-
		560,652	641,170	267,226	234,320	139,624

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 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 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

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interests payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Company	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
2025				
Non-derivative Financial Liabilities				
Other payables and accruals	-	1,981	1,981	1,981
2024				
Non-derivative Financial Liabilities				
Other payables and accruals	-	328	328	328

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.

32.2 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	
	2025 RM'000	2024 RM'000
Borrowings (Note 15)	396,159	169,160
Less: Cash and cash equivalents (Note 26(c))	(240,084)	(69,038)
Net debt	156,075	100,122
Total equity	628,772	457,048
Debt-to-equity ratio	0.25	0.22

There was no change in the Group's approach to capital management during the financial year.

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial Assets				
Amortised Cost				
Trade receivables	866,473	507,214	-	-
Other receivables	11,816	8,913	-	-
Amount owing by subsidiaries	-	-	84,218	86,903
Fixed deposits with licensed banks	8,197	25,016	-	-
Cash and bank balances	237,921	63,493	46,291	438
	1,124,407	604,636	130,509	87,341
Financial Liabilities				
Amortised Cost				
Lease liabilities	92	-	-	-
Hire purchase payables	4,408	3,190	-	-
Hire purchase payables (Ijarah)	-	42	-	-
Islamic financing facilities	100,808	101,543	-	-
Bonds	-	60,000	-	-
Islamic bank overdrafts	287	4,385	-	-
Revolving credit	7,831	-	-	-
Sukuk Wakalah	282,733	-	-	-
Trade payables	98,766	93,512	-	-
Other payables and accruals	65,727	43,964	1,981	328
Amount owing to a subsidiary	-	-	3,566	-
	560,652	306,636	5,547	328

32.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial Assets				
Amortised Cost				
Net gains recognised in profit or loss	345	608	4,119	3,441
Financial Liabilities				
Amortised Cost				
Net losses recognised in profit or loss	11,782	10,872	-	-

32. FINANCIAL INSTRUMENTS (CONT'D)

32.5 FAIR VALUE INFORMATION (CONT'D)

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.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
The Group					
2025					
Financial Asset					
Trade receivables	-	866,473	-	866,473	866,473
Financial Liabilities					
Hire purchase payables	-	4,408	-	4,408	4,408
Revolving credit	-	7,831	-	7,831	7,831
Islamic financing facilities	-	100,808	-	100,808	100,808
Sukuk Wakalah	-	282,733	-	282,733	282,733
Islamic bank overdrafts	-	287	-	287	287

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. FINANCIAL INSTRUMENTS (CONT'D)

32.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:- (Cont'd)

	Fair Value of Financial Instruments not Carried at Fair Value Fair				
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total Value RM'000**	**Carrying Amount 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

(a) Fair Value of Financial Instruments Carried at Fair Value

(i) The fair values above have been determined using the following basis:-

The fair value of interest rate swap is calculated as the present value of the estimated future cash flows based on observable yield curves.

(ii) There were no transfers between level 1 and level 2 during the financial year.

(b) 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.

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) 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 H.S.(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. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(b) On 22 April 2025, the Company incorporated a direct subsidiary, GNCB Capital Sdn. Bhd., which is a special purpose vehicle established to raise debt financing to part-fund the acquisition, prepayment of existing financing facilities and for general corporate purposes of the Group. Subsequent on 12 December 2025, GNCB Capital Sdn. Bhd. has successfully completed its issuance of RM287.0 million in nominal value of Sukuk Wakalah. The proceeds raised from Sukuk Wakalah shall be utilised for the following Shariah-compliance purposes:

(i) Shariah-compliant intercompany advances to Sasaran Etika Sdn. Bhd. and Naluri Etika Sdn. Bhd. for prepayment of existing conventional bonds and Islamic financing facilities and general corporate purposes, comprising distribution ultimately to its holding company to part-fund the acquisition of the partial or entire equity interests in Serata Ehsan Sdn. Bhd. and Seri Delima Anggun Sdn. Bhd. by its holding company, and working capital requirement of the Group's property development business, specifically for the development of affordable housing projects; and

(ii) Pre-funding of the relevant reserve requirements, any transaction fees and other expenses.

(c) On 25 June 2025, the Company incorporated an indirect subsidiary, Selindung Rimba Sdn. Bhd., which principal activity is the business of development and provision learning activities and product for children. Subsequent on 1 December 2025, Selindung Rimba Sdn. Bhd. entered into a Collaboration Agreement with Accessible Experience Sdn. Bhd. to construct and design, as well as managing, operating, maintaining, upgrading and marketing a theme park on one (1) parcel of leasehold land of sixty (60) years expiring on 12 March 2083 held under H.S.(D) 69087, PT 915, Seksyen 12, Bandar Ulu Yam, Daerah Ulu Selangor, Selangor Darul Ehsan, with a land size of approximately 25,122 square metres.

(d) The Company has on 19 June 2025 and 15 August 2025, entered into separate supplemental letter agreements ("SLAs") to extend the cut-off date to receive the audited consolidated financial statements of Serata Ehsan Sdn. Bhd. ("SERATA") and Seri Delima Anggun Sdn. Bhd. ("SDASB") and second supplemental letter agreements ("Second SLAs") to extend the period for the fulfilment of the condition precedent in share sale agreement on 5 November 2024. Save for the terms varied in the SLAs and Second SLAs, all other terms and conditions of the share sale agreements remain unchanged.

The Company has on 25 September 2025 received the approval letter from Unit Kerjasama Awam Swasta (Public Private Partnership Unit of the Prime Minister's Department) ("UKAS") dated 23 September 2025 approving the disposal of ordinary shares of two (2) companies in Konsortium PAE Sepakat Sdn. Bhd. ("KPSSB") to the Company as follows:

(i) disposal of 45% equity interest in SDASB to the Company such that the remaining 55% equity interest in SDASB represents 30.25% Bumiputera shareholding in KPSSB; and

(ii) disposal of 100% equity interest in SERATA to the Company.

The Company has on 10 October 2025 entered into a third supplemental agreements for the proposed acquisition of 45% equity interest in SDASB for a cash consideration of RM47,250,000 instead of the entire equity interest in SDASB.

The acquisition was approved by the Company's shareholders at an extraordinary general meeting convened on 4 December 2025 and subsequently completed on 30 December 2025.

34. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) On 10 February 2026, GNCB Capital Sdn. Bhd., a wholly-owned subsidiary has entered into Islamic Profit Rate Swap as defined in the Tahawwut Master Agreement on 2 December 2025 with Maybank Islamic Berhad. The Company will pay fixed profit rate while Maybank Islamic Berhad will pay floating profit rate on the nominal amount of Sukuk Wakalah facility. All payments relating to the swap transaction will be net-settled, the net amount of each profit payment date will be paid by the party owing the higher amount to the other.

34. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

(b) On 26 February 2026, the Company proposed to undertake a proposed bonus issue of up to 376,500,000 warrants ("Warrant(s)") on the basis of 1 Warrant for every 2 existing ordinary shares in the Company held by the entitled shareholders, whose names appear in the record of securities holders of the Company at an exercise price of RM0.32 per Warrant. Subsequent on 10 April 2026, Bursa Securities Berhad ("Bursa Securities") has resolved to approve the following:

(i) Admission of up to 376,500,000 Warrants to the Official List of Bursa Securities pursuant to the Proposed Bonus Issue of Warrants;

(ii) Listing of and quotation for up to 376,500,000 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and

(iii) Listing of and quotation for up to 376,500,000 new GNCB Shares to be issued arising from the exercise of Warrants on the ACE Market of Bursa Securities.

(c) On 10 March 2026, the conditions precedent in the Sale and Purchase Agreement with Bandar Rimbayu Sdn. Bhd. has fulfilled by received the written approval from relevant authority on amended Master Development Plan.

(d) Subsequent to the year end, the Boards of Directors of Nadi Emery Sdn. Bhd. and Nadi Emery (KKD2) Sdn. Bhd. resolved agreements with the Director General of Inland Revenue in respect the stamp duty case in sum of RM1,568,004 and RM1,305,070 respectively, relating to the Development Rights Agreements executed in financial years 2022 and 2024. These agreements are indicative of conditions that arose after the reporting period and therefore do not represent present obligations at end of reporting period. Accordingly, they are classified as non-adjusting events after the reporting period and are disclosed in the financial statements.

LIST OF PROPERTIES

No	Location	Description/ Existing Use	Area (Sq. Metres)	Tenure	Age of Building (Years)	Carrying Amount as at 31/12/2025 (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	12	4,498	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	12	4,436	2013
3	A-1-11, Jalan PJU 1A/20A, Dataran Ara Damansara 47301 Petaling Jaya, Selangor	3 storey shop office	Land area: 176.00 Built-up area: 473.39	Freehold	19	1,003	2007
4	A-1-11A, Jalan PJU 1A/20A, Dataran Ara Damansara 47301 Petaling Jaya, Selangor	3 storey shop office	Land area: 176.00 Built-up area: 473.39	Freehold	19	1,003	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, Mukim Ulu Yam, Daerah Ulu Selangor, Selangor	Land for proposed mixed development and under development	Land area: 137,755.00	Leasehold of 60, 64 and 99 years expiring on 12.03.2083, 18.10.2122, 19.10.2122 and 16.07.2118	-	29,928	2015
6	Lot 1246, GRN 26312 Lot 1247, GRN 26313 Lot 1248, GRN 26314 Lot 1249, GRN 28311 Lot 1250, GRN 28312 Lot 1251, GRN 28313 Lot 1252, GRN 28314 Lot 1253, GRN 28315 Lot 1254, GRN 28316 Lot 1255, GRN 26315 Seksyen 41, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan.	Land for proposed mixed development	Land area: 2,047.00	Freehold	-	15,584	2016
7	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 residential development and under development	Land area: 105,809.78	Freehold	-	15,916	2020

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026

Class of Shares : Ordinary Shares
Total Number of Issued Shares : 753,000,000
Voting Rights : One vote for each ordinary share held
Number of Shareholders : 835

DISTRIBUTION OF SHAREHOLDINGS AS AT 31 MARCH 2026

Size of Holdings	No. of shareholders	No. of shares	Percentage of Shares (%)
1 – 99	2	100	0.00
100 - 1,000	190	110,400	0.01
1,001 - 10,000	211	1,242,300	0.17
10,001 - 100,000	261	11,460,900	1.52
100,001 to less than 5% of issued shares	169	257,986,300	34.26
5% and above of issued shares	2	482,200,000	64.04
Total	**835**	**753,000,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders

No.	Name of Substantial Shareholders	Direct Interest		Indirect Interest	
		No. of Shares Held	(%)	No. of Shares Held	(%)
1	SUBAHAN BIN KAMAL	51,083,337	6.78	-	-
2	WAN AZMAN BIN WAN KAMAL	431,116,663	57.25	-	-

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest		Indirect Interest	
		No. of Shares Held	(%)	No. 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	431,116,663	57.25	-	-
6	DATO' SERI HJ. ROSLI BIN ISA	-	-	-	-

30 LARGEST SECURITIES ACCOUNTS HOLDERS
(According to the Record of Depositors as at 31 March 2026)

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	81,318,041	10.799
4	WAN AZMAN BIN WAN KAMAL	52,918,041	7.028
5	SUBAHAN BIN KAMAL	30,219,419	4.013
6	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KENANGA INVESTORS BHD.	27,600,000	3.665
7	LIM ENG KEONG	22,332,400	2.966
8	SUBAHAN BIN KAMAL	20,863,918	2.771
9	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR MTRUSTEE BERHAD (ETHEREAL CAPITAL SDN. BHD.)	14,800,000	1.965
10	CHONG NGU CHONG	14,187,000	1.884
11	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR TRADEVIEW CAPITAL SDN. BHD.	13,600,000	1.806
12	LOO TANG KIM	9,421,000	1.251
13	RHB NOMINEES (TEMPATAN) SDN BHD OOI TENG KOK	7,400,000	0.983
14	CHONG NGU CHONG	5,990,000	0.795
15	M&A NOMINEE (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SELVAKUMAR A/L SHANMUGAM CHETTY (PNG)	4,349,200	0.578
16	LEE CHEW WAH	3,862,500	0.513
17	CHONG SHEN CHONG	3,823,400	0.508
18	SAW SHYAN HAN	3,512,900	0.467
19	DAVID LIM KERN YEN	3,445,000	0.458
20	CHONG YAW TING	3,439,300	0.457
21	LEE HONG TAT	3,172,600	0.421
22	CHANG AH KAU @ CHONG HON CHONG	3,115,700	0.414
23	CHONG FUN LING	3,074,300	0.408
24	CHONG YAW WOO	2,750,700	0.365
25	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YAP CHEE KHENG	2,700,000	0.359
26	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MTRUSTEE BERHAD FOR PHILIP PEARL FUND (UT-PM-PPF)	2,692,600	0.358
27	CENTURION CONSULTING SDN. BHD.	2,588,100	0.344
28	LEE CHEW WAH	2,489,900	0.331
29	LIM SHI JIA	2,315,400	0.307
30	SAW LIP HEAN	2,263,800	0.301
	Total	**647,125,800**	**85.940**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 9th Annual General Meeting ("AGM") of Gagasan Nadi Cergas Berhad ("the Company") will be held at **Mutiara I & II, Ground Floor, The Saujana Hotel, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor** on **Tuesday, 9 June 2026** 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 2025 together with the Directors' and Auditors' Reports thereon. (Please refer to Note (i) of the Explanatory Notes)
2. To re-elect Professor Emerita Siti Naaishah Binti Hambali who is retiring in accordance with Clause 125 of the Constitution of the Company. **(Ordinary Resolution 1)**
3. To re-elect Dato' Seri Hj. Rosli Bin Isa who is retiring in accordance with Clause 130 of the Constitution of the Company. **(Ordinary Resolution 2)**
4. To approve the payment of Directors' fees to the following Directors for the financial year ending 31 December 2026:
   - i. Ir. Dr. Muhamad Fuad Bin Abdullah – RM126,000 **(Ordinary Resolution 3)**
   - ii. Professor Emerita Siti Naaishah Binti Hambali – RM114,000 **(Ordinary Resolution 4)**
   - iii. Chng Boon Huat – RM120,000 **(Ordinary Resolution 5)**
   - iv. Dato' Seri Hj. Rosli Bin Isa – RM72,000 **(Ordinary Resolution 6)**
   - v. Additional Directors' fees – RM68,000 **(Ordinary Resolution 7)**
5. 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 8)**
6. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 9)**

AS SPECIAL BUSINESS

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

7. **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016** **(Ordinary Resolution 10)**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to 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 approvals are 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, when aggregated with the total number of such shares issued during the preceding twelve (12) months, 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 of the Company be and are hereby authorised to do all such acts and things as they deem fit or expedient in the best interest of the Company to give effect to the issuance of new shares pursuant to this resolution, including making 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."

8. 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 2026
Kuala Lumpur

Notes:

1. *For the purpose of determining who shall be entitled to attend, speak 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 29 May 2026. 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 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 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in 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 one 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 a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the 9th 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 Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or 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 Vistra Share Registry and IPO (MY) portal ("The Portal") at https://srmy.vistra.com*
   Please refer to the Administrative Guide of the 9th AGM for further information on electronic submission of proxy form via The Portal.

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 general meeting 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 **Sunday, 7 June 2026** 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) *National Registration 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 2025

This agenda item is meant for discussion only as, pursuant to Section 248(2) and Section 340(1)(a) of the Companies Act 2016, the audited financial statements together with the Reports of the Directors and Auditors thereon are required to be laid before the Company at its annual general meeting. Hence, this agenda item is not put forward for voting.

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

Professor Emerita Siti Naaishah Binti Hambali and Dato' Seri Hj. Rosli Bin Isa (collectively referred to as "Retiring Directors") are standing for re-election as Directors of the Company and, being eligible, have offered themselves for re-election at the 9th AGM.

The profiles of the Retiring Directors are disclosed in the Directors' Profile of the Company's 2025 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 reviewed and assessed the performance and contribution of the Retiring Directors, including a review of their time and commitment, calibre and personality, and fit and proper declarations in accordance with the Directors' Fit and Proper Policy. 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 Professor Emerita Siti Naaishah Binti Hambali as Independent Non-Executive Director

Professor Emerita Siti Naaishah Binti Hambali has demonstrated objectivity and independence through her engagement in all Board and Board Committee meetings. She also carried out her duties professionally during her tenure as an Independent Non-Executive Director of the Company.

(b) Ordinary Resolution 2 – Re-election of Dato' Seri Hj. Rosli Bin Isa as Independent Non-Executive Director

Dato' Seri Hj. Rosli Bin Isa was appointed on 4 March 2026 and is subject to re-election pursuant to Clause 130 of the Constitution of the Company. He exercised due care and carried out his duties proficiently since his appointment to the Board in March 2026.

(iii) Ordinary Resolutions 3 to 7 – Directors' fees for the financial year ending 31 December 2026

The proposed Ordinary Resolutions 3 to 7, if passed, will facilitate the payment of Directors' fees for the current financial year. The Directors' fees payable includes fees payable to Independent Directors as members of the Board and Board Committees.

(iv) Ordinary Resolution 8 – 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 2027. In the event the proposed amount is insufficient (due to an increase in the number of meetings and/or enlarged Board size), approval for the shortfall will be sought at the next AGM.

Directors' benefits include meeting allowance and allowances for travel and training programmes for Independent Non-Executive Directors.

(v) Ordinary Resolution 9 – Re-appointment of Auditors

The Board had, through the Audit and Risk Management Committee ("ARMC"), considered the re-appointment of Crowe Malaysia PLT as Auditors of the Company. The Board and the ARMC collectively agreed that Crowe Malaysia PLT met the relevant criteria prescribed under Rule 15.21 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

(vi) Ordinary Resolution 10 – Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

This proposed resolution, if passed, will empower the Directors to issue and allot new shares in the Company up to an aggregate amount 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 to be in the best interest of the Company. This authority shall, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM of the Company or at the expiry of the period within which the next AGM is required by law to be held, whichever is earlier.

This mandate is a renewal of the mandate granted by shareholders at the last AGM held on 4 June 2025. The mandate is intended to provide flexibility to the Company to raise funds expeditiously for purposes including but not limited to funding current and/or future investment projects, working capital, repayment of bank borrowings and acquisitions without the need to convene a separate general meeting.

As at the date of this Notice, no new shares have been issued pursuant to the mandate granted at the last AGM held on 4 June 2025 and the mandate will lapse at the conclusion of the forthcoming 9th AGM.

GAGASAN NADI CERGAS
BERHAD 201701024800 (1238966-U)
(Incorporated in Malaysia)

PROXY FORM

(Before completing this form please refer to the notes below)

CDS Account No.	Number of Shares held

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 meeting, as my/our proxy/proxies to vote for me/us on my/our behalf at the 9th Annual General Meeting ("AGM") of the Company which will be held at **Mutiara I & II, Ground Floor, The Saujana Hotel, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor** on **Tuesday, 9 June 2026** 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 Professor Emerita Siti Naaishah Binti Hambali as Director of the Company.		
Ordinary Resolution 2	To re-elect Dato' Seri Hj. Rosli Bin Isa 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 Binti 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 Director's fee to Dato' Seri Hj. Rosli Bin Isa of RM72,000.		
Ordinary Resolution 7	To approve the payment of additional Directors' fees of RM68,000.		
Ordinary Resolution 8	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 9	To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 10	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 _______________ 2026.

____
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, speak 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 29 May 2026. 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 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 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in 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 one 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 a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the 9th 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 Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or 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

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AFFIX

STAMP

GAGASAN NADI CERGAS
BERHAD 201701024800(1238966-U)

GAGASAN NADI CERGAS BERHAD

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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   (b) *By electronic means via Vistra Share Registry and IPO (MY) portal ("The Portal") at https://srmy.vistra.com*

   Please refer to the Administrative Guide of the 9th AGM for further information on electronic submission of proxy form via The Portal.

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 general meeting 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 **Sunday, 7 June 2026** 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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   (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

GAGASAN NADI CERGAS
BERHAD 201701024800 (1238966-U)

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Syariah Compliant

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