

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF GAGASAN NADI CERGAS BERHAD (“GAGASAN NADI CERGAS” OR THE “COMPANY”) DATED 13 DECEMBER 2018 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) website at www.bursamalaysia.com (“**Website**”).

Availability and Location of Paper / Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper / printed copy of the Prospectus directly from the Company, TA Securities Holdings Berhad (“**TA Securities**”) or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus, subject to availability, from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, TA Securities and Gagasan Nadi Cergas take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from **9.00 a.m.** on **13 December 2018** and will close at **5.00 p.m.** on **24 December 2018**.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users’ access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.

PROSPECTUS



GAGASAN NADI CERGAS

BERHAD (1238966-U)

(Company No: 1238966-U)
(Incorporated in Malaysia under the Companies Act 2016)

- (I) **PUBLIC ISSUE OF 140,000,000 NEW ORDINARY SHARES IN GAGASAN NADI CERGAS BERHAD ("PUBLIC ISSUE SHARES") COMPRISING:**
- 100,000,000 PUBLIC ISSUE SHARES AVAILABLE FOR APPLICATION BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;
 - 20,000,000 PUBLIC ISSUE SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 20,000,000 PUBLIC ISSUE SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES AND OTHER PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP; AND
- (II) **OFFER FOR SALE OF 60,000,000 EXISTING ORDINARY SHARES IN GAGASAN NADI CERGAS BERHAD ("OFFER SHARES") AVAILABLE FOR APPLICATION BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;**

AT AN ISSUE/OFFER PRICE OF RM0.30 PER PUBLIC ISSUE SHARE/OFFER SHARE IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD.

PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT



A MEMBER OF THE TA GROUP

TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX (6) MONTHS FROM THE DATE OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" IN SECTION 8 OF THIS PROSPECTUS COMMENCING ON PAGE 185.

THIS PROSPECTUS HAS BEEN REGISTERED BY THE SECURITIES COMMISSION MALAYSIA ("SC"). THE REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

THE ACE MARKET IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS AN EXEMPT TRANSACTION UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA") AND IS THEREFORE NOT SUBJECT TO THE APPROVAL OF THE SC.

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE OF MALAYSIA.

THIS PROSPECTUS IS DATED 13 DECEMBER 2018

PROSPECTUS | GAGASAN NADI CERGAS BERHAD

GAGASAN NADI CERGAS BERHAD

(Company No: 1238966-U) (Incorporated in Malaysia under the Companies Act 2016)

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

Tel : +603 7887 3388 Fax : +603 7887 3355 Email : hq@nadicergas.com

nadicergas.com



RESPONSIBILITY STATEMENTS

Our Directors and Promoters (as defined in this Prospectus) of GAGASAN NADI CERGAS BERHAD ("Gagasan Nadi" or the "Company") and our Offeror (as defined in this Prospectus) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

TA Securities Holdings Berhad ("TA Securities"), being our Principal Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO (as defined in this Prospectus).

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for our Shares being offered. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

Bursa Securities is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. This Prospectus, together with the Application Form (as defined in this Prospectus), has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

ADDITIONAL STATEMENTS

You should note that you may seek recourse under sections 248, 249, and 357 of the CMSA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to the Company.

Shares listed on Bursa Securities are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, e.g. directors and advisers, are responsible.

Our securities are classified as shariah-compliant by the Shariah Advisory Council of the SC based on the audited consolidated financial statements of our Company for the FYE 2017. This classification remains valid from the date of issue of this prospectus until the next shariah compliance review is undertaken by the Shariah Advisory Council of the SC. The new status is released in the updated list of Shariah compliant securities on the last Friday of May and November.

This Prospectus is prepared and published solely in connection with our IPO under the laws of Malaysia. Our Shares are offered in Malaysia solely based on the contents of this Prospectus. Our Company, the Promoters, the Offeror and the Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. Our Company, Promoters, Offeror and our Principal Adviser, Sponsor, Underwriter and Placement Agent take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. No action has been taken to permit a public offering of the securities of our Company based on this Prospectus or the distribution of this Prospectus outside Malaysia.

This Prospectus may not be used for the purpose of and does not constitute an offer to sell or an invitation to buy the securities offered under our IPO in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or is unlawful. This Prospectus shall also not be used to make an offer of or invitation to buy the securities offered under our IPO to any person to whom it is unlawful to do so. Our Company, Promoters, Offeror and our Principal Adviser require you to inform yourselves of and to observe such restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith. It shall be your sole responsibility, if you are or may be subject to the laws of any country or jurisdiction other than Malaysia, to consult your legal and/or other professional advisers as to whether your application for our IPO would result in the contravention of any law of such country or jurisdiction.

Further, it shall also be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of this Prospectus and would not be in contravention of any law of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you have accepted our IPO in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith. However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the electronic Prospectus and this Prospectus registered by the SC are the same.

You are advised that the internet is not a fully secured medium and that your Internet Share Application (as defined in this Prospectus) may be subject to risks of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined in this Prospectus). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an electronic Prospectus, you should immediately request from us, our Principal Adviser or the Issuing House (as defined in this Prospectus), a printed copy of this Prospectus. In the event of any discrepancies arising between the contents of the electronic Prospectus and the contents of the printed copy of this Prospectus for any reason whatsoever, the contents of the printed copy of this Prospectus, which are identical to the copy of the Prospectus registered by the SC, shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "Third Party Internet Sites") whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:-

- (i) we do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) we are not responsible for the quality of products or services in the Third Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third Party Internet Sites. We are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and

- (iii) any data, information, files or other material downloaded from the Third Party Internet Sites is done at your own discretion and risk. We are not responsible, liable or under obligation for any damage to your computer systems or loss of data resulting from the downloading of any such data, information, files or other material.

Where an electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:-

- (i) the Internet Participating Financial Institution is only liable in respect of the integrity of the contents of an electronic Prospectus, to the extent of the contents of the electronic Prospectus situated on the web server of the Internet Participating Financial Institution which may be viewed via web browser or other relevant software. The Internet Participating Financial Institution is not responsible for the integrity of the contents of an electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institution, and subsequently communicated or disseminated in any manner to you or other parties; and
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an electronic Prospectus, the accuracy and reliability of an electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium.

The Internet Participating Financial Institution is not liable (whether in tort or contract or otherwise) for any loss, damage or cost you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for our entire enlarged share capital on the ACE Market of Bursa Securities is set out below:-

Events	Tentative Dates
Opening date of application for the IPO Shares (as defined in this Prospectus)	9.00 a.m., 13 December 2018
Closing date of application for the IPO Shares	5.00 p.m., 24 December 2018
Balloting of applications	27 December 2018
Allotment of the IPO Shares to successful applicants	4 January 2019
Listing on the ACE Market of Bursa Securities	8 January 2019

The above timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures.

Any changes to the timetable will be advertised in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia. Changes to the closing date of the application for our IPO Shares will also result in changes to the date of balloting, allotment and Listing.

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DEFINITIONS

Unless the context otherwise requires, the following abbreviations shall apply throughout this Prospectus:-

COMPANIES WITHIN OUR GROUP:

“Gagasan Nadi Group” or “Group”	: Gagasan Nadi, Nadi Cergas, Nadi Cergas Management, Naditech Utilities, Naditech Power, Naditech Icon, Naditech Energy, Sasaran Etika, Naluri Etika, Nadi Cergas Hartanah, Nadi Cergas Development and Ringgit Muhibbah, collectively
“Gagasan Nadi” or “Company”	: Gagasan Nadi Cergas Berhad (1238966-U)
“Nadi Cergas”	: Nadi Cergas Sdn Bhd (243249-U)
“Nadi Cergas Development”	: Nadi Cergas Development Sdn Bhd (1032906-D)
“Nadi Cergas Hartanah”	: Nadi Cergas Hartanah Sdn Bhd (598110-H)
“Nadi Cergas Management”	: Nadi Cergas Management Services Sdn Bhd (1032904-U)
“Naditech Utilities”	: Naditech Utilities Sdn Bhd (441496-M)
“Naditech Power”	: Naditech Power Sdn Bhd (1069605-M)
“Naditech Icon”	: Naditech Icon Sdn Bhd (1106877-M)
“Naditech Energy”	: Naditech Energy Sdn Bhd (1121999-U)
“Naluri Etika”	: Naluri Etika Sdn Bhd (1038761-H)
“Ringgit Muhibbah”	: Ringgit Muhibbah Sdn Bhd (957064-P)
“Sasaran Etika”	: Sasaran Etika Sdn Bhd (423826-T)

GENERAL:

“ACE Market”	: ACE Market of Bursa Securities
“Act”	: Companies Act, 2016, as amended from time to time, and any re-enactment thereof
“ADA”	: Authorised Depository Agent
“ADA Code”	: ADA (Broker) Code
“AGM”	: Annual General Meeting
“Application Form”	: Printed application form for the application of the IPO Shares
“Application”	: Application for the IPO Shares by way of Application Form, the Electronic Share Application or the Internet Share Application
“ATM”	: Automated teller machine
“Authorised Financial Institution”	: Authorised financial institution participating in the Internet Share Application, with respect to payments for our IPO Shares

DEFINITIONS (Cont'd)

“Balloting Shares”	:	20,000,000 Public Issue Shares made available for application by the Malaysian Public via balloting
“Board”	:	Board of Directors of Gagasan Nadi
“Bursa Depository” or “Depository”	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“CAGR”	:	Compound annual growth rate
“CDS”	:	Central Depository System
“CDS Account”	:	Securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the Rules for the recording of deposits of securities and dealings in such securities by the depositor
“Central Depositories Act” or “SICDA”	:	Securities Industry (Central Depositories) Act 1991, as amended from time to time, and any re-enactment thereof
“CFO”	:	Chief Financial Officer
“CIDB”	:	Construction Industry Development Board Malaysia
“CMSA”	:	Capital Markets and Services Act 2007, as amended from time to time, and any re-enactment thereof
“Concession Agreements”	:	Collectively, the concession agreements in relation to the IIUM Concession Project and the UTEM Concession Project referred to in Sections 15.1(b)(ii) and (iii) of this Prospectus respectively
“Dato’ Sri Subahan”	:	Dato’ Sri Subahan Bin Kamal
“Datuk Wan Kassim”	:	Datuk Wan Kassim Bin Ahmed
“Depositor”	:	A holder of a Securities Account
“Directors”	:	Directors of Gagasan Nadi
“DOSH”	:	Department of Occupational Safety and Health
“EBITDA”	:	Earnings before finance costs and interest income, taxation, depreciation and amortisation
“Electronic Prospectus”	:	Copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/ or an electronic storage medium, including but not limited to CD-ROMs
“Electronic Share Application”	:	Application for the IPO Shares through a Participating Financial Institution’s ATM
“Eligible Parties”	:	Eligible Directors and employees of our Group and other persons who have contributed to the success of our Group
“EPS”	:	Earnings per Share
“FPE”	:	Financial period ended/ending 30 June
“FYE”	:	Financial year ended/ending 31 December

DEFINITIONS (Cont'd)

“Gagasan Nadi Shares” or “Shares”	:	Ordinary shares in the share capital of Gagasan Nadi
“GP”	:	Gross profit
“SST”	:	Sales and Services Tax
“Hj Wan Azman”	:	Hj Wan Azman Bin Wan Kamal
“Idolite Corporation”	:	Idolite Corporation Sdn Bhd
“IMR Report”	:	Independent Market Research Report prepared by the IMR
“Internet Participating Financial Institutions”	:	Participating financial institutions for the Internet Share Application, as listed in Section 16.6 of this Prospectus
“Internet Share Application”	:	Application for the IPO Shares through an Internet Participating Financial Institution
“IPO”	:	Our initial public offering comprising the Public Issue and the Offer for Sale, collectively
“IPO Price”	:	RM0.30 per IPO Share, being the price payable by investors under the Public Issue and/or the Offer for Sale
“IPO Share(s)”	:	The Public Issue Shares and the Offer Shares, collectively
“ISO”	:	International Organization for Standardization
“Issuing House”	:	Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
“KPAE”	:	Konsortium PAE
“Konsortium PAE Concession Companies”	:	Konsortium PAE Concession Companies refers to 7 concession holders consisting, Konsortium PAE (Banting) Sdn Bhd, Konsortium PAE (Ipoh) Sdn Bhd, Konsortium PAE (Johor Bahru) Sdn Bhd, Konsortium PAE (Seberang Perai) Sdn Bhd, Konsortium PAE (Jeli) Sdn Bhd, Konsortium PAE (Kota Bahru) Sdn Bhd, and Konsortium PAE (Port Dickson) Sdn Bhd, for the Polytechnic Project
“Listing”	:	Listing of and quotation for the entire enlarged share capital of Gagasan Nadi of RM137,444,108 comprising 753,000,000 Shares on the ACE Market
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities as amended from time to time, and any re-enactment thereof
“Listing Scheme”	:	The Internal Restructuring Exercise (as described in Section 6.2.1 of this Prospectus), Public Issue, Offer for Sale and Listing, collectively
“LPD”	:	15 November 2018, being the latest practicable date prior to the issuance of this Prospectus
“MAICSA”	:	Malaysian Institute of Chartered Secretaries and Administrators

DEFINITIONS (Cont'd)

“Malaysian Public”	: Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia but exclude Directors of our Group, our substantial shareholders and persons connected with either of them
“Market Day”	: Any day on which the stock market of Bursa Securities is open for trading in securities
“MITI”	: Ministry of International Trade and Industry, Malaysia
“MOU”	: Memorandum of understanding
“NA”	: Net assets
“N/A”	: Not applicable
“Nadi Cergas Acquisition”	: Acquisition by Gagasan Nadi of the entire share capital of Nadi Cergas, from the Nadi Cergas Vendors for a total purchase consideration of RM95,444,098, satisfied entirely via the issuance of 612,999,990 new Shares, credited as fully paid-up at an issue price of RM0.1557 per Share, to the Nadi Cergas Vendors
“Nadi Cergas Vendors”	: Hj Wan Azman and Dato’ Sri Subahan, collectively
“NBV”	: Net book value
“Offer for Sale”	: Offer for sale by the Offeror of the Offer Shares to the selected investors via private placement at the IPO Price, subject to the terms and conditions of this Prospectus
“Offer Shares”	: 60,000,000 Shares, representing approximately 7.97% of the enlarged share capital of Gagasan Nadi upon our Listing, which are the subject of the Offer for Sale
“Offeror”	: Hj Wan Azman, being the offeror of the Offer for Sale
“Official List”	: A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
“Participating Financial Institutions”	: Participating financial institutions for the Electronic Share Application, as listed in Section 16.5 of this Prospectus
“PAT”	: Profit after tax
“PBT”	: Profit before tax
“PE Multiple”	: Price-to-earnings multiple
“Period Under Review”	: FYE 2014, FYE 2015, FYE 2016, FYE 2017 and FPE 2018, collectively
“Pink Form Shares”	: 20,000,000 Public Issue Shares made available for application by the Eligible Parties
“Placement Shares”	: Collectively, 60,000,000 Offer Shares and 100,000,000 Public Issue Shares available for application by way of private placement to selected investors
“Promoters”	: The promoters of Gagasan Nadi, namely Hj Wan Azman and Dato’ Sri Subahan, collectively

DEFINITIONS (Cont'd)

"Prospectus"	:	This Prospectus dated 13 December 2018 in relation to our IPO
"Public Issue"	:	Public issue of 20,000,000 Public Issue Shares for application by the Malaysian Public via balloting, 20,000,000 Public Issue Shares for application by Eligible Parties and 100,000,000 Public Issue Shares for application by selected investors via private placement, at the IPO Price, subject to the terms and conditions of this Prospectus
"Public Issue Shares"	:	140,000,000 new Shares, representing approximately 18.60% of the enlarged share capital of Gagasan Nadi upon our Listing, which are to be issued pursuant to the Public Issue
"R&D"	:	Research and development
"Record of Depositors"	:	A record of depositors provided by Bursa Depository to our Company under the Rules
"Register"	:	Means the Register of Members to be kept pursuant to the Act, and unless otherwise expressed to the contrary, includes the Record of Depositors
"Rules"	:	Rules of Bursa Depository
"SAC"	:	Shariah Advisory Council of the SC
"SC"	:	Securities Commission Malaysia
"Securities Account"	:	An account established by Bursa Depository for a Depositor for the purpose of recording the deposit of securities and for dealing in such securities by the Depositor
"SJJB"	:	Skim Jejak Jaya Bumiputera
"SSA"	:	Share sale agreement
"sq. ft."	:	Square feet
"sq. m."	:	Square metre(s)
"TA Securities" or "Principal Adviser" or "Sponsor" or "Underwriter" or "Placement Agent"	:	TA Securities Holdings Berhad (14948-M)
"TERAJU"	:	Unit Peneraju Agenda Bumiputera
"Underwriting Agreement"	:	The underwriting agreement entered into between our Company and our Underwriter on 28 November 2018 for the underwriting of the Balloting Shares upon the terms and subject to the conditions contained therein
"Vital Factor" or "IMR"	:	Vital Factor Consulting Sdn Bhd (266797-T), our Independent Business and Market Research Consultants

DEFINITIONS (Cont'd)**CURRENCY:**

"RM" and "sen"	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
"USD"	:	United States Dollar

PROJECTS:

Project Name	Brief descriptions
"Cardiology Centre for Serdang Hospital Project"	: Refers to the construction of cardiology centre for Serdang Hospital in Selangor
"FELDA New Generation Housing Project"	: Refers to the construction of 1,104 houses in three locations namely Selancar, Selendang and Keratong in Pahang
"GMI Chilled Water Supply"	: Refers to the 20-year agreement with GMI for the design, build, operations and maintenance of a district cooling system including TES tank and related facilities for the supply of chilled water at the campus of GMI in Bangi, Selangor
"Government Projects"	In the context of this Prospectus, Government Projects in the business overview refer to projects that are carried out by Gagasan Nadi Group for the Period Under Review as follows: <ul style="list-style-type: none"> - Student hostels for IIUM Concession Project; - Student hostels for UTeM Concession Project; - Student hostels for the Polytechnic Project; - Aircraft hangars and academic buildings for UniKL MIAT Project; - Branch office building for the Ministry of Domestic Trade and Consumer Affairs; - FELDA New Generation Housing Project; - PR1MA Homes Pasir Mas (Phase 1) Project; - Rumah Selangorku Bukit Raja Project; - GMI Chilled Water Supply; - Cardiology Centre for Serdang Hospital Project; - MRSM Bagan Datuk Project; and - Rumah Selangorku Putra Heights Project
"IIUM Concession Project"	: Refers to the 22.5-year concession agreement with the Government of Malaysia and IIUM for the design, development, construction and completion of student hostels to accommodate 5,000 students in IIUM, Kuantan Pahang. Upon completion of construction, to provide facility management services for the said student hostels and related facilities
"MRSM Bagan Datuk Project"	: Refers to the construction of campus for MARA Junior Science College in Bagan Datuk, Perak
"Polytechnic Project"	: Refers to the 7 contracts that we secured from 7 concession holders to carry out the construction of student hostels to accommodate a total of 10,000 students in 7 polytechnics in various states of Peninsular Malaysia. The seven polytechnics consist of Ungku Omar Polytechnic (Ipoh), Banting Polytechnic, Seberang Prai Polytechnic, Ibrahim Sultan Polytechnic (Johor Bahru), Port Dickson Polytechnic, Jeli Polytechnic and Kota Bahru Polytechnic

DEFINITIONS (Cont'd)

- "PPA1M Tanjung Chat Project " : Refers to the construction of 330 units of affordable apartments in Tanjung Chat, Kelantan for the PPA1M programme. The proposed development by ND Mutiara Realities, under the PPA1M programme in Tanjung Chat, Kelantan had been terminated via Unit PPAM's letter dated 13 July 2018. Please refer to Sections 7.3.1.3 and 8.1.2 of this Prospectus for further details.
- "PR1MA Homes Pasir Mas (Phase 1) Project" : Refers to the design and construction of residential buildings (including single-storey terrace, double-storey terrace, and semi-detached houses), shop offices, community hall, amenities and related facilities in Lubok Jong, Pasir Mas in Kelantan
- "Rumah Selangorku Bukit Raja Project" : Refers to the design and construction of 570 units of affordable apartments in Bukit Raja, Klang, Selangor
- "Rumah Selangorku Putra Heights Project" : Refers to the construction of 1,700 units of affordable apartments in Putra Heights, Selangor
- "UniKL MIAT Project" : Refers to the construction of aircraft hangars and academic buildings in Subang, Selangor
- "UTeM Concession Project" : Refers to the 22.5-year concession agreement with the Government of Malaysia and UTeM for the design, development, construction and completion of student hostels and related facilities to accommodate 5,000 students in UTeM in Malacca. Upon completion of construction, to provide facility management services for the said student hostels and related facilities

Property development

- "AFF Mixed Development" : Refers to the development of AFF headquarters and serviced apartments located in Putrajaya
- "PPA1M Alam Damai Cheras Development" : Refers to the development of 450 units of affordable apartments in Cheras, Kuala Lumpur. This PPA1M Alam Damai Cheras Development had been terminated on 30 July 2018. Please refer to Section 8.1.2 of this Prospectus for further details
- "PPA1M Ulu Yam Development" : Refers to the development of 447 units of affordable single-storey and double-storey terrace houses in Ulu Yam, Selangor
- "Serviced Apartments @ Lorong Haji Hussein 2 Development" : Refers to the development of 320 units serviced apartments in Lorong Haji Hussein 2, Chow Kit, Kuala Lumpur

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GLOSSARY OF TECHNICAL TERMS

This glossary contains explanation of certain terms used throughout this Prospectus in connection with our Group and business. The terminologies and their meanings may not correspond to the standard industry meanings or usage of these terms.

“AFF”	: ASEAN Football Federation
“CF/ CCC”	: Certificate of Fitness/ Certificate of Completion and Compliance
“CPC”	: Certificate of Practical Completion
“FELDA”	: Federal Land Development Authority
“GDV”	: Gross Development Value
“GMI”	: German-Malaysian Institute
“IBS”	: Industrialised building system
“IIUM”	: International Islamic University Malaysia
“MARA”	: Majlis Amanah Rakyat
“MRSM”	: Maktab Rendah Sains MARA
“PFI”	: Private Finance Initiative
“PKK”	: Pusat Khidmat Kontraktor (Construction Services Centre)
“PPAM”	: Perumahan Penjawat Awam Malaysia (Malaysia Housing for Civil Servants) (formerly known as Perumahan Penjawat Awam 1Malaysia (“PPA1M”))
“PPP”	: Public-Private Partnership
“PR1MA”	: 1Malaysia People’s Housing
“PR1MA Corporation”	: PR1MA Corporation Malaysia
“RPGT”	: Real Property Gains Tax
“RT”	: Refrigeration ton
“RTh”	: Refrigeration ton per hour
“TES”	: Thermal Energy Storage
“UniKL MIAT”	: Universiti Kuala Lumpur Malaysia Institute of Aviation Technology
“Unit PPAM”	: Unit Perumahan Penjawat Awam Malaysia, Jabatan Perumahan Negara, Ministry of Housing and Local Government, Malaysia
“UTeM”	: Universiti Teknikal Malaysia Melaka
“Building construction”	: Physical construction of buildings and structures which typically includes new works, repairs, additions and alterations as well as erection of pre-fabricated buildings or structures on the site
“Chilled water”	: Water that has been chilled to $5.6^{\circ}\pm 1.1^{\circ}\text{C}$ and is used for air conditioning purposes

GLOSSARY OF TECHNICAL TERMS (Cont'd)

- “Concession holder” : A company that has entered into a long term agreement with the Malaysian Government to undertake work and compensated over the period of the agreement
- “District cooling system” : A system that uses off-peak electricity to chill water in a storage tank and subsequently distributing the chilled water during high peak electricity period to buildings for air conditioning purposes
- “Facility management services” : Maintenance and repair works for buildings and amenities covering mechanical, electrical, structures, landscaping, fixtures and fittings
- “Industrialised building system” : A system used in the construction industry, where building parts or components, for example walls, floors, roofs and staircases are designed and manufactured off-site commonly in factories or fabrication yards, and brought to the construction site for assembly. The key advantages are speed of completion and lower cost of construction for multiple identical structures or buildings
- “Maintenance Reserve Fund” : A sinking fund established for the replacement, refurbishment and remedial works for facilities and infrastructure pursuant to facility management services provided
- “Private Finance Initiative” : This is under the umbrella of PPP programme which is instituted by the Malaysian Government. PFI is one of the methods of procurement used by the Government in implementing public works projects. It involves the transfer of public works to the private sector to take on the responsibilities of financing, construction, management, maintenance, refurbishment and replacement of public sector assets such as buildings, infrastructure, equipment and other facilities under contractual agreements over an extended period of time known as the concession period. Under such arrangements, the private party will be responsible for raising its own funds to finance the whole asset and to deliver the services based on agreed performance.
- Buildings constructed under PFI are eligible for capital allowance at the initial allowance rate of 10% and annual allowance rate of 6% if they satisfy criteria under the Income Tax (Industrial Building Allowance) (Building under Privatisation Project and Private Financing Initiatives) Rules 2010
- “Public-Private Partnership” : Cooperation between the Government and the private sector to undertake public works and/or to construct/develop public sector assets
- “Refrigeration ton” : Refrigeration ton refers to the unit of power that is required to chill one ton of water. 1 RT = 3.5 kilowatt
- “Refrigeration ton per hour” : Chilled water energy delivered within a 60-minute period
- “Student hostels” : Premises used as accommodation for students

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Words importing the singular include the plural and vice versa. Words importing a gender include any gender. References to persons include a corporation. Any reference to words such as “we”, “us”, “our” and “ourselves” in this Prospectus shall be a reference to our Company, our Group or any member company of our Group as the context requires, unless otherwise stated. All references to “Gagasan Nadi” and “our Company” in this Prospectus are to Gagasan Nadi Cergas Berhad, references to “our Group” are to our Company and our subsidiaries taken as a whole. Unless the context otherwise requires, references to “Management” are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Any reference in this Prospectus, the Application Form, Electronic Share Application or Internet Share Application to any legislation, statute or statutory provision shall be a reference to the statute or legislation of Malaysia and includes any statutory modification, amendment or re-enactment thereof, unless otherwise indicated.

This Prospectus includes statistical data provided by us and various third parties and cites third party projections regarding growth and performance of the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the IMR. We believe that the statistical data and projections cited in this Prospectus are useful in helping you understand the major trends in the industry in which we operate. However, third party projections, including the projections from the IMR, cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. Hence, you should not place undue reliance on the third party projections cited in this Prospectus.

Certain numbers presented in this Prospectus have been rounded off to the nearest thousandth or 2 decimal places, hence may not be exact. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

If there are any discrepancies or inconsistencies between the English and Malay versions of this document, the English version shall prevail. Any reference to a time of day in this Prospectus shall be a reference to Malaysian time, unless otherwise stated. Our Shares are offered in Malaysia solely based on the contents of this Prospectus. The information on our website, or any website directly or indirectly linked to our Company’s website does not form part of this Prospectus and you should not rely on it for purposes of your decision whether or not to invest in our Shares.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements, which include all statements other than those of historical facts including, among others, those regarding our financial position, business strategies, prospects, plans and objectives of our Management for future operations. Some of these statements can be identified by the use of forward-looking terminology such as the words “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our control that could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. As such, we cannot assure you that the forward-looking statements in this Prospectus will be realised.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 8 - Risk Factors and Section 11.3 - Management’s Discussion and Analysis of Financial Condition and Results of Operations of this Prospectus.

These forward-looking statements are based on information available to us as at the date of this Prospectus. We will release publicly any update or revision to any forward-looking statement contained in this Prospectus to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based if required under the provisions of Section 238 of the CMSA, any continuing obligations under law and the Listing Requirements.

You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name / Designation	Address	Nationality	Profession
Ir. Dr. Muhamad Fuad Bin Abdullah <i>Independent Non-Executive Chairman</i>	33, Jalan Sari Ilmia 1/2 Alam Sari Sg Tangkas 43000 Kajang Selangor Darul Ehsan	Malaysian	Company Director
Hj Wan Azman Bin Wan Kamal <i>Group Managing Director</i>	No. 11, Jalan U1/13 Glenmarie Residences Seksyen U1 40150 Shah Alam Selangor Darul Ehsan	Malaysian	Group Managing Director
Dato' Sri Subahan Bin Kamal <i>Executive Director</i>	63, Kiara Hills Desa Sri Hartamas 50480 Kuala Lumpur	Malaysian	Company Director
Siti Naaishah Binti Hambali <i>Independent Non-Executive Director</i>	7B, Holiday Place Holiday Villa 225, Jalan Ampang 50450 Kuala Lumpur	Malaysian	Director of Alternative Dispute Resolution Centres
Chng Boon Huat <i>Independent Non-Executive Director</i>	22A, Jalan PJU 1A/29B Ara Damansara 47301 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director, Corporate Advisory

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

1. CORPORATE DIRECTORY (Cont'd)**NOMINATION COMMITTEE**

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

COMPANY SECRETARIES

Wong Wai Foong
1164, Jalan 17/46
Happy Garden
46400 Petaling Jaya
Selangor Darul Ehsan

Professional Qualification : Chartered Secretary, Associate of the Institute of Chartered Secretaries and Administrators

MAICSA Membership No. : MAICSA 7001358

Lim Hooi Mooi
28, Jalan 20/7
46300 Petaling Jaya
Selangor Darul Ehsan

Professional Qualification : Chartered Secretary, Fellow of the Institute of Chartered Secretaries and Administrators

MAICSA Membership No. : MAICSA 0799764

Ong Wai Leng
20, Jalan Tasik Indah 4
Taman Tasik Indah
51200 Kuala Lumpur

Professional Qualification : Chartered Secretary, Associate of the Institute of Chartered Secretaries and Administrators

MAICSA Membership No. : MAICSA 7065544

Tel No. : +603-2783 9191

Fax No. : +603-2783 9111

REGISTERED OFFICE

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

Tel No. : +603-2783 9191

Fax No. : +603-2783 9111

1. CORPORATE DIRECTORY (Cont'd)

HEAD OFFICE	:	<p>F-1 @ 8 Suria 33, Jalan PJU 1/42 47301 Petaling Jaya Selangor Darul Ehsan</p> <p>Tel No. : +603-7887 3388 Fax No. : +603-7887 3355 Email: : hq@nadicergas.com Website: : nadicergas.com</p>
AUDITORS AND REPORTING ACCOUNTANTS	:	<p>Crowe Malaysia (AF1018) Level 16, Tower C Megan Avenue II No.12, Jalan Yap Kwan Seng 50450 Kuala Lumpur</p> <p>Partner-in-charge : Chan Kuan Chee Approval No. : 02271/10/2019 J Professional Qualification : Chartered Accountant, Malaysian Institute of Accountants ("MIA")</p> <p style="padding-left: 20px;">Certified Public Accountant, The Malaysian Institute of Certified Public Accountants</p> <p style="padding-left: 20px;">Certified Fraud Examiners, Association of Certified Fraud Examiners</p> <p>Tel No. : +603-2788 9999 Fax No. : +603-2788 9998</p>
SOLICITORS	:	<p>Chooi & Company + Cheang & Ariff Level 5, Menara BRDB 285, Jalan Maarof Bukit Bandaraya 59000 Kuala Lumpur</p> <p>Tel No. : +603-2055 3888 Fax No. : +603-2055 3880</p>
ISSUING HOUSE AND SHARE REGISTRAR	:	<p>Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32 Tower A, Vertical Business Suite Avenue 3, Bangsar South No. 8 Jalan Kerinchi 59200 Kuala Lumpur</p> <p>Tel No. : +603-2783 9299 Fax No. : +603-2783 9222</p>

1. CORPORATE DIRECTORY (Cont'd)

- INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS** : **Vital Factor Consulting Sdn Bhd**
V Square @ PJ City Centre (VSQ)
Block 6 Level 6, Jalan Utara
46200 Petaling Jaya
Selangor Darul Ehsan
- Person-in-charge : Wooi Tan
Qualification : Master of Business Administration from The New South Wales Institute of Technology (now known as University of Technology, Sydney), Australia, Bachelor of Science from The University of New South Wales, Australia and a Fellow of the Australian Marketing Institute, and Institute of Managers and Leaders, Australia (formerly known as the Australian Institute of Management)
- Tel No. : +603-7931 3188
Fax No. : +603-7931 2188
- PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : **TA Securities Holdings Berhad**
29th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
- Tel No. : +603-2072 1277
Fax No. : +603-2161 2693
- LISTING SOUGHT** : ACE Market of Bursa Securities
- SHARIAH STATUS** : Approved by the Shariah Advisory Council of the SC

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2. APPROVALS AND CONDITIONS

2.1 APPROVALS AND CONDITIONS

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 20 February 2018, approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued share capital of RM137,444,108 and comprising 753,000,000 Shares on the ACE Market of Bursa Securities ("Listing Approval").

The Listing Approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of Compliance
(1)	Submission of the following information with respect to the moratorium on the shareholdings of the promoter to Bursa Depository: (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares.	To be complied prior to Listing
(2)	Approvals from other relevant authorities have been obtained for implementation of the Listing	Complied
(3)	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements.	To be complied prior to Listing
(4)	Furnish Bursa Securities with a copy of the schedule of distribution showing compliance with the share spread requirements based on the entire issued share capital of Gagasan Nadi on the first day of listing.	To be complied upon Listing
(5)	Any Director of the Company who has not attended the Mandatory Accreditation Programme must do so prior to listing of the Company.	Complied
(6)	In relation to the public offering to be undertaken by Gagasan Nadi, to announce at least 2 market days prior to the listing date, the result of the offering including the following: (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/ allocation; (iii) A table showing the distribution for placement tranche in format prescribed; and (iv) Disclosure of placees who become substantial shareholders of Gagasan Nadi arising from the public offering, if any. To ensure that the overall distribution of Gagasan Nadi's securities is properly carried out to mitigate any disorderly trading in the secondary market; and	To be complied prior to Listing
(7)	Gagasan Nadi/ TA Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of Gagasan Nadi to the Official List of the ACE Market.	To be complied upon Listing

2. APPROVALS AND CONDITIONS (Cont'd)

On 29 September 2017, TA Securities had on behalf of our Promoters, namely Hj Wan Azman and Dato' Sri Subahan, sought relief from Bursa Securities to waive the requirements for our Promoters to comply with the following provisions of the Listing Requirements:

Listing Requirements	Details	Bursa Securities' decision
<p>Rule 3.19(1)</p> <p>"(1) A moratorium will be imposed on the sale, transfer or assignment of shares held by promoters of an applicant as follows:</p> <p>(b) Upon the expiry of the 6-month period stated above, the listed corporation must ensure that the promoters' aggregate shareholdings amounting to at least 45% of the nominal issued and paid-up ordinary share capital of the listed corporation remain under moratorium, for another period of 6 months."</p>	<p>The approval from Bursa Securities was sought to waive this requirements as Gagasan Nadi meets the profit test requirements for the Main Market under Paragraph 5.02(a) of the Equity Guidelines issued by the SC.</p>	<p>Bursa Securities has via its letter dated 20 February 2018 resolved to reject the waiver application made by TA Securities, on behalf of the Promoters of Gagasan Nadi, namely Hj Wan Azman and Dato' Sri Subahan, from complying with Rule 3.19(1)(b) and (c) of the Listing Requirements. This is in view of the non-compliance of the Group's cash flow position as required under Paragraph 5.08(b)(i) of the Equity Guidelines issued by the SC.</p>

Further to the Listing Approval, Bursa Securities had on 26 October 2018 resolved to grant Gagasan Nadi an extension of time to complete the implementation of the Listing, details of the approval are set out below:

Listing Requirements	Details	Bursa Securities' decision
<p>Rule 6.60(1)</p> <p>(1) Subject to sub-Rule (2) below, a listed corporation must complete the implementation of a proposal relating to an issuance of securities ("Issuance Proposal") within 6 months from the date the listing application is approved by the Exchange.</p> <p>(2) For cases which involve court proceedings, a listed corporation has up to 12 months from the date the listing application is approved by the Exchange to complete the implementation of an Issuance Proposal."</p>	<p>The approval from Bursa Securities was sought for the extension of time from 17 August 2018 until 28 February 2019 for Gagasan Nadi to complete the implementation of the Listing.</p>	<p>Bursa Securities has via its letter dated 26 October 2018 resolved to grant an extension of time until 20 February 2019 to Gagasan Nadi to complete the implementation of the Listing.</p>

2. APPROVALS AND CONDITIONS (Cont'd)**2.1.2 SC**

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The resultant equity structure of Gagasan Nadi under the equity requirement for public listed companies pursuant to the Listing has been approved by the SC, via its letter dated 5 April 2018.

The effects of the Listing on the shareholding structure of Gagasan Nadi before and after the Listing is as follows:

Category of shareholders	Before Listing/ As at 1 September 2017		After the Listing	
	No. of Shares	% of issued share capital	No. of Shares	% of enlarged issued share capital
Bumiputera				
- Hj Wan Azman	561,916,663	91.67	501,916,663	66.65
- Dato' Sri Subahan	51,083,337	8.33	51,083,337	6.78
- Other individuals	-	-	20,000,000 ⁽¹⁾	2.67
	613,000,000	100.0	573,000,000	76.10
Non-Bumiputera				
Malaysians				
Foreigners	-	-	180,000,000 ⁽²⁾	23.90
	613,000,000	100.0	753,000,000	100.0
Total	613,000,000	100.0	753,000,000	100.0

Notes:

- (1) Based on the assumption that the Public Issue Shares allocated to Bumiputera investors shall be fully subscribed as follows:

Category	No. of Shares
Malaysian public under the Public Issue	10,000,000
Pink form allocations	10,000,000
Total	20,000,000

- (2) Based on the assumption that the remaining 120,000,000 Public Issue Shares and 60,000,000 Offer Shares are placed to non-Bumiputera investors.

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2. APPROVALS AND CONDITIONS (Cont'd)

The SC had, via its letter dated 5 April 2018, approved the reliefs sought by us from having to comply with certain requirements under the Prospectus Guidelines. The details of the reliefs sought and the corresponding conditions imposed by the SC are as follows:

Reference	Details of waivers sought	Conditions	Status of compliance
Paragraph 13.01(b)(i) of Part II of Division 1 of the Prospectus Guidelines	Relief to allow Gagasan Nadi to make the Concession Agreements available for public inspection at the registered office of Gagasan Nadi with a disclosure in the Prospectus that the Concession Agreements fall within the definition of "official secret" under the Official Secrets Act, 1972, and any person who wishes to inspect these agreements will have to, on their own, obtain prior written approval from the Ministry of Higher Education and thereafter, reproduce such written approval to Gagasan Nadi prior to inspecting the Concession Agreements at Gagasan Nadi's registered office.	<p>(i) The following statement to be disclosed in Gagasan Nadi's prospectus for the Proposed Listing:</p> <p>"The Concession Agreements fall within the definition of "official secret" under the Official Secret Act, 1971, and any person who wishes to inspect these agreements will have to, on your own, obtain prior written approval from the Ministry of Higher Education and, reproduce such written approval to us prior to inspecting the Concession Agreements at our registered office."; and</p> <p>(ii) Gagasan Nadi will deposit a copy of the Concession Agreements at its registered office for a period of at least 6 months from the date of issue of the prospectus for inspection by any person who produces the written consent of the Ministry of Higher Education to do so.</p>	<p>The relevant disclosure has been made in Section 15 of this Prospectus.</p> <p>The deposit of the Concession Agreements will be complied with.</p>

The SAC had, vide its letter dated 6 December 2018 classified our securities as shariah-compliant based on the audited consolidated financial statements of our Company for the FYE 2017.

2.1.3 MITI

MITI had, vide its letter dated 22 February 2018:

- (i) taken note and has no objection to our Listing; and
- (ii) recognised Hj Wan Azman and Dato' Sri Subahan, collectively holding 613,000,000 Shares in Gagasan Nadi as Bumiputera investors.

2. APPROVALS AND CONDITIONS (Cont'd)

2.2 MORATORIUM ON SHARES

In compliance with Rule 3.19 of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters as follows:

- (i) the moratorium applies to the entire shareholdings held by our Promoter (after the Offer for Sale) for a period of 6 months from the date of our admission to the Official List ("**First 6-months Moratorium**");
- (ii) upon the expiry of the First 6-months Moratorium, we must ensure that our Promoters' aggregate shareholdings amounting to at least 45% of our total number of Shares issued remain under moratorium for another period 6 months ("**Second 6-months Moratorium**"); and
- (iii) thereafter, our Promoters may sell, transfer or assign up to a maximum of one-third (1/3) per annum (on a straight-line basis) of the Shares held under moratorium.

The details of our Shares held by our Promoters which will be subject to moratorium are as follows:

Promoters	No. of Shares to be held under the First 6-months Moratorium		No. of Shares to be held under the Second 6-months Moratorium	
	Direct	% ⁽¹⁾	Direct	% ⁽¹⁾
Hj Wan Azman	501,916,663	66.65	307,554,123	40.84
Dato' Sri Subahan	51,083,337	6.78	31,295,877	4.16
Total	553,000,000	73.43	338,850,000	45.00

Note:

(1) Based on our enlarged issued share capital of 753,000,000 Shares after the IPO.

The moratorium has been fully accepted by the Promoters, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period.

The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by the Promoters to ensure that our Share Registrar does not register any transfer that contravenes such restrictions.

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3. PROSPECTUS SUMMARY

THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST IN OUR SHARES.

3.1 OVERVIEW OF OUR BUSINESS

We were incorporated in Malaysia under the Act on 17 July 2017 as a private limited company under the name of Gagasan Nadi Cergas Sdn Bhd. Subsequently on 16 August 2017, our Company was converted to a public limited company to embark on the Listing of our Group on the ACE Market of Bursa Securities.

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

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

We are principally in the building construction of non-residential and residential buildings. Non-residential buildings include among others, student hostels, Government offices, campuses for public tertiary education institutions, aircraft hangars and training institutions, while residential buildings are mainly under Government initiative programmes such as PR1MA Homes, Rumah Selangorku, FELDA housing, and PPAM programmes.

Based on our Group's past track record, our Group has been reliant on Government Projects. For the Period Under Review, our building construction activities were mainly Government Projects, which accounted for 98.13% (FYE 2014), 97.92% (FYE 2015), 98.58% (FYE 2016), 99.37% (FYE 2017) and 99.96% (FPE 2018) of our total revenue respectively. These Government Projects include the construction of offices and/or buildings for police, military and public education institutions and housing projects under Government initiative programmes and Government offices and buildings. **We are exposed to the risks associated with Government Projects, if there are any changes relating to Government Projects which are not favourable to our Group, such as cancellation, termination or unfavourable revision of terms (including pricing) as a result of continuing changes in Government policies, regulations or initiatives, our financial performance may be adversely affected. As such, before you decide whether to invest in our Shares, it is important that you consider amongst others the risk factor in Section 8.1.2 of this Prospectus – We are dependent on Government Projects.**

- Cancellations/ termination of Government Projects

As at LPD, 2 proposed Government Projects have been terminated by Unit PPAM. The PPA1M Alam Damai Cheras Development, one of our proposed property development projects, had been terminated by Unit PPAM in July 2018. For the PPA1M Tanjung Chat Project where we are the main contractor, the proposed development by the project owner, ND Mutiara Realties had also been terminated by a letter from Unit PPAM in July 2018. As at the LPD, the construction works for these 2 projects have not commenced.

- Revisions of the Contract Sum for 2 of our Government Projects

In November 2018, we have also received contract sum reduction requests from 2 Government Project owners: (1) Public Works Department Malaysia, in relation to the Cardiology Centre for Serdang Hospital Project, had in November 2018 requested for a 10% reduction to the contract sum from RM289.77 million to RM260.79 million. As at the LPD, the Cardiology Centre for Serdang Hospital Project is on-going and on schedule with approximately 6% completed. (2) MARA, in relation to the MRSM Bagan Datuk Project, had also in November 2018 requested Nadi Cergas to submit a price revision proposal, and Nadi Cergas had subsequently offered a proposed

3. PROSPECTUS SUMMARY (Cont'd)

reduction of RM1.5 million on a lump sum basis from the contract sum of RM95.59 million to RM94.09 million. The MRSM Bagan Datuk Project is on-going and progressing ahead of schedule with approximately 15% completed. The contracts for the Cardiology Centre for Serdang Hospital Project and the MRSM Bagan Datuk Project respectively do not contain provisions for revision of contract sum save for the variation terms pursuant to certified variation orders. The above revisions of terms are subject to the contracting parties' mutual agreement, and as at the LPD the negotiations for such contract sum revisions have yet to be finalised nor formalised.

Within building construction, we have a proven track record in undertaking projects involving design, construction as well as maintenance of buildings and related facilities. For building construction, our role is to deliver the completed construction project while meeting customers' specifications requirements within budget and agreed timeframe. As a main contractor, we are responsible for all aspects of construction including overall project planning and management, structural and building design, construction of the buildings and facilities. In this respect, we engage workers as well as subcontractors to carry out the construction works. For the Period Under Review, revenue contribution from building construction accounted for 97.40% (FYE 2014), 93.23% (FYE 2015), 93.50% (FYE 2016), 88.54% (FYE 2017) and 87.85% (FPE 2018) of our total revenue respectively.

In addition to our building construction activities, our experience and capabilities extend to concession projects under PFI, which is part of the PPP programme. Under the PFI arrangement, we are responsible for, among others, design, development, construction, completion and after completion of construction, to carry out asset management services (referred here as "facility management services"). We are the concession holder for 2 PFI projects namely IIUM Concession Project and UTeM Concession Project. The construction of the IIUM Concession Project and the UTeM Concession Project were completed in 2014 and 2017 respectively. Moving forward, we will only receive recurrent revenue from the provision of facility management services in terms of Maintenance Charges until 2034 from the IIUM Concession Project and until 2037 from the UTeM Concession Project. Please refer to Section 7.3.1.3 (i) of this Prospectus for further details of the 2 concession projects and notes (5) and (6) of Section 7.3.1.3 of this Prospectus for further details of the payments of Availability Charges for the building construction and Maintenance Charges for the 2 concession projects over the 20 years concession period.

We also operate a district cooling system including the TES tank and related facilities and supply chilled water for air conditioning purposes. This is upon the completion of the construction of a district cooling system including the TES tank that was carried out by our Group. Other business activities (which include facility management services and supply of chilled water) cumulatively accounted for 2.60%, 6.77%, 6.50%, 11.46% and 12.15% of our total revenue for FYE 2014, 2015, 2016 and 2017, and FPE 2018 respectively.

In March 2017, we started to embark on our new business activities in property development namely AFF Mixed Development, which is synergistic to our building construction activities.

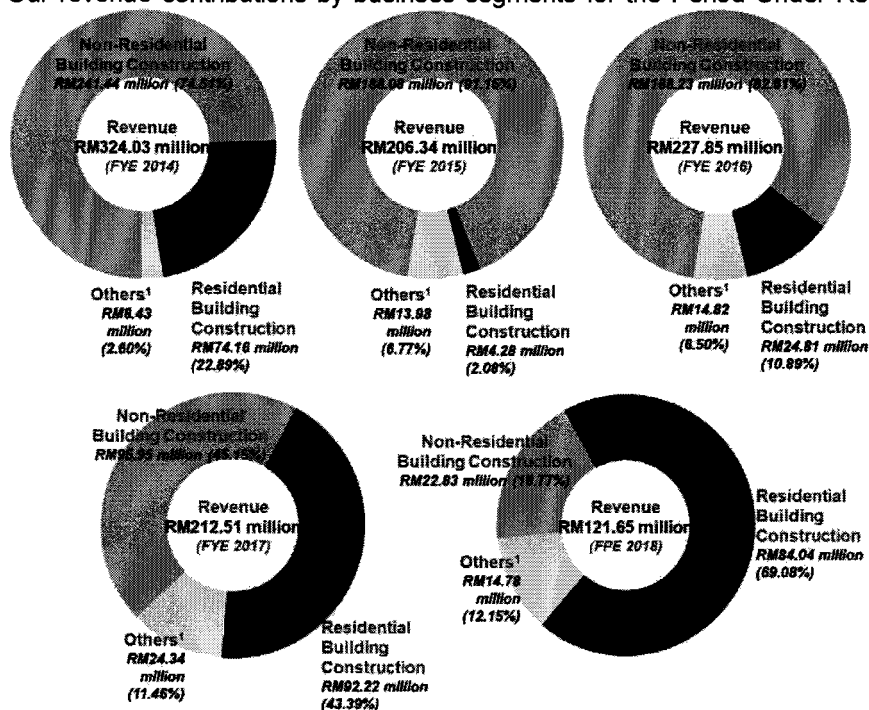
As at the LPD, the total unbilled contract value of our construction projects was RM682.86 million[^] based on contracts secured, which is expected to be completed progressively up to 2021. This includes contract value of on-going and a new project secured as at the LPD.

Note:

[^] Of the total unbilled contract value of our construction projects, we have received contract sum reduction requests from 2 Government Project owners as at the LPD, namely, Public Works Department Malaysia, in relation to the Cardiology Centre for Serdang Hospital Project and MARA, in relation to the MRSM Bagan Datuk Project. Please refer to Sections 3.1, 7.3.1, 7.3.1.3 and 8.1.2 of this Prospectus for further details. Assuming a maximum 10% reduction to the contract sum of the 2 Government Projects as stated above, respectively, the estimated total unbilled contract value of our construction projects as at the LPD will be lower at approximately RM644.33 million.

3. PROSPECTUS SUMMARY (Cont'd)

Our revenue contributions by business segments for the Period Under Review are as follows:



Note:

1 Others include provision of facility management services and supply of chilled water.

Our revenue contributions by type of customers for the Period Under Review are as follows:

Types of Customer	FYE 2014		FYE 2015		FYE 2016	
	RM '000	%	RM '000	%	RM '000	%
Government Projects	317,954	98.13	202,060	97.92	224,609	98.58
Private Sector Projects	6,074	1.87	4,284	2.08	3,245	1.42
TOTAL	324,028	100.00	206,344	100.00	227,854	100.00

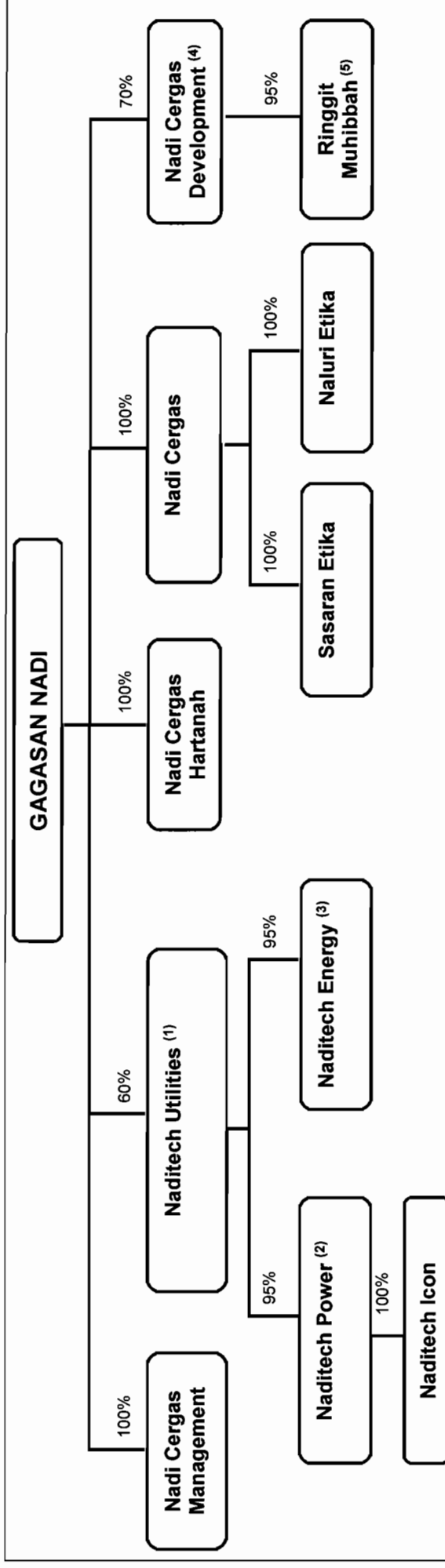
Types of Customer	FYE 2017		FPE 2018	
	RM '000	%	RM '000	%
Government Projects	211,168	99.37	121,597	99.96
Private Sector Projects	1,343	0.63	49	0.04
TOTAL	212,511	100.00	121,646	100.00

Please refer to Sections 7.3.1.2 and 7.3.2 of this Prospectus for further details.

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3. PROSPECTUS SUMMARY (Cont'd)

Our Group structure as at the date of this Prospectus is as follows:



Notes:

- (1) The remaining 40% shareholdings in Naditech Utilities are held by Loh Soon Wah and Lee Heng Kheong, each holding 20% shareholdings. Please refer to Section 6.5.2 (c) of this Prospectus for further details.
- (2) The remaining 5% shareholdings in Naditech Power is held by Endie Jude Tofil Md Tuffile. Please refer to Section 6.5.8 (c) of this Prospectus for further details.
- (3) The remaining 5% shareholdings in Naditech Energy is held by Endie Jude Tofil Md Tuffile. Please refer to Section 6.5.9 (c) of this Prospectus for further details.
- (4) The remaining 30% shareholdings in Nadi Cergas Development is held by Hj Zulkifli Bin Abdul. Please refer to Section 6.5.4 (c) of this Prospectus for further details.
- (5) The remaining 5% shareholdings in Ringgit Muhibbah are held by Tan Keng Seng who holds 3% shareholdings, and Hj Zulkifli Bin Abdul who holds 2% shareholdings. Please refer to Section 6.5.11 (c) of this Prospectus for further details.

As at the date of this Prospectus, our Company does not have any associated companies. Further details of our subsidiaries are set out in Section 6 of this Prospectus. Further information on our Group's history and background, key achievements and awards and main business are set out in Sections 7.1, 7.2, 7.3 and 11.3 of this Prospectus respectively.

3. PROSPECTUS SUMMARY (Cont'd)

3.2 COMPETITIVE ADVANTAGES, KEY STRENGTHS AND VALUE PROPOSITIONS

Our Group's competitive advantages, key strengths and value propositions, which are further detailed in Sections 7.3.3 and 7.3.4 of this Prospectus, are set out below:-

- (i) We have a proven track record in the building construction industry;
- (ii) We have long term contracts in place to generate recurring revenue;
- (iii) We have experienced executive directors and key senior management;
- (iv) We have the ability to undertake concession projects under the PFI programmes;
- (v) We operate in the sizeable public sector construction industry to provide us with growth opportunities; and
- (vi) We are participating in the Government's programme to construct and develop affordable housing.

3.3 OUR BUSINESS STRATEGIES

Our Group's business strategies are as follows:

- (i) We intend to expand our business in property development; and
- (ii) We intend to leverage on our track record in the supply of chilled water to further explore business opportunities in this segment.

Please refer to Section 7.24 of this Prospectus for further information on our business strategies.

3.4 SUMMARY OF RISK FACTORS

Our business is subject to a number of factors, many of which are outside our control. Before investing in our Shares, you should carefully consider, along with the other matters set out in this Prospectus, the risk factors set out below. The following is a summary of the key risks relating to the business and operations of our Group that we are currently facing or that may develop in future:

(i) Our business will be adversely affected if we fail to obtain or renew our permits and/or regulatory licenses or if they are revoked

We are required to obtain certain approvals, licenses and permits from relevant regulatory authorities for our business operations, such as mandatory registration with CIDB as a contractor before we carry out or undertake any building construction activities, as well as registrations with the regulatory authorities in order to supply or tender for the supply of our services to the Government; our electricity distribution activities; and approvals, licenses and permits in relation to our property development activities. If we fail to obtain or renew these approvals, licenses and permits, or if they are revoked, our business operations will be disrupted and our business, reputation and financial prospects could also be adversely affected.

(ii) We are dependent on Government Projects

For the Period Under Review, Government Projects accounted for 98.13% (FYE 2014), 97.92% (FYE 2015), 98.58% (FYE 2016), 99.37% (FYE 2017) and 99.96% (FPE 2018) of our Group's total revenue for the respective financial years and financial period. In this respect, we are exposed to the risks associated with Government Projects. Therefore, any changes relating to Government projects which are unfavourable to our Group, such as changes in Government policies (including affordable housing scheme and budget allocations) or revisions to the terms (including pricing) of the Government projects, may have an adverse impact on our financial performance. As mentioned in Section 3.1 of this Prospectus above, as at the LPD, 2 proposed Government Projects have been terminated by Unit PPAM. In November 2018, we have also received contract sum reduction requests from 2 Government Project owners. There is no assurance that our other Government Projects will not be affected either in terms of cancellation, termination or revision of terms as a result of continuing changes in Government policies, regulations or initiatives.

3. PROSPECTUS SUMMARY (Cont'd)**(iii) Our contracts may be subject to early termination**

Our contracts may be terminated earlier than expected, either within applicable notice periods pursuant to the contract terms, upon default or non-performance by us or our customers. In the event we experience any early termination of our contracts, the loss of revenue and/or incurred arising from such termination may have an adverse impact on the financial condition and prospects of our Group.

Please refer to Section 8 of this Prospectus for the full list of risk factors relating to our business operations, industry and our securities and the IPO.

3.5 SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT**3.5.1 Details of our Substantial Shareholders, Promoters, Directors and Key Senior Management**

Our substantial shareholders, Promoters, Directors and key senior management, whose profiles are set out in Section 5 of this Prospectus, are as follows:-

Promoters and substantial shareholders	Nationality
Hj Wan Azman	Malaysian
Dato' Sri Subahan	Malaysian

Directors	Designation	Nationality
Ir. Dr. Muhamad Fuad Bin Abdullah	Independent Non-Executive Chairman	Malaysian
Hj Wan Azman	Executive Director	Malaysian
Dato' Sri Subahan	Executive Director	Malaysian
Siti Naaishah Binti Hambali	Independent Non-Executive Director	Malaysian
Chng Boon Huat	Independent Non-Executive Director	Malaysian

Key Senior Management	Designation	Nationality
Hj Wan Azman	Executive Director	Malaysian
Dato' Sri Subahan	Executive Director	Malaysian
Oh Ewe Peng	CFO	Malaysian
Wan Badrul Hisham Bin Wan Kamal	Head of Construction	Malaysian
Aminudin Bin Taib	Head of Concession and Facilities Management	Malaysian

3. PROSPECTUS SUMMARY (Cont'd)

3.5.2 Promoters and substantial shareholders' shareholdings

The promoters and substantial shareholders' shareholdings in our Company before and after the IPO are as follows:

Name	Nationality	Before the IPO ⁽¹⁾				After the IPO ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders									
Hj Wan Azman	Malaysian	561,916,663	91.67	-	-	501,916,663	66.65	-	-
Dato' Sri Subahan	Malaysian	51,083,337	8.33	-	-	51,083,337	6.78	-	-

Notes:

- (1) Based on the issued share capital of 613,000,000 Shares as at the date of this Prospectus.
- (2) Based on the enlarged issued share capital of 753,000,000 Shares after the IPO.

The following table sets out the details of our Shares held by our Promoters which will be subject to moratorium:

Promoters	No. of Shares to be held under the First 6-months Moratorium		No. of Shares to be held under the Second 6-months Moratorium	
	Direct	% ⁽¹⁾	Direct	% ⁽¹⁾
Hi Wan Azman	501,916,663	66.65	307,554,123	40.84
Dato' Sri Subahan	51,083,337	6.78	31,295,877	4.16
Total	553,000,000	73.43	338,850,000	45.00

The moratorium has been fully accepted by the Promoters, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the above moratorium period. Please refer to Section 2.2 of this Prospectus for further details of the moratorium imposed.

3.6 FINANCIAL HIGHLIGHTS

The table below sets out a summary of our Group's key financial highlights based on our Group's historical audited financial information for the Period Under Review:

	AUDITED				UNAUDITED	AUDITED
	FYE 2014 RM'000	FYE 2015 RM'000	FYE 2016 RM'000	FYE 2017 RM'000	FPE 2017 RM'000	FPE 2018 RM'000
Revenue	324,028	206,344	227,854	212,511	133,396	121,646
GP	82,944	56,811	112,308	78,764	64,450	26,990
PBT	69,645	49,325	100,833	66,957	58,700	23,586
PAT attributable to Owners of the Company	55,558	37,778	73,639	49,760	45,604	17,385
GP margin (%)	25.60	27.53	49.29	37.06	48.31	22.19
PBT margin (%)	21.49	23.90	44.25	31.51	44.00	19.39
PAT margin (%)	17.15	18.31	32.32	23.42	34.19	14.29

3. PROSPECTUS SUMMARY (Cont'd)

	AUDITED				UNAUDITED	AUDITED
	FYE 2014 RM'000	FYE 2015 RM'000	FYE 2016 RM'000	FYE 2017 RM'000	FPE 2017 RM'000	FPE 2018 RM'000
Number of Shares assumed in issue ('000) ⁽¹⁾	753,000	753,000	753,000	753,000	753,000	753,000
Basic EPS (sen) ⁽²⁾	7.38	5.02	9.78	6.61	6.06	2.31
Diluted EPS (sen) ⁽²⁾	7.38	5.02	9.78	6.61	6.06	2.31
<u>Other selected financial information</u>						
Non-current assets	404,967	386,397	436,849	712,839	725,951	717,309
Current assets	148,069	185,594	339,775	164,363	137,220	155,787
Total assets	553,036	571,991	776,624	877,202	863,171	873,096
Non-current liabilities	268,072	299,040	372,979	425,644	407,703	402,397
Current liabilities	73,646	32,306	93,397	94,121	102,296	103,102
Total liabilities	341,718	331,346	466,376	519,765	509,999	505,499
Net assets	211,318	240,645	310,248	357,437	353,172	367,597
Share capital	15,000	15,000	15,000	95,444	15,000	95,444
Retained profits	193,193	221,671	291,560	257,876	334,164	268,097
Consolidated statement of cash flows:						
Net cash (for)/ from operating activities	(21,411)	12,356	(7,366)	(13,254)	(33,090)	32,091
Net cash from/ (for) investing activities	53,397	3,848	(64,003)	(23,309)	(3,474)	(6,952)
Net cash from/ (for) financing activities	783	2,014	80,016	16,704	16,431	(39,676)
Net increase/ (decrease) in cash and cash equivalents	32,769	18,218	8,647	(19,859)	(20,133)	(14,537)
Cash and cash equivalents at beginning of the financial year/ period	4,474	37,243	55,461	64,108	64,018	44,249
Allowance for Impairment losses under MFRS 9	-	-	-	-	-	(136)
Cash and cash equivalents at end of the financial year/ period	37,243	55,461	64,108	44,249	43,975	29,576

Notes:

- (1) Assumed number of Shares in issue immediately after our IPO.
- (2) Computed based on PAT attributable to owners of our Company divided by our enlarged number of Shares in issue after our IPO.
- (3) The diluted EPS is equal to the basic EPS as there were no potential dilutive ordinary shares outstanding at the end of the financial year.

Please refer to Sections 11 and 12 of this Prospectus for further information relating to our Group's historical financial performance.

3. PROSPECTUS SUMMARY (Cont'd)**3.7 SALIENT INFORMATION ON OUR IPO****3.7.1 Allocation**

Our IPO is subject to the terms and conditions of this Prospectus and the allocation of the IPO Shares shall be in the following manner:

Allocation	Public Issue Shares	(1) %	Offer Shares	(1) %
Public Issue				
- Placement Shares	100,000,000	13.28	-	-
- Balloting Shares ⁽²⁾	20,000,000	2.66	-	-
- Pink Form Shares	20,000,000	2.66	-	-
Offer for Sale				
- Placement Shares	-	-	60,000,000	7.97
Total	140,000,000	18.60	60,000,000	7.97

Notes:

(1) Based on our enlarged issued share capital of 753,000,000 Shares after our IPO.

(2) At least 50% of the Balloting Shares shall be set aside for Bumiputera individuals, companies, co-operatives, societies and institutions.

3.7.2 Principal Statistics of our IPO

The principal statistics of our IPO are as follows:-

	Number of Shares	RM
Share capital		
- Issued share capital as at the date of this Prospectus	613,000,000	95,444,108
- Shares to be issued pursuant to the Public Issue	140,000,000	42,000,000
- Enlarged share capital upon Listing	753,000,000	137,444,108
IPO Price for each IPO Share		0.30
Market capitalisation of our Company based on the IPO Price upon Listing		225,900,000
Pro forma NA based on our Pro Forma Consolidated Statements of Financial Position as at 30 June 2018		
- Pro forma NA upon Listing (RM'000) ⁽¹⁾		400,541
- Pro forma NA per Share upon Listing ⁽²⁾		0.53

Notes:

(1) After taking into account our Public Issue of 140,000,000 new Shares at the IPO Price and after utilisation of proceeds from our Public Issue.

(2) Based on our enlarged share capital upon Listing of 753,000,000 Shares.

3. PROSPECTUS SUMMARY (Cont'd)**3.8 USE OF PROCEEDS**

We expect to raise gross proceeds from the Public Issue of RM42.0 million and intend to use the proceeds in the following manner:-

No.	Purpose	Time frame for utilisation from the date of listing	%	RM'000
(1)	Funding for the AFF Mixed Development	Within 30 months	33.3	14,000
(2)	Capital expenditures for the district cooling system for the supply of chilled water to a shopping mall under the Datum Jelatek development	Within 12 months	15.5	6,500
(3)	Working capital for a construction project	Within 24 months	39.3	16,500
(4)	Estimated listing expenses	Within 3 months	11.9	5,000
Gross proceeds			100.0	42,000

The Offer for Sale will raise gross proceeds of RM18.0 million which will accrue entirely to the Offeror. Further details of the use of proceeds arising from the Public Issue are set out in Section 4 of this Prospectus.

3.9 DIVIDEND POLICY

It is our Board's policy to recommend dividends to allow our Shareholders to participate in the profits of our Group. However, our ability to pay dividends or make other distributions to our Shareholders in the future years is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business. There is no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or timing of such payment.

Subject to the above and the factors outlined in Section 11.9 of this Prospectus, our Board intends to recommend and distribute dividends up to 30% out of our net profits attributable to our Shareholders for the FYE 2019. Kindly refer to Section 8 of this Prospectus for risks relating to payment of dividends and Section 11.9 of this Prospectus for detailed information on our dividend policy.

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4. DETAILS OF OUR IPO

This Prospectus is dated 13 December 2018. Our IPO is subject to the terms and conditions of this Prospectus.

This Prospectus has been registered by the SC. This Prospectus, together with Application Form has also been lodged with the Registrar of Companies. Neither the SC nor the Registrar of Companies takes any responsibility for its contents.

Our Company has obtained the approval from Bursa Securities vide its letter dated 20 February 2018, for, among others, our admission to the Official List of the ACE Market of Bursa Securities and for the listing of and quotation for all our entire enlarged issued share capital on the ACE Market of Bursa Securities. Further to the Listing Approval, Bursa Securities had on 26 October 2018, resolved to grant our Company an extension of time until 20 February 2019 to complete the implementation of the Listing.

Our Shares will be admitted to the Official List of the ACE Market of Bursa Securities and an official quotation will commence after, *inter-alia*, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and the Rules. We will not issue any share certificates to successful applicants.

Pursuant to the Listing Requirements, at least 25.0% of our enlarged issued and paid-up share capital for which listing is sought must be in the hands of a minimum number of 200 public shareholders, each holding not less than 100 Shares at the point of our Listing. If we do not meet the public shareholding requirement, we may not be allowed to proceed with the Listing. In such an event, all monies paid in respect of all Applications will be returned in full without interest. If any such monies are not repaid within 14 days after we become liable to repay it, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

You should rely on the information contained in this Prospectus and/or any applicable Prospectus supplement. Neither we nor our advisers have authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any material change or development affecting a matter disclosed in this Prospectus from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

We are not making any invitation to subscribe for our IPO Shares in any jurisdiction and in any circumstances in which such offer or invitation are authorised or lawful to any person to any circumstances in which such offer or invitation. As the distribution of this Prospectus and the sale of our IPO Shares in certain other jurisdictions may be restricted by law, persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. The distribution of this Prospectus and the making of our IPO in certain jurisdictions outside Malaysia may be restricted by law. The distribution of this Prospectus and the sale of any part of our IPO Shares are subject to the Malaysian laws and we, together with TA Securities as our Adviser, Sponsor and Underwriter, take no responsibility for the distribution of this Prospectus and the offer of any part of our IPO Shares outside Malaysia, which may be restricted by law in certain other jurisdictions.

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4. DETAILS OF OUR IPO (Cont'd)

You must have a CDS account when applying for our IPO Shares. In the case of an application by way of Application Form, you must state your CDS account number in the space provided in the Application Form. If you do not presently have a CDS account, you should open a CDS account at an ADA prior making an application for our IPO Shares. Please refer to Section 16 of this Prospectus for further details on the procedures for application for our IPO Shares.

In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has an CDS account can make an Electronic Share Application and the applicant shall furnish your CDS account number to the Participating Financial Institutions by way of keying in your CDS account number if the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so. A corporation or institution cannot apply for our IPO Shares by way of Electronic Share Application.

In the case of an application by way of Internet Share Application, only an applicant who has a CDS account and an existing account to their internet financial services with the Internet Participating Financial Institutions can make an Internet Share Application. You shall furnish your CDS account number to the Internet Participating Financial Institutions by keying your CDS account number into the online application form. A corporation or institution cannot apply for our IPO Shares by way of Internet Share Application.

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated in the manner described below.

The SC and Bursa Securities assume no responsibility for the correctness of any statement made or of any opinion or report expressed in this Prospectus. Our admission to the Official List of the ACE Market of Bursa Securities shall not be taken as an indication of the merits of our Group, our Shares and/or our IPO exercise. This Prospectus can also be viewed or downloaded from the website of Bursa Securities at www.bursamalaysia.com.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR ANY OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

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4. DETAILS OF OUR IPO (Cont'd)

4.1 OPENING AND CLOSING OF APPLICATION

The application for the IPO Shares will open at 9.00 a.m. on 13 December 2018 and will remain open until 5.00 p.m. on 24 December 2018 or such date or dates as our Directors, our Promoters and our Offeror together with the Underwriters in their absolute discretion may mutually decide. Late applications will not be accepted.

4.2 INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities is set out below:

Event	Tentative date
Opening date of application for the IPO Shares	9.00 a.m. 13 December 2018
Closing date of application for the IPO Shares	5.00 p.m., 24 December 2018
Balloting of applications	27 December 2018
Allotment of the IPO Shares to successful applicants	4 January 2019
Listing on the ACE Market of Bursa Securities	8 January 2019

The above timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures.

Any changes to the timetable will be advertised in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia. Changes to the closing date of the application for our IPO Shares will also result in changes to the date of balloting, allotment and Listing.

4.3 DETAILS OF THE IPO

4.3.1 Public Issue

A total of 140,000,000 Public Issue Shares, representing approximately 18.60% of our enlarged issued share capital, issued at the IPO Price are payable in full upon application, and is subject to the terms and conditions stated in this Prospectus. The Public Issue Shares will be offered in the following manner:

(i) Selected investors by way of private placement

100,000,000 Public Issue Shares, representing approximately 13.28% of our enlarged issued share capital, will be made available for application by way of private placement to selected investors.

(ii) Malaysian Public via balloting

20,000,000 Public Issue Shares, representing approximately 2.66% of our enlarged issued share capital, will be offered to the Malaysian Public by way of balloting, of which 50% will be set aside for Bumiputera investors.

4. DETAILS OF OUR IPO (Cont'd)**(iii) Eligible Directors and employees of our Group and persons who have contributed to the success of our Group**

20,000,000 Public Issue Shares, representing approximately 2.66% of our enlarged issued share capital, will be made available for application by the Eligible Parties, of which 50% will be set aside for Bumiputera Eligible Parties.

A total of up to 303 persons are eligible for the Pink Form Shares allocation, comprising the following:

	Number of persons	Aggregate number of Shares allocated
Eligible Directors of our Group	3	1,500,000
Eligible employees of our Group	Up to 130	8,500,000
Persons who have contributed to the success of our Group	Up to 170	10,000,000
Total	Up to 303	20,000,000

Any Pink Form Shares reserved for the Bumiputera Eligible Parties not subscribed will be re-offered to other non-Bumiputera Eligible Parties. As at the LPD, we have yet to ascertain the specific allocation of the Pink Form Shares to the eligible employees of our Group (save for the key senior management below) and other persons who have contributed to the success of our Group under the Pink Form Shares allocation.

The number of Pink Form Shares to be allocated to our Directors are as follows:

Name	Designation	Number of Pink Form Shares allocated
Ir. Dr. Muhamad Fuad Bin Abdullah	Independent Non-Executive Chairman	500,000
Siti Naaishah Binti Hambali	Independent Non-Executive Director	500,000
Chng Boon Huat	Independent Non-Executive Director	500,000
Total		1,500,000

The number of Pink Form Shares to be allocated to our key senior management are as follows:

Name	Designation	Number of Pink Form Shares allocated
Oh Ewe Peng	CFO	200,000
Wan Badrul Hisham Bin Wan Kamal	Head of Construction	200,000
Aminudin Bin Taib	Head of Concession and Facilities Management	200,000
Total		600,000

4. DETAILS OF OUR IPO (Cont'd)

The criteria for allocation of the Pink Form Shares as approved by our Board are based on, amongst others, the following factors:

- (a) Eligible Directors and employees:
- length of service;
 - seniority;
 - job responsibilities;
 - past contribution to our Group's success; and
 - potential contribution to our Group in the future.
- (b) Persons who have contributed to the success of our Group:
- their contribution;
 - length of relationship; and
 - support to the growth of our Group.

The above allocation is subject to the Eligible Parties subscribing to their respective allocations.

4.3.2 Offer for Sale

A total of 60,000,000 Offer Shares, representing 7.97% of our enlarged issued share capital, issued at the IPO Price are payable in full upon application, and is subject to the terms and conditions stated in this Prospectus. The Offer Shares will be made available for application by way of private placement to selected eligible investors.

Details of the Offeror is set out below:

Name	Position/ Relation- ship with our Group within the past 3 years	Shareholdings as at the LPD		Offer Shares			Shareholdings immediately after the IPO ⁽²⁾	
		No. of Shares	%	No. of Shares	% Before IPO ⁽¹⁾	% of enlarged share capital ⁽²⁾	No. of Shares	%
Hj Wan Azman No. 11, Jalan U1/13, Glenmarie Residences, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan	Promoter, substantial shareholder and Director	561,916,663	91.67	60,000,000	9.79	7.97	501,916,663	66.65

Notes:

- (1) Based on the issued share capital of 613,000,000 Shares as at the date of this Prospectus.
- (2) Based on the enlarged issued share capital of 753,000,000 Shares after the IPO.

Further details on the Offeror is disclosed in Section 5.1.2 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)**4.3.3 Underwriting arrangement and allocation of the IPO Shares**

In summary, the IPO Shares will be allocated and allotted in the following manner:

	No. of Shares (‘000)	% of enlarged share capital
Public Issue		
- Selected investors (via private placement)	100,000	13.28
- Malaysian Public	20,000	2.66
- Eligible Parties	20,000	2.66
Total Public Issue Shares	140,000	18.60
Offer for Sale		
- Selected investors (via private placement)	60,000	7.97

All the 20,000,000 Balloting Shares made available for application by the Malaysian Public under Section 4.3.1(ii) of this Prospectus have been fully underwritten.

The Placement Shares under Sections 4.3.1(i) and 4.3.2 of this Prospectus respectively are not underwritten as written irrevocable undertakings to subscribe for these Shares have been procured from the respective selected investors.

The Pink Form Shares under Section 4.3.1(iii) of this Prospectus are also not underwritten.

Any unsubscribed Balloting Shares and Pink Form Shares (under Sections 4.3.1 (ii) and (iii) of this Prospectus) will be made available for application by way of private placement to selected investors. However, in the event the Balloting Shares are over-subscribed, and if any of the Placement Shares and the Pink Form Shares (under Sections 4.3.1 (i), (iii) and 4.3.2 of this Prospectus) are not subscribed for in full, these IPO Shares will be made available for application by the Malaysian Public.

The basis of allocating the IPO Shares shall take into account the desirability of distributing the IPO Shares to a reasonable number of applicants with a view of broadening our shareholding base, to meet the public spread requirements of Bursa Securities as well as to establish a liquid and adequate market for our Shares.

There is no minimum subscription to be raised from the Public Issue.

The number of IPO Shares offered under the Public Issue and Offer for Sale will not be increased via any over-allotment or “greenshoe” option.

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4. DETAILS OF OUR IPO (Cont'd)

4.4 SHARE CAPITAL

	No. of Shares	Share Capital RM
Issued share capital as at the date of this Prospectus	613,000,000	95,444,108
To be issued pursuant to the Public Issue	140,000,000	42,000,000
Enlarged issued share capital upon Listing	753,000,000	137,444,108
Existing Shares to be offered pursuant to the Offer for Sale⁽¹⁾	60,000,000	18,000,000

Note:

- (1) *The Offer for Sale would not have an effect on our issued share capital as the Offer Shares are already in existence prior to the IPO.*

Our market capitalisation upon Listing, based on the IPO Price and our enlarged issued share capital of 753,000,000 Shares amounts to RM225,900,000.

As at the date of this Prospectus, we have only 1 class of shares in Gagasan Nadi, namely, ordinary shares. The Public Issue Shares will rank pari passu in all respects with our other existing issued ordinary shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment thereof.

Subject to any special rights attaching to any shares which may be issued by our Company in the future, the holders of ordinary shares in our Company shall, in proportion to the amount paid-up on the ordinary shares held by them, be entitled to share in the whole of the profits paid out by our Company as dividends and other distributions. In respect of the whole of any surplus in the event of winding up of our Company, such surplus shall be distributed among our members in proportion to the issued capital at the commencement of the winding up, in accordance with the Constitution of our Company.

At any general meeting of our Company, each shareholder shall be entitled to vote in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have 1 vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have 1 vote for each ordinary share held. A proxy may, but need not be, a member of our Company.

4.5 PURPOSE OF THE IPO

The purposes of the IPO are as follows:

- (i) to provide an opportunity for investors and institutions to participate in our equity and continuing growth;
- (ii) to enable us to tap into the equity capital market for future fund raising to pursue future growth opportunities as and when the need arises, through other forms of capital raising avenue, such as rights issue and private placement; and
- (iii) to gain recognition and enhance the stature of our Group with a listing status which will enhance our Group's reputation in the marketing of our construction, property development and the supply of chilled water services to expand our customer base in Malaysia, and to retain and attract new, skilled employees in the construction and property development industry.

4. DETAILS OF OUR IPO (Cont'd)

4.6 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price was determined taking into consideration among others, the following factors:

- (i) our financial performance and operating history as described in Sections 7 and 11.1 of this Prospectus;
- (ii) our pro forma Group NA per Share of approximately 53 sen, computed based on our Group's NA attributable to owners of the Company of approximately RM400.54 million as at 30 June 2018 after taking into consideration the Public Issue, use of proceeds and our enlarged issued share capital of 753,000,000 Shares, which translates into a price to book ratio of approximately 0.57 times;
- (iii) our Group EPS of approximately 6.61 sen, computed based on our Group's audited PAT attributable to the owners of the Company of approximately RM49.76 million for the FYE 2017 and our enlarged issued share capital of 753,000,000 Shares, which translates into a net PE Multiple of 4.54 times;
- (iv) our competitive advantages and key strengths and value propositions as set out in Section 7.3.3 and 7.3.4 of this Prospectus; and
- (v) the prospects of our Group and the prevailing outlook as set out in Sections 7.25 and 7.26 of this Prospectus.

However, you should also note that the market price of the Shares upon Listing is subject to the uncertainties of market forces and other factors, which may affect the price of the Shares being traded. You should form your own views on the valuation of the IPO Shares before deciding to invest in our Shares.

4.7 USE OF PROCEEDS

4.7.1 Proceeds from the IPO

The Public Issue is expected to raise gross proceeds of RM42.0 million for our Group, which shall be used in the following manner:

No.	Purpose	Time frame for utilisation from the date of listing	%	RM'000
(1)	Funding for the AFF Mixed Development	Within 30 months	33.3	14,000
(2)	Capital expenditures for the district cooling system for the supply of chilled water to a shopping mall under the Datum Jelatek development	Within 12 months	15.5	6,500
(3)	Working capital for a construction project	Within 24 months	39.3	16,500
(4)	Estimated listing expenses	Within 3 months	11.9	5,000
Gross proceeds			100.0	42,000

4. DETAILS OF OUR IPO (Cont'd)**(1) Funding for the AFF Mixed Development**

As part of our expansion plans, we intend to leverage from our competency in building construction to carry out property development business to expand our revenue stream. Our Group intends to use part of the proceeds from the Public Issue for the AFF Mixed Development as follows:

(a) AFF Mixed Development

Project details	
Landowner	: ASEAN Football Federation (AFF)
Location of the project	: HS (D) 13483 P.T. 14820, Precinct 5, Daerah Putrajaya, Bandar Putrajaya, Wilayah Persekutuan
Developer	: Nadi Cergas Development
Land area	: Approximately 2.0 acres or 8,093.7 sq m
Land tenure	: Freehold
Existing usage	: Vacant
Encumbrances	: Nil
Nature of development	: Mixed commercial development which consists of 1 five storey office block and 1 block comprising 458 units of serviced apartments. The office block will be retained by AFF, while the service apartments will be available for sale.
Status of the project	: Nadi Cergas Development had entered into a joint venture agreement in 2017 with AFF to undertake the AFF Mixed Development. The construction of the AFF headquarters commenced in April 2017 with piling works completed in May 2017. In relation to the development of the serviced apartments, Nadi Cergas Development had also obtained the developer's licence and advertisement and sale permit on 19 February 2018. The piling works for the construction of serviced apartments commenced in August 2018. The entire mixed development project is expected to be completed by 2022.
Estimated GDV	: RM179 million (Please refer to Section 7.24.1 of this Prospectus for further details on the basis in deriving the GDV)

RM14.0 million of the proceeds raised from the Public Issue to partly fund the AFF Mixed Development as follows:

Details	RM'000
Preliminary cost ⁽ⁱ⁾	2,500
Construction cost ⁽ⁱⁱ⁾	9,800
Marketing ⁽ⁱⁱⁱ⁾	1,700
Total	14,000

Notes:

- (i) Preliminary cost comprises land related cost which is the landowner's entitlement of RM2.50 million for the AFF Mixed Development, Putrajaya project;

4. DETAILS OF OUR IPO (Cont'd)

(ii) *Construction cost being part payment for piling and preliminary works such as site clearance and site improvement and part payment for the total construction cost for main building works and external works such as road works, drainage and sewerage system, water reticulation, telecommunication, landscaping and fencing; and*

(iii) *Marketing cost for construction of a showroom.*

Kindly refer to Section 7.24.1 for further details of the joint venture agreement with AFF and our Group's future plans for property development.

As at the LPD, we have already entered into the sale and purchase agreements for 236 units, which represented 51.53% of the total 458 units.

- (2) Capital expenditures for the district cooling system for the supply of chilled water to a shopping mall under the Datum Jelatek development, located at Bandar Ulu Kelang, Gombak, Selangor.

Our Group intends to allocate part of the proceeds of the Public Issue to partly fund the construction of a district cooling system for the supply of chilled water to a shopping mall under the Datum Jelatek development.

In September 2016, our Group secured a contract from Datumcorp International Sdn Bhd (a company who is principally involved in commercial trading, property dealing and investment holding) to build, own operate and transfer the district cooling system for the supply of chilled water to the proposed shopping mall in the Datum Jelatek development. The contract to supply chilled water is for a duration of 30 years which is expected to commence in 2019. Kindly refer to Section 7.24.2 of the Prospectus for further details.

The estimated cost for construction and commissioning of the district cooling system under the Datum Jelatek development is approximately RM6.80 million. Our Group intends to allocate approximately RM6.50 million for the proceeds of the Public Issue to be utilised as follows:

Details	RM'000
Preliminary cost (such as insurance, performance bond, engineering cost and cost to procure special tools i.e. special spanner and refractor meter)	319
Material and installation cost (such as material and installation cost to construct the TES system and chiller plant)	6,095
Commissioning cost	86
Total	6,500

4. DETAILS OF OUR IPO (Cont'd)

(3) Working capital for a construction project

Our Group will continue to undertake construction activities and we intend to utilise part of the proceeds from the Public Issue to fund the working capital requirements to carry out the construction of residential building namely for the Rumah Selangorku Putra Heights Project.

Project details	
Project owner	: Sime Darby USJ Development Sdn Bhd
Location of the project	: Lot 35812 located at Jalan Persiaran Putra Megah, Putra Heights, Mukim Damansara, Daerah Petaling, Selangor
Main contractor	: Nadi Cergas
Land area	: Approximately 20.36 acres or 82,394 sq m
Nature and scope of work	: Design and build 4 blocks of 1,700 unit of apartments together with amenities comprising of 1 block of car park area, 4 sub-station units, 4 units of refuse chambers, 2 security post, management office, common hall and utilities facilities.
Estimated contract sum	: RM241.43 million
Status of the project	: Nadi Cergas had received the letter of award dated 4 August 2017 from Sime Darby USJ Development Sdn Bhd. On 23 August 2017, Nadi Cergas had taken possession of the site. The completion period stated under the letter of award for the Rumah Selangorku Putra Heights Project is 32 months from the date of site possession.

Our Group expects to utilise approximately RM16.50 million of the proceeds raised from the Public Issue for the construction project as follows:

Details	RM'000
Preliminary cost (such as placement of bank guarantees, deposits and bank charges for guarantees and deposits)	1,900
Construction cost (such as earthworks and piling works)	14,600
Total	16,500

If our Group is unable to proceed with the construction project arising from the termination of the construction contract, the proceeds earmarked for this category would be allocated to other future construction projects to be identified by our Group.

4. DETAILS OF OUR IPO (Cont'd)

(4) Estimated listing expenses

We will bear all incidental expenses and fees relating to the listing of and quotation for our entire issued share capital on the ACE Market of Bursa Securities. The estimated listing expenses for our Listing are set out below:

Details	RM'000
Professional fees ⁽ⁱ⁾	3,100
Authorities' fees	85
Brokerage, underwriting commission and placement fees	1,000
Miscellaneous ⁽ⁱⁱ⁾	815
Total estimated listing expenses	5,000

Notes:

- (i) Include fees for Principal Adviser, Sponsor, Reporting Accountants, solicitors, IMR and other professional advisers.
- (ii) Miscellaneous include, but are not limited to, stamp duties, printing and advertising fees.

In the event of any excess or deficit in the actual quantum of listing expenses, such amount will be adjusted against the amount allocated to or from the working capital for the construction of residential building namely for the Rumah Selangorku Putra Heights Project (as stated in Section 4.7.1 (3) above), accordingly.

Our Company will not receive any proceeds from the Offer for Sale. The gross proceeds of RM18.0 million will accrue entirely to the Offeror. The Offeror shall bear all expenses such as placement fees and other expenses relating to the Offer Shares estimated to be up to RM0.41 million.

Pending the use of proceeds arising from the Public Issue, the proceeds will be placed in interest-bearing accounts, money market instruments and/or deposits with licensed financial institution(s) by Bank Negara Malaysia.

4.7.2 Financial impact from the use of proceeds

The proposed use of proceeds from the Public Issue is expected to have, amongst others, the following positive impact on our Group:

(i) Business expansion

The proceeds from our Public Issue will enable our Group to part finance the AFF Mixed Development. Following this business expansion into property development, our Group expects that the income to be derived from the AFF Mixed Development to contribute positively towards our Group's future financial performance. This will also allow us to be less reliant on external funding to finance our business expansion into property development.

4. DETAILS OF OUR IPO (Cont'd)**(ii) Improvement in working capital**

We intend to utilise approximately RM6.50 million and RM16.50 million of the Public Issue proceeds to finance our capital expenditure for the district cooling system for the supply of chilled water to the shopping mall under the Datum Jelatek development and working capital requirements for a construction project, respectively. Following these projects, our Group also expects that the income to be derived from supply of chilled water under the Datum Jelatek development and the completion of Rumah Selangorku Putra Heights Project will be able to contribute positively towards our Group's future financial performance.

We believe that such use for the above purposes will increase our financial resources, which will allow our Group to seize more business opportunities by tendering for more building construction projects and in turn will provide us with more business growth.

4.8 DILUTION

Dilution is computed as the difference between the IPO Price paid by the applicants for our Shares under the IPO and the pro forma consolidated NA per Share of our Group immediately after the IPO.

The pro forma NA per Share of our Company as at 30 June 2018 is approximately 53 sen (based on the number of Shares in issue before the Public Issue and before adjusting for the net proceeds from the Public Issue).

Pursuant to the Public Issue of 140,000,000 new Shares at the IPO Price and after adjusting for the effects of the use of proceeds, the pro forma NA per Share of our Company as at 30 June 2018 will be 53 sen, which is approximately 76.7% higher than the IPO Price of RM0.30. Thus, there is no dilution to the new investors' investment in our Company.

	RM
IPO Price	0.30
Consolidated NA per Share as at 30 June 2018 (A)	0.59
Decrease in pro forma consolidated NA per Share to existing shareholders (after the Public Issue and proposed utilisation of proceeds) (B)	(0.06)
Pro forma NA per Share (after the Public Issue and utilisation of proceeds) (A - B)	0.53
IPO Price	0.30
Excess of the pro forma NA (after the Public Issue and utilisation of proceeds) to the IPO Price	0.23
Excess of the pro forma NA (after the Public Issue and utilisation of proceeds) to the IPO Price	76.7%
Dilution	-

The table below summarises the total number of Shares acquired and the average effective cash cost per Share paid by our Directors, Promoters, substantial shareholders and/or persons connected to them, during the past 3 years prior to the date of this Prospectus or which they have a right to acquire:

4. DETAILS OF OUR IPO (Cont'd)

	No. of shares before IPO	No. of shares from IPO	Total Consideration RM	Average Cost per Share RM
Directors, Promoters and substantial shareholders				
Hj Wan Azman	561,916,663	-	13,750,005 ⁽²⁾	0.02
Dato' Sri Subahan	51,083,337	-	1,250,005 ⁽²⁾	0.02
Directors				
Ir. Dr. Muhamad Fuad Bin Abdullah	-	500,000 ⁽¹⁾	150,000	0.30
Siti Naaishah Binti Hambali	-	500,000 ⁽¹⁾	150,000	0.30
Chng Boon Huat	-	500,000 ⁽¹⁾	150,000	0.30

Note:

- (1) Assuming he or she fully subscribes for the Pink Form Shares allocated to him or her.
- (2) The total of 613,000,000 Shares issued to the Promoters were pursuant to the Internal Restructuring Exercise set out in Section 6.2.1 of this Prospectus. Pursuant to the Nadi Cergas Acquisition, Gagasan Nadi had acquired from the Promoters 15,000,000 shares in Nadi Cergas and issued as consideration to the Promoters a total of 612,999,990 Shares of RM0.1557 each. The Promoters had also been allotted 8 Shares at RM1.00 each and acquired 2 Shares at RM1.00 each from Gagasan Nadi's subscriber shareholders. Thus, the average cost of RM0.02 per Share acquired is arrived at based on the total consideration costs above as divided by 613,000,000 Shares.

Save as disclosed above, there has been no other equity transaction and/or right to acquire by our Directors, Promoters, key senior management, substantial shareholders and/or persons connected to them during the past 3 years prior to the date of this Prospectus.

4.9 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEE**4.9.1 Brokerage fee**

We will pay the brokerage at the rate of 1% on the IPO Price in respect of successful applications bearing the stamp of TA Securities, member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or Issuing House. The brokerage is subject to SST.

4.9.2 Underwriting commission

The Underwriters have entered into the Underwriting Agreement on 28 November 2018 with our Company for the underwriting of the Balloting Shares, which are available for application by the Malaysian Public and the Eligible Parties ("Underwritten Shares"). We will pay our Underwriters collectively an underwriting commission at the rate of 2.5% of the total value of the Underwritten Shares based on the IPO Price. The underwriting commission is subject to SST.

4. DETAILS OF OUR IPO (Cont'd)

4.9.3 Placement fee

We will pay the Placement Agent, a placement fee at the rate of up to 2.25% of the value of the 100,000,000 Public Issue Shares reserved for private placement (being the number of Public Issue Shares reserved for private placement multiplied by the IPO Price). The placement fee is subject to SST.

The placement fee to be incurred on the sale of up to 60,000,000 Offer Shares will be fully borne by the Offeror.

4.10 UNDERWRITING ARRANGEMENT

4.10.1 Underwriting

We have entered into the Underwriting Agreement with the Underwriter where the Underwriter has agreed to underwrite 20,000,000 Balloting Shares under the Public Issue. Details of the underwriting commission are further set out in Section 4.9.2 of this Prospectus.

The summary of the salient terms of the Underwriting Agreement which may allow the Underwriter to withdraw from their obligations under the Underwriting Agreement after commencement of the IPO are as follows. The capitalised terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement:

"5. CONDITIONS PRECEDENT FOR UNDERWRITING

5.1 *Unless waived by the Underwriter (in which case any condition precedent or any part thereof so waived shall be deemed to have been satisfied), the obligations of the Underwriter under this Agreement shall be conditional upon the fulfilment and/or satisfaction of the following:-*

- (a) *the Listing Approval from Bursa Securities and the extension of time granted by Bursa Securities to complete the implementation of the Listing remaining valid and have not been revoked or amended and all the conditions imposed therein which have to be complied by the Company prior to Listing, have been complied by the Company;*
- (b) *all other necessary approvals and consents required in relation to the Public Issue and the Public Issue Shares including but not limited to governmental approvals having been obtained and are in full force and effect;*
- (c) *the issue of the Public Issue Shares having been approved by the shareholders of the Company in an extraordinary general meeting;*
- (d) *the issue and subscription of the Public Issue Shares in accordance with the provisions of this Agreement is not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);*
- (e) *the Prospectus having been lodged with the Registrar of Companies and registered with the SC together with all the required documents in accordance with the CMSA, the Act and the relevant laws and regulations;*

4. DETAILS OF OUR IPO (Cont'd)

- (f) *there having been, on or prior to the last date and time for the receipt of applications and payment for the Public Issue Shares in accordance with the Prospectus or such later date as the Company and the Underwriter may mutually agree upon ("Closing Date") or the extended Closing Date, as the case may be, no material breach of any representation, warranty, covenant, undertaking or obligation of the Company in this Agreement or which is contained in any certificate, statement, or notice provided under or in connection with this Agreement or which proves to be incorrect in any material respect;*
 - (g) *there having been, on or prior to the Closing Date or the extended Closing Date, as the case may be, no material adverse change, or any development involving a prospective material adverse change, in the financial condition or business or operations of the Group or in the prospects or future financial condition or business or operations of the Group (which in the reasonable opinion of the Underwriter, is or will be material in the context of the Public Issue and the sale of any Underwritten Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering materially inaccurate, untrue or incorrect to such extent which is or will be material in any of the representations, warranties, covenants and undertakings and obligations of the Company contained in this Agreement;*
 - (h) *the Underwriter receiving a copy certified by a director or secretary of the Company to be a true resolution of the Board of Directors of the Company approving the Listing, the Prospectus and this Agreement, the issue and offer of the Public Issue Shares and authorizing a person or persons to sign this Agreement on behalf of the Company; and*
 - (i) *the Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the referred to in Clause 15 (Cost and Expenses) of this Agreement.*
- 5.2 *In the event any of the conditions set forth in Clause 5.1 are not satisfied on or before the Closing Date, the Underwriter shall, subject as mentioned below in this clause, be entitled to forthwith terminate this Agreement by notice in writing given to the Company whereupon the following shall take place within three (3) Market Days of the receipt of such notice:*
- (a) *the Company shall make payment of the Underwriting Commission to the Underwriter in accordance with Clause 10 (Payment of the Underwriting Commission);*
 - (b) *the Company shall pay or reimburse to the Underwriter the costs and expenses referred to in Clause 15 (Cost and Expenses); and*
 - (c) *each party shall return all other monies (in the case of the Underwriter, after deducting the Underwriting Commission due and owing to the Underwriter under this Agreement) including but not limited to the subscription monies paid to the other under this Agreement (except for monies paid by the Company for the payment of the expenses as provided under this Agreement);*

4. DETAILS OF OUR IPO (Cont'd)

and thereafter, this Agreement shall be terminated and of no further force and effect and none of the parties shall have a claim against the other, save and except in respect of any antecedent breaches. The Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Underwriter's rights under this Agreement.

12. TERMINATION

12.1 *Notwithstanding anything contained in this Agreement, the Underwriter may by notice in writing to the Company given at any time before the Closing Date or the extended Closing Date, as the case may be, terminate, cancel and withdraw its commitment to underwrite the Underwritten Shares if:-*

- (a) the approval of Bursa Securities for the Listing is revoked, withdrawn or procured but subject to the conditions not acceptable to the Underwriter;*
- (b) there is any material breach by the Company of any of the representations, warranties or undertakings contained in Clauses 3 (Representations and Warranties by the Company) and 4 (Covenants and Undertakings by the Company), which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to the Company;*
- (c) there is a material failure on the part of the Company to perform any of its obligations contained in this Agreement;*
- (d) there is withholding of information of a material nature from the Underwriter which is required to be disclosed pursuant to this Agreement which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue or Listing, or the distribution or sale of the Public Issue Shares;*
- (e) there shall have occurred, or happened any material and adverse change in the business or financial condition of the Group;*
- (f) the Listing does not take place within three (3) months from the date of this Agreement or such other extended date as may be agreed by the Underwriter;*
- (g) the imposition of any moratorium, suspension or material restriction on trading in securities generally on ACE Market of Bursa Securities due to exceptional financial circumstances or otherwise which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution or sale of the Public Issue Shares;*
- (h) a material adverse change in the stock market condition occurs, and for the purposes of this clause, a material adverse change in the stock market condition shall be deemed to have occurred if the FTSE Bursa Malaysia KLCI Index ("Index") is, at the close of normal trading on Bursa Securities, on any Market Day:

 - (i) on or after the date of this Agreement; and*
 - (ii) prior to the close of the offering of the Public Issue,**

4. DETAILS OF OUR IPO (Cont'd)

lower than 90% of the level of Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of this Agreement and remains at or below that level for at least three (3) consecutive Market Days or any other adverse change in the market conditions which the parties mutually agree to be sufficiently material and adverse to render it to be a terminating event; or

(i) *there shall have occurred, or happened any of the following circumstances: -*

(i) *any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or*

(ii) *any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);*

which, would have or can reasonably be expected to have, a material adverse effect on, and/or materially prejudice the business or the operations of the Group as a whole or the success of the Public Issue or Listing which has or is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms.

12.2 *In the event that this Agreement is terminated by the Underwriter pursuant to Clause 12.1, the Underwriter and the Company may confer with a view to deferring the Public Issue by amending the terms of this Agreement and entering into a new underwriting agreement accordingly, but neither the Underwriter nor the Company shall be under any obligation to enter into a fresh agreement.*

12.3 *Upon any such notice(s) being given pursuant to Clause 12.1, the Underwriter shall be released and discharged from their obligations under this Agreement whereupon the following shall take place within three (3) Market Days of the receipt of such notice:*

(a) *the Company shall make payment of Underwriting Commission to the Underwriter in accordance with Clause 10.2 (Underwriter's Commission Payable on Termination);*

(b) *the Company shall pay or reimburse to the Underwriter the costs and expenses referred to in Clause 15 (Costs and Expenses); and*

(c) *each party shall return all other monies (in the case of the Underwriter, after deducting the Underwriting Commission due and owing to the Underwriter under this Agreement) including but not limited to the subscription monies paid to the other party under this Agreement (except for monies paid by the Company for the payment of the expenses as provided under this Agreement);*

and thereafter, this Agreement shall be terminated and of no further force and effect and none of the parties shall have a claim against the other save and except in respect of any antecedent breaches."

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters and substantial shareholders' shareholdings

The promoters and substantial shareholders' shareholdings in our Company before and after the IPO are as follows:

Name	Nationality	Before the IPO ⁽¹⁾		After the IPO ⁽²⁾					
		Direct No. of Shares	%	Indirect No. of Shares	%	Direct No. of Shares	%	Indirect No. of Shares	%
<u>Promoters and substantial shareholders</u>									
Hj Wan Azman	Malaysian	561,916,663	91.67	-	-	501,916,663	66.65	-	-
Dato' Sri Subahan	Malaysian	51,083,337	8.33	-	-	51,083,337	6.78	-	-

Notes:

- (1) Based on the issued share capital of 613,000,000 Shares as at the date of this Prospectus.
- (2) Based on the enlarged issued share capital of 753,000,000 Shares after the IPO.

5.1.2 Profiles of promoters and substantial shareholders

The profiles of our promoters and substantial shareholders are as follows:

Hj Wan Azman Bin Wan Kamal, aged 57, is our Group Managing Director. He was appointed to our Board on 15 September 2017. He graduated from Universiti Teknologi Malaysia (UTM) 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 32 years. His career started in 1982 as a Technical Assistant at Jabatan Kerja Raya (JKR) 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.

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

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Dato' Sri Subahan Bin Kamal aged 52 is our Executive Director. He was appointed to our 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 as an Executive Director.

He was also involved in various political organisations including holding the positions of Treasurer of Barisan Nasional Youth, Titiwangsa from 1999 to 2003; UMNO Youth Executive Council Member Malaysia from 2000 to 2009; Chairman of the UMNO Complaints and Welfare Bureau from 2000 till 2009; and Deputy Head of UMNO and Barisan Nasional Selayang Division from 2008 to 2013. In 2008, he was elected as Taman Templer, Selangor State Assemblyman, a post he held till 2013. He was also appointed as Selangor Tourism Action Council Chairman from 2009 to 2011. He presently does not hold any political appointments.

Dato' Sri Subahan actively contributes to society in various capacities in the sports and education fields. He was appointed as the Deputy President of the Football Association of Malaysia in 2017 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 a member of the Curriculum Advisory Board of University Institute Technology, MARA since 2013.

Dato' Sri Subahan sits on the board of Can-One Berhad and has been appointed since May 2014. 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. Additionally he also holds directorships in several private companies. Please see section 5.2.3 of this Prospectus for further details.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.3 Changes in shareholdings of our Promoters and substantial shareholders since incorporation up to the date of this Prospectus

The significant changes in the shareholdings of our promoters and substantial shareholders since our incorporation on 17 July 2017 up to the date of this Prospectus are as follows:

Name	As at incorporation date		As at the date of this Prospectus ⁽²⁾	
	Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
Subscriber shareholders Yahaya Bin Abu Bakar Norazman Bin Mat Zin	1 ⁽¹⁾ 50	- -	- -	- -
	1 ⁽¹⁾ 50	- -	- -	- -
Promoter and substantial shareholders Hj Wan Azman Dato' Sri Subahan	- -	- -	561,916,663 51,083,337	91.67 8.33
	- -	- -	- -	- -

Notes:

(1) Subscriber shares based on our issued share capital of RM2.00 as at the date of our incorporation.

(2) Based on the issued share capital of 613,000,000 Shares as at the date of this Prospectus, and subsequent to the completion of the Internal Restructuring Exercise, further set out in Section 6.2 of this Prospectus as well as the transfer of 1 subscriber share each from Yahaya Bin Abu Bakar to Dato' Sri Subahan and Norazman Bin Mat Zin to Hj Wan Azman respectively.

As at the LPD, our Promoters and substantial shareholders have the same voting rights with the other shareholders of Gagasan Nadi, and there are no arrangements between Gagasan Nadi and its shareholders with any other third parties which may, at a subsequent date, result in a change of control of our Company.

5.1.4 Amounts/benefits paid or intended to be paid or given to any Promoters or Substantial Shareholders

Save for remuneration and benefits paid to our Promoters of our Company (who are also our Executive Directors) for services rendered in all their capacities within our Group as set out in Section 5.2.4 of this Prospectus and pursuant to the Nadi Cergas Acquisition, there are no other amounts or benefits paid or intended to be paid or given to any of our Promoters or substantial shareholders, within the 2 years preceding the date of this Prospectus.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.2 Profiles of Directors

Other than the profiles of Hj Wan Azman and Dato' Sri Subahan which have been set out in Section 5.1.2 above, the profiles of our Directors are set out below:

Ir. Dr. Muhamad Fuad bin Abdullah, aged 65, is our Independent Non-Executive Chairman. He was appointed to our Board on 15 September 2017. 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 (with the first registration being in 1984) entitling him to use the abbreviation "Ir." before his name, 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.

He qualified as a Syariah Lawyer with Majlis Agama Islam dan Adat Melayu Perak in 2000 and has been a registered Shariah Adviser with the Securities Commission Malaysia since 2010. He has been an Executive Committee Member of the Association of Shariah Advisers for Islamic Finance since its inception in 2012 to March 2018.

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, whilst he was still holding directorship in Five-H Associates Sdn Bhd. He became a proprietor of Muhamad Fuad Consulting from 2006 to 2015, involved in engineering consultancy and project management.

Since 2016, he is no longer in active consultancy practice but continues to be actively involved in several board directorships.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Siti Naaishah Binti Hambali, aged 64, is our Independent Non-Executive Director. She was appointed to our Board on 15 September 2017. She obtained a Master of Comparative Laws Degree from the International Islamic University, Malaysia in 1997 and a Bachelor of Law Degree from the University of Malaya in 1979.

She began 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 in 1999 she was also appointed as Legal Advisor of Universiti Kebangsaan Malaysia, a position she held 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-UNIKED 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.

Chng Boon Huat, aged 58, is our Independent Non-Executive Director. He was appointed to our Board on 15 September 2017. He was admitted as a Chartered Accountant of the Malaysian Institute of Accountants in 1987 and a Fellow Member of Association of Chartered Certified Accountants (previously known as The Chartered Association of Certified Accountants), United Kingdom in 1991.

He started his career in 1983 as an Audit Assistant with Messrs Hew & Co (now known as Mazars PLT), an auditing and accounting firm. In 1987, he left to join Perlis Plantation Berhad (now known as PPB Group Berhad) as an Assistant Accountant. 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 to advocate good corporate governance practices such as risks management and internal control systems to companies listed on Bursa Securities. While in Bursa, he also represented Bursa to serve as member of various working groups of Malaysia Accounting Standards Board, Malaysian Institute of Accountants and Registrar of Companies. He also represented Bursa to serve as a member of the Adjudication Committee of the National Annual Corporate Report Awards from 2006 to 2013. He left Bursa in 2013 to join Tricor Corporate Services Sdn Bhd as Director, Corporate Advisory, a position he holds to date.

He was appointed by Bursa in 2015 as its consultant on a project basis to review certain areas of the corporate disclosure requirements; and is currently an adviser to the Adjudication Committee of the National Annual Corporate Report Awards, a position he held since 2014.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.3 Principal directorships and principal business activities outside our Company

Save as disclosed below, none of our Directors has any involvement in business activities performed outside our Company for the past 5 years prior to the LPD:

Name	Company	Involvement in business activities	Date Appointed as Director	Date Resigned as Director	Direct Interest (%)	Indirect Interest (%)	Principal Activities
Ir. Dr. Muhamad Fuad Bin Abdullah	USIM Tjjarah Holdings Sdn. Bhd.	Director	31 May 2017	-	-	-	Education consultancy, and running medical services
	PNB Commercial Sdn. Berhad	Director	4 July 2017	-	-	-	Investment holding and commercial asset management company
	Mesiniaga Berhad*	Director	16 July 2010	-	-	-	Sale and service of information technology products and related services
	Institut Kefahaman Islam Malaysia	Director	11 December 1998	-	-	-	Examine in depth and from a holistic and integrated viewpoint the role of Islam and Muslim Ummah in the new realities arising from a changed global order
	Sime Darby Berhad*	Independent Non-Executive Director	4 February 2013	2 November 2016	-	-	Investment holding (shares)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Involvement in business activities	Date Appointed as Director	Date Resigned as Director	Direct Interest (%)	Indirect Interest (%)	Principal Activities
Ir. Dr. Muhamad Fuad Abdullah (Cont'd)	Sime Darby Logistics Bin Sdn. Bhd. Yayasan Infaq Malaysia	Director Director	23 November 2015 11 November 2014	2 November 2016 15 June 2015	- -	- -	Investment holding Receive and administer of fund for religious, education and charitable purpose; holdings of assets in all kinds; and investment in Malaysia for money not immediately required
	Sime Darby Property Berhad	Director	4 February 2013	23 November 2015	-	-	Investment holding, property development and provision of management services
	Hospital Pusrawi Sdn. Bhd.	Director	29 June 2012	22 April 2014	-	-	Offering hospital facilities and services, medical and surgeries
	ARZ Consulting Engineers Sdn. Bhd.	Director	9 May 2011	30 January 2014	-	-	Engineer consultant
	Miel Logistics Sdn. Bhd.	Director	1 November 2007	14 May 2014	-	-	Dormant (initial principal activity was for warehousing and its related services)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Involvement in business activities	Date Appointed as Director	Date Resigned as Director	Direct Interest (%)	Indirect Interest (%)	Principal Activities
Ir. Dr. Muhammad Fuad Abdullah (Cont'd)	Malaysian Industrial Bin Development Finance Berhad	Director	28 April 2003	20 January 2016	-	-	Investment holding, providing finance, leasing and industrial hire-purchase services to industries and businesses in Malaysia
	Sime Darby Energy Sdn. Bhd.	Director	23 November 2015	30 June 2016	-	-	Investment holding
	MIDF Property Berhad	Director	1 July 2007	10 August 2017	-	-	Development of industrial estates for sale and rental of factories to industries
	Universiti Tun Abdul Razak Sdn Bhd	Director	1 November 2017	-	-	-	Higher educational institution and shall include all matters relating to education, research and development, training, providing vocational learning environment, practice and experiments and all other matters relating thereto
Hj Wan Azman	ND Mutiara Realities Sdn. Bhd.	Director / Shareholder	10 November 2016	-	98.75	-	Property development ⁽¹⁾
	Prisma Wirajaya Sdn. Bhd.	Director / Shareholder	16 October 2009	-	33.33	-	Dormant ⁽²⁾

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Involvement in business activities	Date Appointed as Director	Date Resigned as Director	Direct Interest (%)	Indirect Interest (%)	Principal Activities
	Cherish Resources Sdn. Bhd.	Director / Shareholder	10 March 2010	-	15.00	-	Dormant ⁽²⁾
	Ashami Corporation Sdn. Bhd.	Director / Shareholder	3 September 1996	-	50.00	-	Investment holding in properties
	Almissa Investments Limited	Director / Shareholder	17 November 2008	-	50.00	-	Property holding company
	Jana Lantas Sdn. Bhd.	Shareholder	-	-	6.00	-	Property investment and property development (Status: <i>Winding up</i>)
	Sinaran Umum Sdn. Bhd.	Shareholder	-	-	5.65	-	Property investment and property development (Status: <i>Winding up</i>)
	Goldix Resources Sdn. Bhd.	Director	21 January 2016	13 May 2016	-	-	General trading
	HB Integrated Projects Sdn. Bhd.	Director	12 August 1999	10 September 2015	-	-	Providing consultancy services, and act as commission and managing agents
	Embun Hijau Development Sdn. Bhd.	Director	4 November 2013	22 December 2016	-	-	Dormant (intended principal activity was property development)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Involvement in business activities	Date Appointed as Director	Date Resigned as Director	Direct Interest (%)	Indirect Interest (%)	Principal Activities
Hj Wan Azman (Cont'd)	Teguh Eraniaga Sdn Bhd	Director	9 May 2016	28 December 2016	-	-	Wholesale of a variety of goods without any particular specialization Stock, share and bond brokers Construction of buildings
	Nadi Cergas Urus Harta Sdn. Bhd.	Director / Shareholder	20 June 2016	22 December 2016	-	-	Dormant (Initial principal activity was for provision of facilities management services)
	Embun Hijau Agro Sdn. Bhd.	Director	30 August 2013	15 August 2017	-	-	Dormant (Initial principal activity was for supervisory work for health and safety in construction site)
	Masegar Sdn. Bhd.	Director / Shareholder	12 July 2011	8 August 2017	-	-	Dormant ⁽²⁾
	Corpfull (M) Sdn. Bhd.	Director	1 December 2006	9 August 2017	-	-	Investment holding in shares
Dato' Sri Subahan	Farshad Sdn. Bhd.	Director / Shareholder	21 September 2010	-	50.00	-	Dormant ⁽²⁾
	65 Ventures Sdn. Bhd.	Director / Shareholder	11 May 2001	-	66.67	-	Dormant ⁽²⁾
	Wawasan Qi Properties Sdn. Bhd.	Director	1 July 2016	-	-	-	Investment holding in properties

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Involvement in business activities	Date Appointed as Director	Date Resigned as Director	Direct Interest (%)	Indirect Interest (%)	Principal Activities
Dato' Sri Subahan (Cont'd)	Can-One Berhad*	Chairman / Independent Non-Executive Director	26 May 2014	-	-	-	Investment holding and provision of management services
	The New Straits Times Press (Malaysia) Bhd.	Director	26 February 2016	-	-	-	Newspaper publishing and investment holding
	Alcom Group Berhad*	Chairman / Independent Non-Executive Director	9 August 2018	-	-	-	Activities of holding companies, manufacture of other basic precious and other non-ferrous and construction of buildings
	Farsakyle Ltd	Director / Shareholder	23 March 2010	-	50	50 ⁽³⁾	Property investment
	Embun Hijau Agro Sdn. Bhd.	Director / Shareholder	30 August 2013	15 August 2017	5.00	-	Dormant (Initial principal activity was for supervisory work for health and safety in construction site)
	Embun Hijau Development Sdn. Bhd.	Director	4 November 2013	22 December 2016	-	-	Dormant (intended principal activity was property development)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Company	Involvement in business activities	Date Appointed as Director	Date Resigned as Director	Direct Interest (%)	Indirect Interest (%)	Principal Activities
Dato' Sri Subahan (Cont'd)	Nadi Cergas Urus Harta Sdn. Bhd.	Director	20 June 2016	22 December 2016	-	-	Dormant (initial principal activity was for provision of facilities management services)
	Teguh Eraniaga Sdn. Bhd.	Director	9 May 2016	28 December 2016	-	-	Wholesale of a variety of goods without any particular specialization. Stock, share and bond brokers Construction of buildings
	Aluminium Company of Malaysia Berhad**	Chairman / Independent Non-Executive Director	10 January 2018	10 August 2018	-	-	Manufacturing and trading of aluminium sheet and foil products
	Sepang International Circuit Sdn Bhd	Director	22 May 2017	5 June 2018	-	-	Managing and operating the Sepang F1 Circuit and organising and promotion motor sports and entertainment events
Chng Boon Huat	Christian Dior Fashion (Malaysia) Sdn. Bhd.	Director	20 May 2016	-	-	-	Retailing of leather goods, branded designer clothing and accessories
	Atrium REIT Managers Sdn. Bhd.	Independent Non-Executive Director	1 September 2018	-	-	-	Providing management and administrative services to real estate investment trusts

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Note:

* Being a company listed on the Main Market of Bursa Securities.

** Being a company previously listed on the Main Market of Bursa Securities. Its listing status was subsequently transferred to Alcom Group Berhad with effect from 16 August 2018 pursuant to an internal reorganisation exercise.

- (1) Please refer to Section 9.1.2 of this Prospectus for further details of Hj Wan Azman's involvement in ND Mutiara Realities Sdn Bhd.
- (2) As at the LPD, there are no intended business activities identified presently for these dormant companies.
- (3) Deemed interested by virtue of his spouse's 50% shareholding in Farsakyle Ltd.

Ir. Dr. Muhamad Fuad Bin Abdullah and Chng Boon Huat, being Independent Non-Executive Directors of our Company, are not involved in the day-to-day operations of our Group. Their involvement in other business activities outside our Company will not affect their contributions to our Group and would not be expected to affect the operations of the Group as the principal activities of these companies are not similar to our Group's business.

The involvement of our Executive Directors in other businesses outside our Company will not affect their contribution to our Group and would not be expected to affect their executive roles and responsibilities to our Group as they are not actively involved in the management and day-to-day operations of the other business.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.4 Directors' remuneration and material benefits in-kind

The aggregate remuneration and material benefits in-kind paid and proposed to be paid to our Directors for services rendered to our Group for FYE 2017, FYE 2018 and FYE 2019 are as follows:

FYE 2017:

Name	Directors' fees RM'000	Salaries RM'000	Bonuses RM'000	Allowances RM'000	Total RM'000
Executive Directors					
Hj Wan Azman	1,100	396	-	-	1,496
Dato' Sri Subahan	620	120	-	-	740
Non-Executive Directors					
Ir. Dr. Muhamad Fuad Bin Abdullah	15	-	-	-	15
Siti Naaishah Binti Hambali	15	-	-	-	15
Chng Boon Huat	15	-	-	-	15

Proposed for FYE 2018:

Name	Directors' fees RM'000	Salaries RM'000	Bonuses RM'000	Allowances RM'000	Total RM'000
Executive Directors					
Hj Wan Azman	-	1,640	-	-	1,640
Dato' Sri Subahan	-	840	-	-	840
Non-Executive Directors					
Ir. Dr. Muhamad Fuad Bin Abdullah	63	-	-	5	68
Siti Naaishah Binti Hambali	57	-	-	5	62
Chng Boon Huat	60	-	-	5	65

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Proposed for FYE 2019:

Name	Directors' fees RM'000	Salaries RM'000	Bonuses RM'000	Allowances RM'000	Total RM'000
Executive Directors					
Hj Wan Azman	-	1,640	-	-	1,640
Dato' Sri Subahan	-	840	-	-	840
Non-Executive Directors					
Ir. Dr. Muhamad Fuad Bin Abdullah	126	-	-	10	131
Siti Naaishah Binti Hambali	114	-	-	10	120
Chng Boon Huat	120	-	-	10	125

The remuneration of our Directors, which includes salaries, bonuses, fees and allowances as well as other benefits, must be recommended by our Remuneration Committee and subsequently be approved by the Board, subject to the provisions of our Constitution. Our Directors' fees must be further approved or endorsed by our shareholders in a general meeting.

5.2.5 Board practices

According to our Constitution, at the first annual general meeting of our Company, all the Directors shall retire from office. At the annual general meeting in every subsequent year an election of Directors shall take place and one-third of the Directors for the time being, or, if their number is not 3, or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election provided always that all Directors including a Managing Director shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the General Meeting at which he retires. An election of Directors shall take place every year and a retiring Director shall be eligible for re-election.

Any person appointed as Director, either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(i) Directors' term of office

The date of appointment and the date of expiration of the current term of office of our Directors, as well as the period for which our Directors have served in that office are set out below:

Director	Date of appointment	No. of year(s) in office (Approximate)	Date of expiration of the current term in office ⁽¹⁾
Ir. Dr. Muhamad Fuad Bin Abdullah	15 September 2017	< 1.5	30 June 2019 ⁽²⁾
Hj Wan Azman	15 September 2017	< 1.5	30 June 2019 ⁽²⁾
Dato' Sri Subahan	15 September 2017	< 1.5	30 June 2020 ⁽²⁾
Siti Naaishah Binti Hambali	15 September 2017	< 1.5	30 June 2020 ⁽²⁾
Chng Boon Huat	15 September 2017	< 1.5	30 June 2021 ⁽²⁾

Notes:

- (1) Assuming the annual general meeting of our Company will be held on 30 June 2019, 30 June 2020 and 30 June 2021 respectively, being 6 months from our Company's financial year end of 31 December.
- (2) Retiring and will be eligible for re-election pursuant to our Constitution.

(ii) Audit Committee

The members of our Audit Committee are as follows:

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

Our Audit Committee's terms of reference among others, include the following:

- (a) to review the quarterly results to Bursa Securities and year-end financial statements of our Group before submission to our Board;
- (b) to consider the nomination and appointment of external auditors and, if found appropriate, to recommend their appointment and of their audit fee;
- (c) to discuss with the external auditors, prior to the commencement of audit, their audit plan, which shall state the nature of the audit, and to ensure an effective co-ordination of audit, where more than one audit firm is involved;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (d) to review the following in respect of internal audit functions, amongst others, the adequacy of the audit scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its functions;
- (e) to monitor any related party transactions and situations where a conflict of interest may arise within Gagasan Nadi or our Group, including any transaction, procedure or course of conduct that raises questions of management integrity, and to ensure that our Directors report such transactions annually to our shareholders via the annual report;
- (f) to review the reports in relation to the adequacy and integrity of our Group's internal control system and to review the results of the annual review done on the system of internal control and the risk management framework;
- (g) to discuss issues and matters arising from the interim and final external audits, and any matters the external auditors and/or internal auditors may wish to discuss (in the absence of management, where necessary);
- (h) to review all prospective financial information provided to the regulators and/or to the public;
- (i) to report promptly to Bursa Securities and/or to SC on any matter reported to our Board, which has not been satisfactorily resolved resulting in the breach of the Listing Requirements, rules and guidelines issued by Bursa Securities and/or the SC; and
- (j) to consider other matters as may be directed by our Board from time to time.

(iii) Remuneration Committee

The members of our Remuneration Committee are as follows:

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

Our Remuneration Committee's terms of reference among others, include the following:

- (a) to establish and review the remuneration of Non-Executive Directors;
- (b) to establish and review the remuneration of Executive Directors and senior executives of our Group having regard to among others, Gagasan Nadi's operating results and individual performance;
- (c) to review and approve annual salary increments and bonuses of Executive Directors and senior executives of our Group; and
- (d) to formulate overall personnel and remuneration policies for our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

(iv) Nomination Committee

The members of our Nomination Committee are as follows:

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

Our Nomination Committee's terms of reference among others include the following:

- (a) to establish and review from time to time the scheme and conditions of service of staff in the Group;
- (b) to establish and review the terms and conditions of employment of Executive Directors and senior executives of the Group having regard to their duties and responsibilities;
- (c) to approve the engagement and terms of service of senior executives or re-employment of retiring senior executives;
- (d) to review, recommend and consider candidates to the Board of Gagasan Nadi, subsidiaries and associates of the Group, including committees of the Board;
- (e) to review the Board composition and determine the mix of gender, skills, experience and other qualities, including core competencies of Non-Executive Directors, on an annual basis;
- (f) to review succession planning and senior management development, including nominations to the Board of Gagasan Nadi;
- (g) to assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director and each member of the Board Committees as well as their training needs on an annual basis; and
- (h) to establish and review the criteria to be used in the recruitment process and annual assessment of the Board, Board Committees and each individual Director and each member of the Board Committees, including assessment of the independence of independent Director.

Our Board acknowledges and takes cognisance of the Malaysian Code on Corporate Governance 2017 ("MCCG"), which contains recommendations to improve upon or to enhance corporate governance as an integral part of the business activities and cultures of such companies. Our Board also takes cognisance of the MCCG recommendation for appointment of board and senior management which are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender, which includes having at least 30% women directors on the Board. In this respect, our Company will endeavour to comply with the MCCG recommendation to have 30% women directors on our Board within 2 years from the date of Listing, subject to the assessment by our Nomination Committee and the approval of our Board.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3 KEY SENIOR MANAGEMENT

5.3.1 Key senior management's shareholdings in our Company

Save for our Executive Directors' shareholdings set out in Section 5.2.1 of this Prospectus above, our key senior management's shareholdings in our Company before and after the IPO are as follows:

Name	Designation	Before the IPO ⁽¹⁾				After the IPO ⁽²⁾⁽³⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Oh Ewe Peng	CFO	-	-	-	-	200,000	0.03	-	-
Wan Badrul Hisham Bin Wan Kamal	Head of Construction	-	-	-	-	200,000	0.03	-	-
Aminudin Bin Taib	Head of Concession and Facilities Management	-	-	-	-	200,000	0.03	-	-

Notes :

- (1) Based on the issued share capital of 613,000,000 Shares as at the date of this Prospectus.
- (2) Based on the enlarged issued share capital of 753,000,000 Shares after the IPO.
- (3) Assuming he fully subscribes for the Pink Form Shares allocated to him or her.

5.3.2 Profiles of key senior management

The profiles of our key management are set out below:

Oh Ewe Peng, aged 46, is CFO of our Group. He 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 Practising 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 (now 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

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

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.

His responsibilities include overseeing the overall group accounting and financial matters. He is also responsible for treasury, corporate planning and finance functions of our Group.

Wan Badrul Hisham Bin Wan Kamal, aged 53, is our Head of Construction. He obtained a Certificate in Civil Engineering from Politeknik Kota Bahru, Kelantan in 1987, a Diploma in Civil Engineering in 1990 and a Bachelor's Degree in Civil Engineering in 1994, both of which were obtained from the Universiti Teknologi Malaysia.

His career started in 1994 as a Design Engineer at Engineering & Environmental Consultant Sdn Bhd, an engineering consulting company, and he became the Resident Engineer of the company in 2002. In 2003, he left and joined BW Perunding Sdn Bhd, an engineering consulting company, as Assistant Resident Engineer and left in 2004. He was Resident Engineer in Perunding RekaCeKap Sdn Bhd, an engineering consulting company, from 2005 to 2008. Subsequently in 2008, he was appointed to his current position as Head of Construction at Nadi Cergas.

He has more than 24 years of experience in various aspects within the building and construction industry and he is currently responsible for monitoring and managing the construction activities of our Group. He is the brother of Hj Wan Azman, our Group Managing Director, Promoter and substantial shareholder.

Aminudin Bin Taib, aged 57, is our Head of Concession and Facilities Management. In 1983, he obtained a Diploma in Quantity Surveying from the Institute Teknologi MARA. Subsequently in 1986, he obtained an Advanced Diploma in Quantity Surveying from the same institute. He is also a member of the Institution of Surveyors Malaysia, a Consultant Quantity Surveyor of the Board of Quantity Surveyors Malaysia and a Member of the Royal Institution of 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 Concession and Facilities Management, he is mainly responsible for overseeing matters in relation to concession administration and facilities management.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3.3 Key senior management's remuneration and material benefits-in-kind

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our key senior management for services rendered / to be rendered to our Group in all capacities for the FYE 2017, FYE 2018 and FYE 2019 are as follows:-

FYE 2017:

Name of Key Senior Management	Remuneration RM'000	Benefits-in-kind RM'000
Oh Ewe Peng	450-500	7
Wan Badrul Hisham Bin Wan Kamal	150-200	5
Aminudin Bin Taib	200-250	5

Proposed for FYE 2018:

Name of Key Senior Management	Remuneration RM'000	Benefits-in-kind RM'000
Oh Ewe Peng	450-500	7
Wan Badrul Hisham Bin Wan Kamal	150-200	5
Aminudin Bin Taib	200-250	5

Proposed for FYE 2019:

Name of Key Senior Management	Remuneration RM'000	Benefits-in-kind RM'000
Oh Ewe Peng	450-500	7
Wan Badrul Hisham Bin Wan Kamal	150-200	5
Aminudin Bin Taib	200-250	5

The above remuneration comprises salaries, bonuses, fees and allowances.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3.4 Involvement of key senior management in other businesses/ corporations

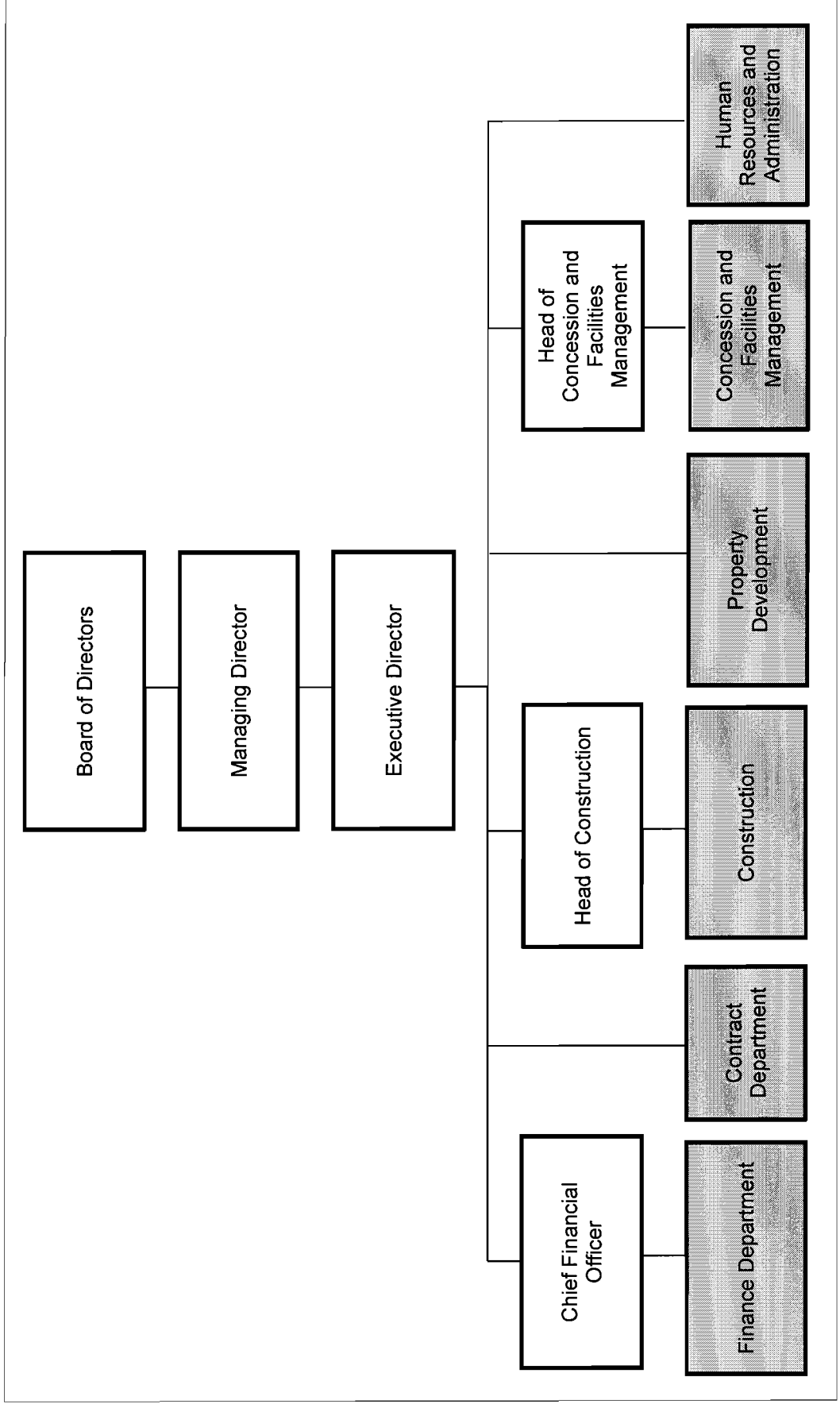
Save as disclosed below, our key senior management are not involved in other principal business activities outside our Group for the past 5 years prior to the LPD:

Name	Company	Involvement in business activities	Date Appointed as Director	Date Resigned as Director	Direct Interest (%)	Indirect Interest (%)	Principal Activities
Oh Ewe Peng	Capaian Pantas Sdn. Bhd.	Shareholder	-	-	2.5	-	Logging, lumbering and trading of timber and all kinds of wood and investment holding
Wan Badrul Hisham Bin Wan Kamal	Embun Hijau Development Sdn. Bhd.	Director	26 November 2015	22 December 2016	-	-	Dormant (intended principal activity was property development)
Aminudin Bin Taib	Nadi Cergas Urus Harta Sdn. Bhd.	Director	20 June 2016	22 December 2016	-	-	Dormant (initial principal activity was for provision of facilities management services)

The involvement of our key senior management in other business activities will not affect their contribution to our Group and would not be expected to affect their executive roles and responsibilities to our Group as they are not actively involved in the management and day-to-day operations of the business.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.4 MANAGEMENT REPORTING STRUCTURE



5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.5 FAMILY RELATIONSHIP AND ASSOCIATION

Save for Hj Wan Azman and Wan Badrul Hisham Bin Wan Kamal who are siblings, there are no family relationships or associations between or amongst our Promoters, substantial shareholders, Directors or key senior management.

5.6 SERVICE CONTRACTS

As at the LPD, there are no existing or proposed service contracts between our Group and our Directors or key senior management which provide for benefits upon termination of employment.

5.7 DECLARATION FROM OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

None of our Promoters, Directors and key senior management is or have been involved in any of the following events (whether in or outside Malaysia) as at the LPD:

- (i) In the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or member of key senior management; or
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation; or
- (iii) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (iv) in the last 10 years, any judgement was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market; or
- (v) in the last 10 years, the subject of any any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market; or
- (vi) the subject of any order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity; or
- (vii) the subject of any current investigation or disciplinary proceeding, or in the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or
- (viii) any unsatisfied judgment against him.

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6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY

We were incorporated in Malaysia under the Act on 17 July 2017 as a private limited company under the name of Gagasan Nadi Cergas Sdn Bhd with the registration number of 1238966-U. Subsequently on 16 August 2017, our Company was converted to a public limited company under the name of Gagasan Nadi Cergas Berhad to embark on the Listing of our Group on the ACE Market of Bursa Securities.

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

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

6.2 LISTING SCHEME

In conjunction with, and as an integral part of our Listing, the details of our Listing Scheme are as follows:

6.2.1 Internal Restructuring Exercise

We carried out an internal restructuring exercise prior to our Listing which involved the following steps ("Internal Restructuring Exercise"):

6.2.1.1 Allotment of Shares to our Promoters

By a resolution dated 1 August 2017, Gagasan Nadi approved the issuance of 4 Shares each to Hj Wan Azman and Dato' Sri Subahan respectively. The Shares were issued and allotted to Hj Wan Azman and Dato' Sri Subahan on 1 August 2017.

6.2.1.2 Nadi Cergas Acquisition

By a share sale agreement dated 23 August 2017, Gagasan Nadi had acquired the entire issued share capital of Nadi Cergas from the respective Nadi Cergas Vendors for a total purchase consideration of RM95,444,098.

The Nadi Cergas Acquisition was completed on 15 September 2017. The purchase consideration was satisfied entirely by the issuance of 612,999,990 new Shares, credited as fully paid-up at an issue price of RM0.1557 per Share, to the Nadi Cergas Vendors in the manner as set out below:

Nadi Cergas Vendors	No. of shares held in Nadi Cergas	%	No. of Gagasan Nadi Shares issued	%
Hj Wan Azman	13,750,000	91.67	561,916,658	91.67
Dato' Sri Subahan	1,250,000	8.33	51,083,332	8.33
Total	15,000,000	100.0	612,999,990	100.0

6.2.1.3 Disposal of Idolite Corporation

By a share sale agreement dated 23 August 2017, Nadi Cergas had disposed its 40% equity interests in Idolite Corporation, its associate, to Ooi Teng Kok for a cash consideration of RM3,134,387 ("Idolite Disposal"). The Idolite Disposal was completed on 20 September 2017.

6. INFORMATION ON OUR GROUP (Cont'd)**6.2.1.4 Restructuring of Nadi Cergas' subsidiaries**

Subsequent to completion of the Nadi Cergas Acquisition, Nadi Cergas had on 18 September 2017 carried out a distribution of several directly owned subsidiaries set out below, by way of a dividend-in-specie at cost to Gagasan Nadi ("Distribution"):

Nadi Cergas' directly owned subsidiaries	% of shareholdings held by Nadi Cergas	Dividend-in-specie distributed		% of shareholdings held by Gagasan Nadi after Distribution
		RM	%	
Nadi Cergas Management	100.0	100	100.0	100.0
Naditech Utilities	60.00	600,000	60.0	60.00
Nadi Cergas Hartanah	100.0	500,000	100.0	100.0
Nadi Cergas Development	70.00	381,800	70.0	70.00

The above subsidiaries of Nadi Cergas became directly owned subsidiaries of Gagasan Nadi after completion of the Distribution.

Upon completion of the Internal Restructuring Exercise, the issued share capital of our Company increased from RM10 comprising 10 Shares to RM95,444,108 comprising 613,000,000 Shares. Please refer to our Group's corporate structure before and after completion of the Internal Restructuring Exercise set out in Section 6.3 below.

6.2.2 Public Issue

Pursuant to the Public Issue, we shall issue 140,000,000 Public Issue Shares at our IPO Price to be allocated in the following manner:

- (i) 100,000,000 Public Issue Shares will be made available for private placement to selected investors;
- (ii) 20,000,000 Public Issue Shares will be offered to the Malaysian Public by way of balloting, of which 50% will be set aside for Bumiputera investors;
- (iii) 20,000,000 Public Issue Shares will be made available for application by the Eligible Parties, of which 50% will be set aside for Bumiputera Eligible Parties.

Upon completion of our Public Issue, our share capital will increase from RM95,444,108 comprising 613,000,000 Shares to RM137,444,108 comprising 753,000,000 Shares.

6.2.3 Offer for Sale

Concurrently with our Listing, the Offeror will undertake an Offer for Sale of 60,000,000 Offer Shares at our IPO Price by way of private placement to selected investors.

6.2.4 Listing

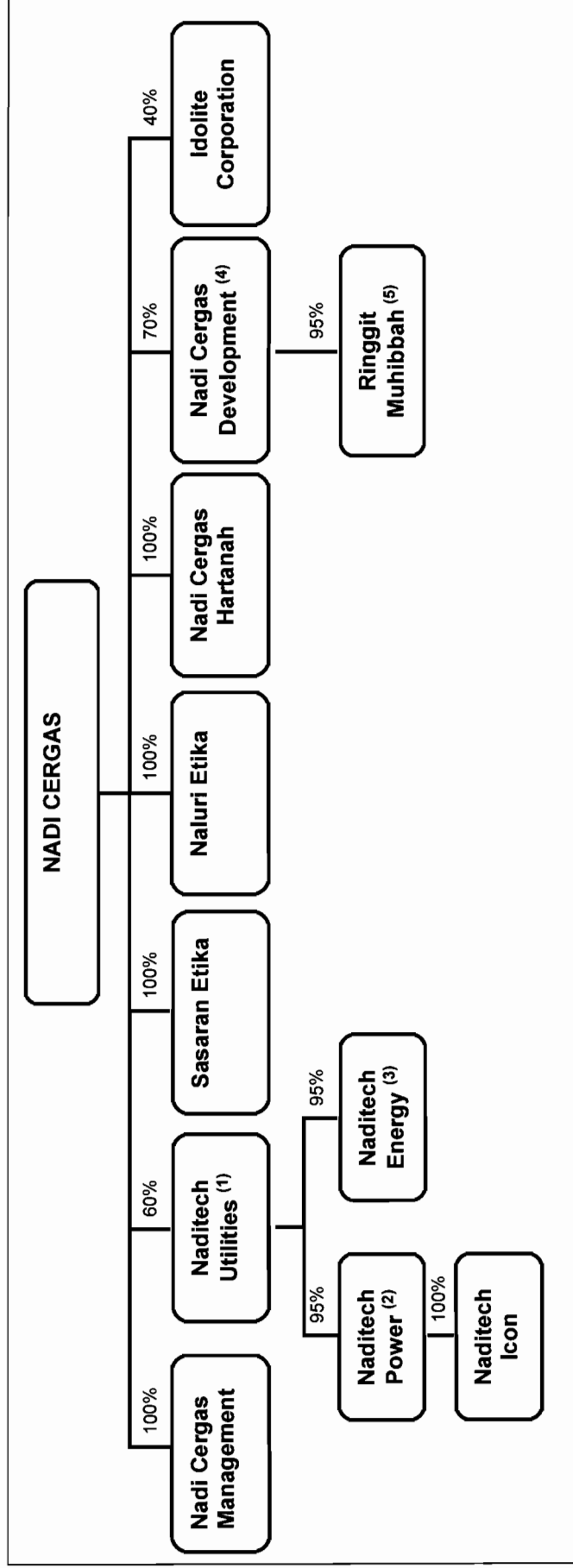
Upon completion of our IPO, our Company's entire enlarged issued share capital of RM137,444,108 comprising 753,000,000 Shares shall be listed on the ACE Market of Bursa Securities.

6. INFORMATION ON OUR GROUP (Cont'd)

6.3 OUR GROUP

6.3.1 Group structure before Internal Restructuring Exercise

Our Group's corporate structure before the Internal Restructuring Exercise was as follows:



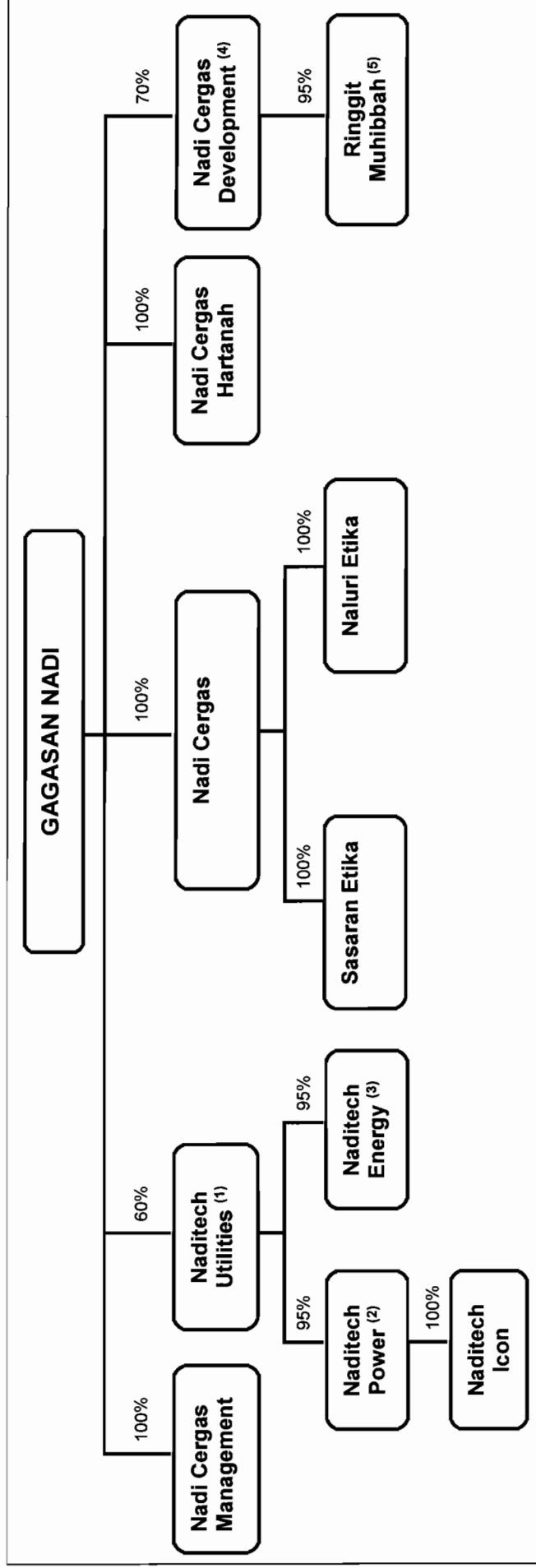
Notes:

For Notes (1) to (5), please refer to Section 6.3.2 below for a description of the other shareholders of these companies.

6. INFORMATION ON OUR GROUP (Cont'd)

6.3.2 Group structure after Internal Restructuring Exercise

Our Group structure after completion of the Internal Restructuring Exercise is as follows:



Notes:

- (1) The remaining 40% shareholdings in Naditech Utilities are held by Loh Soon Wah and Lee Heng Kheong, each holding 20% shareholdings. Please refer to Section 6.5.2 (c) of this Prospectus for further details.
- (2) The remaining 5% shareholdings in Naditech Power is held by Endie Jude Tofil Md Tuffile. Please refer to Section 6.5.8 (c) of this Prospectus for further details.
- (3) The remaining 5% shareholdings in Naditech Energy is held by Endie Jude Tofil Md Tuffile. Please refer to Section 6.5.9 (c) of this Prospectus for further details.
- (4) The remaining 30% shareholdings in Nadi Cergas Development is held by Hj Zulkiifi Bin Abdul. Please refer to Section 6.5.4 (c) of this Prospectus for further details.
- (5) The remaining 5% shareholdings in Ringgit Muhibbah are held by Tan Keng Seng who holds 3% shareholdings, and Hj Zulkifli Bin Abdul who holds 2% shareholdings. Please refer to Section 6.5.11 (c) of this Prospectus for further details.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4 SHARE CAPITAL

As at the date of this Prospectus, our issued share capital is RM95,444,108 comprising 613,000,000 Shares.

Pursuant to our Public Issue, our issued share capital will increase to RM137,444,108 comprising 753,000,000 Shares.

The changes in the issued share capital of our Company since our incorporation are as follows:

Date of allotment	No. of Shares allotted	Value per Share (RM)	Type of issue / Consideration	Cumulative issued share capital (RM)
17 July 2017	2	1.00	Subscribers' shares / Cash	2
1 August 2017	8	1.00	Cash	10
15 September 2017	612,999,990	0.1557	Pursuant to the Nadi Cergas Acquisition / Other than cash	95,444,108

There were no outstanding warrants, options, convertible securities or uncalled capital in respect of the shares in our Company as at the LPD. There were no discounts, special terms or instalment payment terms applicable to the consideration given for the shares allotted.

6.5 INFORMATION ON OUR SUBSIDIARIES

As at the date of this Prospectus, our Company does not have any associated companies. The details of our subsidiaries are as follows:

Name (Registration No.)	Date and country of incorporation	Issued share capital (RM)	Our Company's effective interest (%)	Principal place of business	Principal activities
Subsidiaries of Gagasan Nadi:					
Nadi Cergas (243249-U)	26 June 1992 Malaysia	15,000,000	100	Malaysia	Property development, and construction of buildings, infrastructures and related facilities.
Naditech Utilities (441496-M)	5 August 1997 Malaysia	1,000,000	60	Malaysia	Operation of a district cooling system including thermal energy storage tank and related facilities for the supply of chilled water.
Nadi Cergas Hartanah (598110-H)	7 November 2002 Malaysia	500,000	100	Malaysia	Property investment holding.

6. INFORMATION ON OUR GROUP (Cont'd)

Name (Registration No.)	Date and country of incorporation	Issued share capital (RM)	Our Company's effective interest (%)	Principal place of business	Principal activities
Nadi Cergas Development (1032906-D)	25 January 2013 Malaysia	500,000	70	Malaysia	Property development.
Nadi Cergas Management (1032904-U)	25 January 2013 Malaysia	100	100	Malaysia	Provision of management and corporate services.
Subsidiaries of Nadi Cergas:					
Sasaran Etika (423826-T)	20 March 1997 Malaysia	5,000,000	100	Malaysia	Concessionaire for building construction and provision of facility management services for student hostels.
Naluri Etika (1038761-H)	18 March 2013 Malaysia	5,000,000	100	Malaysia	Concessionaire for building construction and provision of facility management services for student hostels.
Subsidiaries of Naditech Utilities:					
Naditech Power (1069605-M)	8 November 2013 Malaysia	600,000	57	Malaysia	Dormant. The intended business activity is distribution of electricity.
Naditech Energy (1121999-U)	9 December 2014 Malaysia	100	57	Malaysia	Dormant. The intended business activity is to operate a district cooling system for the supply of chilled water.
Naditech Icon (1106877-M)	28 August 2014 Malaysia	500,000	57	Malaysia	Dormant. The intended business activity is distribution of electricity and supply of chilled water.
Subsidiary of Nadi Cergas Development:					
Ringgit Muhibbah (957064-P)	15 August 2011 Malaysia	1,000,000	66.5	Malaysia	Property investment holding and property development.

6. INFORMATION ON OUR GROUP (Cont'd)**6.5.1 Nadi Cergas****(a) Background and principal activities**

Nadi Cergas was incorporated in Malaysia as a private limited company under the Act on 26 June 1992 under its present name.

Nadi Cergas' principal business activity is property development, and construction of buildings, infrastructures and related facilities. Nadi Cergas commenced business in 1995.

(b) Share capital

As at the LPD, the issued share capital of Nadi Cergas is RM15 million. There were no changes in the issued share capital of Nadi Cergas for the Period Under Review.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Nadi Cergas.

(c) Substantial shareholder

Nadi Cergas is a wholly-owned subsidiary of Gagasan Nadi.

(d) Directors

As at the LPD, the Directors of Nadi Cergas are Hj Wan Azman, Dato' Sri Subahan and Datuk Wan Kassim.

(e) Subsidiary and associate

As at the LPD, Nadi Cergas has 2 subsidiaries, namely Sasaran Etika and Naluri Etika.

6.5.2 Naditech Utilities**(a) Background and principal activities**

Naditech Utilities was incorporated in Malaysia as a private limited company under the Act on 5 August 1997 under the name of Nadi Cermat Sdn Bhd. It changed its name to Naditech Tenaga Sdn Bhd on 16 January 2007 and subsequently assumed its present name on 27 August 2014.

Naditech Utilities' principal business activity is the operation of a district cooling system including thermal energy storage tank and related facilities for the supply of chilled water. Naditech Utilities commenced its operations in 2008.

(b) Share capital

As at the LPD, the issued share capital of Naditech Utilities is RM1 million. There were no changes in the issued share capital of Naditech Utilities for the Period Under Review.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Naditech Utilities.

6. INFORMATION ON OUR GROUP (Cont'd)**(c) Substantial shareholder**

Naditech Utilities is a 60% subsidiary of our Company. The remaining shareholders of Naditech Utilities are Loh Soon Wah and Lee Heng Kheong who each hold 20% shareholdings in Naditech Utilities.

Gagasan Nadi Group is involved in the overall direction, management and day-to-day operations of the company. Loh Soon Wah and Lee Heng Kheong participated in the design and set up of the district cooling system to supply chilled water to the GMI campus in Bangi. Loh Soon Wah provides technical expertise to the company. Lee Heng Kheong oversees the district cooling system operations. Both Loh Soon Wah and Lee Heng Kheong are also Directors of Naditech Utilities.

(d) Directors

As at the LPD, the Directors of Naditech Utilities are Hj Wan Azman, Loh Soon Wah and Lee Heng Kheong.

(e) Subsidiaries and associate

As at the LPD, the subsidiaries of Naditech Utilities are Naditech Power, Naditech Energy, and Naditech Icon (a subsidiary of Naditech Power). Please refer to Sections 6.5.8 to 6.5.10 for further details of these companies.

6.5.3 Nadi Cergas Hartanah**(a) Background and principal activities**

Nadi Cergas Hartanah was incorporated in Malaysia as a private limited company under the Act on 7 November 2002 with the name of Lestari Impian Sdn Bhd. It assumed its present name on 9 July 2013.

Nadi Cergas Hartanah is in the principal business of property investment holding. Nadi Cergas Hartanah commenced its operations in 2004.

(b) Share capital

As at the LPD, the issued share capital of Nadi Cergas Hartanah is RM500,000. There were no changes in the issued share capital of Nadi Cergas Hartanah for the Period Under Review.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Nadi Cergas Hartanah.

(c) Substantial shareholder

Nadi Cergas Hartanah is a wholly-owned subsidiary of our Company.

(d) Directors

As at the LPD, the Directors of Nadi Cergas Hartanah are Hj Wan Azman and Wan Badrul Hisham Bin Wan Kamal.

(e) Subsidiary and Associate

As at the LPD, Nadi Cergas Hartanah does not have any subsidiary or associate.

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.4 Nadi Cergas Development

(a) Background and principal activities

Nadi Cergas Development was incorporated in Malaysia as a private limited company under the Act on 25 January 2013 under its present name.

Nadi Cergas Development is in the principal business of property development. Nadi Cergas Development commenced its operations in 2017.

(b) Share capital

As at the LPD, the issued share capital of Nadi Cergas Development is RM500,000.

The changes in the issued share capital of Nadi Cergas Development for the Period Under Review are as follows:

Date of allotment	No. of Shares allotted	Value per Share (RM)	Type of issue / Consideration	Cumulative issued share capital (RM)
30 January 2015	499,900	1.00	Cash	500,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Nadi Cergas Development. There were no discounts, special terms or instalment payment terms applicable to the consideration given for the Nadi Cergas Development shares allotted.

(c) Substantial shareholder

Nadi Cergas Development is a 70% subsidiary of our Company. Hj Zulkifli Bin Abdul holds the remaining 30% shareholdings in Nadi Cergas Development. Hj Zulkilfi Bin Abdul was formerly a director of Nadi Cergas Development from 11 November 2016 to 23 January 2018.

Gagasan Nadi Group is involved in the overall day-to-day operations which include project planning and execution of our Group's property development activities.

(d) Directors

As at the LPD, the Directors of Nadi Cergas Development are Hj Wan Azman and Wan Badrul Hisham Bin Wan Kamal.

(e) Subsidiary and associate

As at the LPD, Nadi Cergas Development does not have any subsidiary or associate other than Ringgit Muhibbah.

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.5 Nadi Cergas Management**(a) Background and principal activities**

Nadi Cergas Management was incorporated in Malaysia as a private limited company under the Act on 25 January 2013 under its present name.

Nadi Cergas Management's principal business activity is the provision of management and corporate services. Nadi Cergas Management commenced its operations in 2013.

(b) Share capital

As at the LPD, the issued share capital of Nadi Cergas Management is RM100. There were no changes in the issued share capital of Nadi Cergas Management for the Period Under Review.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Nadi Cergas Management.

(c) Substantial shareholder

Nadi Cergas Management is a wholly-owned subsidiary of our Company.

(d) Directors

As at the LPD, the Directors of Nadi Cergas Management are Hj Wan Azman and Wan Badrul Hisham Bin Wan Kamal.

(e) Subsidiary and associate

As at the LPD, Nadi Cergas Management does not have any subsidiary or associate.

6.5.6 Sasaran Etika**(a) Background and principal activities**

Sasaran Etika was incorporated in Malaysia as a private limited company under the Act on 20 March 1997 under its present name.

Sasaran Etika is a concessionaire for building construction and provision of facility management services for student hostels. Nadi Cergas acquired the entire equity interest of Sasaran Etika in 2010 whilst it was a dormant company and its intended principal activity was civil contractor. In 2011, Sasaran Etika resumed business operations as a special purpose vehicle to participate in concession project (i.e. IIUM Concession Project). Subsequently in 2013, Sasaran Etika changed its principal activities from civil contractor to its present principal activities to better reflect its present business operations.

(b) Share capital

As at the LPD, the issued share capital of Sasaran Etika is RM5 million. There were no changes in the issued share capital of Sasaran Etika for the Period Under Review.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Sasaran Etika.

6. INFORMATION ON OUR GROUP (Cont'd)**(c) Substantial shareholder**

Sasaran Etika is a wholly-owned subsidiary of Nadi Cergas.

(d) Directors

As at the LPD, the Directors of Sasaran Etika are Hj Wan Azman, Dato' Sri Subahan and Aminudin Bin Taib.

(e) Subsidiary and associate

As at the LPD, Sasaran Etika does not have any subsidiary or associate.

6.5.7 Naluri Etika**(a) Background and principal activities**

Naluri Etika was incorporated in Malaysia as a private limited company under the Act on 18 March 2013 under its present name.

Naluri Etika is a concessionaire for building construction and provision of facility management services for student hostels (i.e. UTeM Concession Project). Naluri Etika commenced business in 2013.

(b) Share capital

As at the LPD, the issued share capital of Naluri Etika is RM5 million.

The changes in the issued share capital of Naluri Etika for the Period Under Review are as follows:

Date of allotment	No. of Shares allotted	Value per Share (RM)	Type of issue / Consideration	Cumulative issued share capital (RM)
26 January 2015	4,725,000	1.00	Cash	5,000,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Naluri Etika. There were no discounts, special terms or instalment payment terms applicable to the consideration given for the above Naluri Etika shares allotted.

(c) Substantial shareholder

Naluri Etika is a wholly-owned subsidiary of Nadi Cergas.

(d) Directors

As at the LPD, the Directors of Naluri Etika are Hj Wan Azman, Dato' Sri Subahan and Wan Badrul Hisham Bin Wan Kamal.

(e) Subsidiary and associate

As at the LPD, Naluri Etika does not have any subsidiary or associate.

6. INFORMATION ON OUR GROUP (Cont'd)**6.5.8 Naditech Power****(a) Background and principal activities**

Naditech Power was incorporated in Malaysia as a private limited company under the Act on 8 November 2013 under its present name.

Naditech Power has yet to commence business as at the LPD. The intended business activity of Naditech Power is the distribution of electricity.

(b) Share capital

As at the LPD, the issued share capital of Naditech Power is RM600,000.

The changes in the issued share capital of Naditech Power for the Period Under Review are as follows:

Date of allotment	No. of Shares allotted	Value per Share (RM)	Type of issue / Consideration	Cumulative issued share capital (RM)
28 January 2014	99,900	1.00	Cash	100,000
26 September 2014	500,000	1.00	Cash	600,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Naditech Power. There were no discounts, special terms or instalment payment terms applicable to the consideration given for the Nadi Cergas Development shares allotted.

(c) Substantial shareholder

Naditech Power is a 95% subsidiary of Naditech Utilities. The remaining 5% shareholdings in Naditech Power is held by Endie Jude Tofil Bin Md Tuffile.

Gagasan Nadi Group is involved in the overall direction, management and day-to-day operations of the company. Endie Jude Tofil Bin Md Tuffile is also a Director of Naditech Power and Naditech Energy and he is responsible for overseeing business development of our Group's utility services business.

(d) Directors

As at the LPD, the Directors of Naditech Power are Hj Wan Azman, Lee Heng Kheong, and Endie Jude Tofil Bin Md Tuffile.

(e) Subsidiary and associate

As at the LPD, Naditech Power has a wholly-owned subsidiary, Naditech Icon. Please refer to Section 6.5.10 for further details of Naditech Icon.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5.9 Naditech Energy

(a) Background and principal activities

Naditech Energy was incorporated in Malaysia as a private limited company under the Act on 9 December 2014 under its present name.

Naditech Energy has yet to commence business as at the LPD. The intended business activity of Naditech Energy is to operate a district cooling system for the supply of chilled water.

(b) Share capital

As at the LPD, the issued share capital of Naditech Energy is RM100.

The changes in the issued share capital of Naditech Energy for the Period Under Review are as follows:

Date of allotment	No. of Shares allotted	Value per Share (RM)	Type of issue / Consideration	Cumulative issued share capital (RM)
9 December 2014	100	1.00	Cash	100

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Naditech Energy. There were no discounts, special terms or instalment payment terms applicable to the consideration given for the above Naditech Energy shares allotted.

(c) Substantial shareholder

Naditech Energy is a 95% subsidiary of Naditech Utilities. The remaining 5% shareholdings in Naditech Energy is held by Endie Jude Tofil Bin Md Tuffile.

Gagasan Nadi Group is involved in the overall direction, management and day-to-day operations of the company. Endie Jude Tofil Bin Md Tuffile is also a Director of Naditech Power and Naditech Energy and he is responsible for overseeing business development of our Group's utility services business.

(d) Directors

As at the LPD, the Directors of Naditech Energy are Hj Wan Azman, Loh Soon Wah, and Endie Jude Tofil Bin Md Tuffile.

(e) Subsidiary and associate

As at the LPD, Naditech Energy does not have any subsidiary or associate.

6.5.10 Naditech Icon

(a) Background and principal activities

Naditech Icon was incorporated in Malaysia as a private limited company under the Act on 28 August 2014 under its present name.

Naditech Icon has yet to commence business as at the LPD. The intended business activity of Naditech Icon is the distribution of electricity and supply of chilled water.

6. INFORMATION ON OUR GROUP (Cont'd)**(b) Share capital**

As at the LPD, the issued share capital of Naditech Icon is RM500,000.

The changes in the issued share capital of Naditech Icon for the Period Under Review are as follows:

Date of allotment	No. of Shares allotted	Value per Share (RM)	Type of issue / Consideration	Cumulative issued share capital (RM)
28 August 2014	100	1.00	Cash	100
29 September 2014	499,900	1.00	Cash	500,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Naditech Icon. There were no discounts, special terms or instalment payment terms applicable to the consideration given for the above Naditech Icon shares allotted.

(c) Substantial shareholder

Naditech Icon is a wholly-owned subsidiary of Naditech Power.

(d) Directors

As at the LPD, the Directors of Naditech Icon are Hj Wan Azman, Lee Heng Kheong, and Endie Jude Tofil Bin Md Tuffile.

(e) Subsidiary and associate

As at the LPD, Naditech Icon does not have any subsidiary or associate.

6.5.11 Ringgit Muhibbah**(a) Background and principal activities**

Ringgit Muhibbah was incorporated in Malaysia as a private limited company under the Act on 15 August 2011 under its present name.

Ringgit Muhibbah is in the principal business activity of property investment holding and property development. Ringgit Muhibbah commenced business in 2016.

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6. INFORMATION ON OUR GROUP (Cont'd)**(b) Share capital**

As at the LPD, the issued share capital of Ringgit Muhibbah is RM1 million.

The changes in the issued share capital of Ringgit Muhibbah for the Period Under Review are as follows:

Date of allotment	No. of Shares allotted	Value per Share (RM)	Type of issue / Consideration	Cumulative issued share capital (RM)
9 November 2016	49,900	1.00	Cash	49,900
9 November 2016	950,000	1.00	Other than cash	1,000,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Ringgit Muhibbah. There were no discounts, special terms or instalment payment terms applicable to the consideration given for the Nadi Cergas Development shares allotted.

(c) Substantial shareholder

Ringgit Muhibbah is a 95% subsidiary of Nadi Cergas Development, our wholly-owned subsidiary. The remaining shareholders of Ringgit Muhibbah are Tan Keng Seng and Hj Zulkifli Bin Abdul whose shareholdings are 3% and 2% respectively. Hj Zulkifli Bin Abdul was formerly a director of Ringgit Muhibbah from 3 August 2015 to 23 January 2018.

Gagasan Nadi Group is involved in the overall direction, management and day-to-day operations of the company. Tan Keng Seng is currently a Director of Ringgit Muhibbah and he provides advice to the company on matters relating to property development activities.

(d) Directors

As at the LPD, the Directors of Ringgit Muhibbah are Tan Keng Seng and Hj Wan Azman.

(e) Subsidiary and associate

As at the LPD, Ringgit Muhibbah does not have any subsidiary or associate.

As at the LPD, our Company and subsidiaries are not involved in any bankruptcy, receivership or similar proceedings.

6.6 PUBLIC TAKE-OVERS

During the FYE 2017 up to the LPD, there were no:

- (a) public take-over offers by third parties in respect of our Group's shares; and
- (b) public take-over offers by our Group in respect of other companies' shares.

7. BUSINESS OVERVIEW

7.1 HISTORY AND BACKGROUND

The history of our business can be traced back to the incorporation of Nadi Cergas in 1992. Nadi Cergas was dormant since incorporation in 1992 and commenced business activities in 1995 as a contractor of building construction works. Since 1995 until 1999, Nadi Cergas was involved in the construction of electrical substations, including building and infrastructure works.

Our present Group Managing Director, Hj Wan Azman acquired a 75.0% equity interest in Nadi Cergas in 1999 and the remaining 25.0% was acquired by our Executive Director, Dato' Sri Subahan in 2000. In 2000, our present Group Managing Director, Hj Wan Azman and our Executive Director, Dato' Sri Subahan, collectively held and as at the LPD continue to hold 100% equity interest in Nadi Cergas. Thereafter, Nadi Cergas continued to be principally involved in building construction activities. Nadi Cergas was registered as a contractor with both PKK as well with CIDB in 2001 respectively.

In 2002, through our subsidiary, Nadi Cergas, we secured our first residential construction contract to carry out the construction of 42 units of double storey semi-detached houses in Ara Damansara, Selangor. During the same year in 2002, we also secured our first non-residential construction contract from the Ministry of Education for the design and construction of a public school, namely Sekolah Kebangsaan Bukit Rimau, in Shah Alam, Selangor. Both these said projects, which commenced construction in 2002, were subsequently completed in 2004.

In the same year of 2002, Nadi Cergas Hartanah was incorporated. Subsequently in 2004, the company commenced operations as a property investment holding company and acquired a piece of freehold land of approximately 5 acres (or 20,234 sq m) in Bangi, Selangor for investment purposes. In 2006, through our subsidiary Nadi Cergas, we acquired 100.0% equity interest in Nadi Cergas Hartanah.

In 2005, through Nadi Cergas, we secured a contract from MARA for the construction of a new campus for the GMI in Bangi, Selangor. The GMI construction project was for the development of a campus involving infrastructure works, one block of 3-storey administration building, six blocks of 10-storey student hostels, one block of 10-storey staff accommodation, two blocks of 5-storey laboratory and training building, and one block of 15-storey laboratory and training building. The said project, which commenced construction in 2005, was completed in 2008.

In 2006, we secured a contract for the design and construction of the fourth military camp for the General Operations Force of the Royal Malaysia Police, and a police station in Semenyih, Selangor. The construction project, undertaken by Nadi Cergas, commenced construction in 2006 and was completed in 2010.

In 2007, through Nadi Cergas, we secured an additional 20-year contract from MARA for the supply of chilled water to the same GMI campus in Bangi, Selangor ("GMI Chilled Water Supply"). The contract awarded was for Nadi Cergas to design, build, operate and maintain a district cooling system to supply chilled water to the campus of GMI in Bangi, Selangor. The district cooling system consists of a TES tank with a storage capacity of 17,000 RTh and related facilities. Our building construction subsidiary, Nadi Cergas, carried out the construction and installation of the district cooling system including a TES tank on a partial piece of land that was acquired by Nadi Cergas Hartanah in 2004. Thereafter in 2008, through our subsidiary Nadi Cergas, we subscribed for a 60.0% equity interest in Naditech Utilities while the remaining 40.0% was held by unrelated parties. The company was dormant since incorporation in 1997 and commenced its business activities following the completion of construction of the district cooling system. Naditech Utilities is responsible for the operation and maintenance of a district cooling system including a TES tank to supply chilled water to buildings within the campus. The contract is for a duration of 20 years, which will be valid until 2028. The district cooling system will be transferred back to GMI at the end of the contractual period.

7. BUSINESS OVERVIEW (Cont'd)

Between 2008 and 2009, our Group was involved in various building construction works, provision of mechanical and electrical systems, water and plumbing works and architectural and infrastructure works for government projects including, among others, the following:

- upgrading of building and infrastructure for University Malaya, Kuala Lumpur in 2008;
- construction of the District Police Headquarters (IPD) in Johor in 2008;
- construction of clinical centre and research hospital facilities for University Sains Malaysia, Penang in 2009;
- mechanical and electrical works, ventilation and air conditioning works for the administration centre in UTM in 2009;
- architectural and infrastructure works, and aluminium works for the Faculty of Science of IIUM in Kuantan in 2009; and
- electrical works for the headquarters of the National Anti-Drugs Agency in Dengkil in 2009.

In 2010, through our subsidiary, Nadi Cergas, we acquired 100.0% equity interest in Sasaran Etika. Sasaran Etika was incorporated in 1997 and it was a dormant company at the point of our acquisition.

In 2011, Sasaran Etika resumed business operations as a special purpose vehicle to participate in concession projects under PFI, which is part of the PPP programme. PFI is one of the methods of procurement used by the Government in implementing public works projects. PFI involves the transfer to the private sector, the responsibility of financing, construction, management, maintenance, refurbishment and replacement of public sector assets such as buildings, infrastructure, equipment and other facilities. In the same year in 2011, Sasaran Etika entered into our Group's first concession agreement with the Government of Malaysia and IIUM. This was for the design, development, construction and completion of student hostels and related facilities to accommodate 5,000 students in IIUM, Kuantan Pahang. Upon the completion of construction, we would provide facility management services for the said student hostels and related facilities. For general terms of the concession, please refer to Section 7.3.1.3 of this Prospectus.

Upon the signing of the concession agreement in 2011, our construction arm, Nadi Cergas commenced the construction of the IIUM Concession Project in 2012 and completed the construction in 2014. The Certificate of Acceptance of the facilities and infrastructure for the IIUM Concession Project was issued by IIUM on 26 October 2014 and thereafter, we commenced the provision of facility management services for the IIUM Concession Project which consists of:

- (i) undertaking the replacement, refurbishment and remedial works for the facilities and infrastructure when necessary, using the proceeds from the Maintenance Reserve Fund; and
- (ii) providing maintenance services for the facilities and infrastructure which includes all mechanical and electrical installation and refurbishments.

The concession is for a period of 22.5 years and upon completion of the construction of the IIUM Concession Project, facility management services will be provided by Nadi Cergas up until 2034.

In 2013, Nadi Cergas Management Services was incorporated and commenced operations in the same year, providing management and corporate services within our Group. In the same year in 2013, through Nadi Cergas, we secured a contract from the project owner, UniKL to construct 2 aircraft hangars and academic buildings for UniKL MIAT in Subang, Selangor ("UniKL MIAT Project"). We commenced the said project in 2014 and completed the construction in 2016. Following the completion of construction works, we secured another contract for the supply and installation of testing and inspection equipment, ground support equipment and related tools for the aircraft hangars, as well as the supply of ICT equipment and furniture for the UniKL MIAT project. The completion of the project was expected to be completed by end of 2017 but this was subsequently extended to end of 2018 due to delays in custom clearance pertaining to the equipment.

7. BUSINESS OVERVIEW (Cont'd)

In the same year of 2013, we commenced construction of the FELDA New Generation Housing Project to build 1,104 houses in three locations namely Selancar, Selendang and Keratong within Pahang using the IBS construction method. The physical construction of the building was completed in 2015.

In 2013 and 2014, our construction business marked another major milestone where we, through Nadi Cergas, secured 7 contracts to carry out the construction of student hostels to accommodate a total of 10,000 students in 7 polytechnics in various states of Peninsular Malaysia ("Polytechnic Project"). In 2013, we commenced construction of student hostels for 5 polytechnics, namely Ungku Omar Polytechnic (Ipoh), Banting Polytechnic, Seberang Prai Polytechnic, Ibrahim Sultan Polytechnic (Johor Bahru), and Port Dickson Polytechnic followed by the remaining 2 polytechnics, namely Jeli Polytechnic and Kota Bahru Polytechnic in 2014. The constructions of student hostel for the initial 5 polytechnics were completed in December 2015, and the other 2 remaining polytechnics were completed in 2016.

In view of management's intention to expand into property development, which is synergistic to its building construction operations, we incorporated Nadi Cergas Development in 2013. The business activity of the said subsidiary is to focus on investment holding and property development activities. The company commenced operations in 2017.

In 2013, we incorporated our subsidiary, Naditech Power with the intention of carrying out the distribution of electricity. The company is currently dormant.

As part of management's intention to continue pursuing concession projects, we incorporated Naluri Etika in 2013 as a special purpose vehicle to participate in concession projects under PFI arrangements. The company commenced operations in 2014 when it secured a concession agreement with the Government of Malaysia and UTeM ("UTeM Concession Project"). This was for the design, development, construction and completion of student hostels and related facilities to accommodate 5,000 students in UTeM in Malacca. Upon the completion of construction, we would provide facility management services for the said student hostels and related facilities. The scope of the facility management services is similar to the IIUM Concession Project.

The construction of the student hostels and related facilities was undertaken by our subsidiary, Nadi Cergas, which commenced construction in 2015, was completed in the second quarter of 2017. We started providing facility management services on 15 September 2017 for the UTeM Concession Project. The concession is for a period of 22.5 years up until 2037.

In 2016, our subsidiary, Nadi Cergas acquired a 0.5-acre (or 2,023 sq m) land at Lorong Haji Hussein 2 in Chow Kit, Kuala Lumpur for future property development. In 2016, our Group subscribed for 95.0% equity interest while the remaining 5.0% was held by existing shareholders of Ringgit Muhibbah, Tan Keng Seng and Hj Zulkifli Bin Abdul. In 2016, Ringgit Muhibbah acquired land totalling 116 acres (approximately 469,881 sq m) in Ulu Yam, Selangor for future property development.

In the same year in 2016, our subsidiary, Naditech Utilities secured a contract for the supply of chilled water to a shopping mall, and subsequently in August 2017, our subsidiary, Naditech Power secured a contract for the distribution of electricity, both contracts are for the Datum Jelatek development, located at Bandar Ulu Kelang, Gombak, Selangor. The details of the contracts are as follows:

- (i) A 30-year chilled water supply agreement to build, own, operate and transfer a district cooling system and the supply of chilled water to the proposed shopping mall in the Datum Jelatek development. The supply of chilled water is expected to commence by 2019 upon the completion of the Datum Jelatek development. Naditech Energy will be responsible for the operation of the district cooling system including TES tank and supply of chilled water.

7. BUSINESS OVERVIEW (Cont'd)

- (ii) A 30-year electricity supply agreement to own, operate and transfer an electricity distribution system, and the supply of electricity to the Datum Jelatek development. Naditech Power had on 18 July 2018 obtained the licence issued by the Energy Commission for public installation to use, work or operate an electricity distribution network for supply of electricity to consumers at Datum Jelatek. The installation of electricity distribution system is expected to commence in the first half of 2019, upon the completion of the Datum Jelatek development.

In March 2017, we, through Nadi Cergas Development secured a development order approval for the development of AFF headquarters as well as serviced apartments in Putrajaya ("AFF Mixed Development"). This was followed by the formalisation of a joint-venture agreement with AFF, the land owner for the said development in August 2017. The GDV for the project is estimated at RM179 million. As at the LPD, we have completed piling works for AFF headquarters.

Subsequently in the fourth quarter of 2016, through our subsidiary, Nadi Cergas, we secured a construction contract valued at RM99.77 million, to construct 330 units of affordable apartments in Tanjung Chat, Kelantan for the PPA1M programme. The proposed development by ND Mutiara Realities, under the PPA1M programme in Tanjung Chat, Kelantan had been subsequently terminated based on PPAM's letter dated 13 July 2018. Further to the termination, the project owner ND Mutiara Realities had decided to continue the development as a private development project with Nadi Cergas as the main contractor and the parties to the Tanjung Chat MOU and the Tanjung Chat DBA (defined in section 9.1) had also via respective supplemental letters on 23 November 2018 agreed to the same. The project specifications of the private development project are pending finalisation. Construction for this project has yet to commence as at the LPD. On 24 October 2017, Nadi Cergas was enrolled in the SJJB programme under TERAJU, whereby the SJJB programme serves as a catalyst for Bumiputera companies with the potential to be listed on Bursa Securities.

In January 2018, we, through Nadi Cergas secured a contract valued at RM289.77 million for the design and construction of the cardiology centre for Serdang Hospital, Selangor ("Cardiology Centre for Serdang Hospital Project"). We commenced construction of this project in March 2018 and expect to complete this project by 2021. As at the LPD, this project is subject to contract sum negotiations with the project owner. Please refer to Sections 3.1, 7.3.1, 7.3.1.3 and 8.1.2 of this Prospectus for further details.

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7. BUSINESS OVERVIEW (Cont'd)

7.2 KEY ACHIEVEMENTS AND AWARDS

7.2.1 Key achievements

The following is a summary of key achievements of our Group in terms of building construction contracts with value of RM50 million and above:

Start Year ¹	Projects	Contract value ² (RM million)
Completed Projects		
2005	Construction of a new campus for GMI in Bangi, Selangor, comprising infrastructure works, one block of 3-storey administration building, six blocks of 10-storey student hostel, one block of 10-storey staff accommodation, two blocks of 5-storey laboratory and training building, and one block of 15-storey laboratory and training building.	330.23
2006	Construction of housing project for the Malaysian army and civil servants in Klang Valley.	59.64
2006	Design and construction of the fourth military camp for General Operations Force of the Royal Malaysia Police and a police station in Semenyih, Selangor.	200.01
2012	Construction of student hostels ³ to accommodate 5,000 students and related facilities for IIUM in Kuantan, Pahang.	390.26 ⁴
2013	Design and construction of 1,104 units of FELDA New Generation Housing Project using IBS method in Kuantan, Pahang.	89.98
2013	Construction of two aircraft hangars and academic buildings in Subang, Selangor for UniKL MIAT.	130.75
2013 - 2014	Construction of student hostels to accommodate a total of 10,000 students in seven polytechnics in various states of Peninsular Malaysia.	285.00
2015	Construction of student hostels ³ to accommodate 5,000 students and related facilities for UTeM in Malacca.	295.88 ⁴

Notes:

- (1) Start year is based on date of site possession.
- (2) Total contract value includes variation orders.
- (3) Student hostels of IIUM Concession Project and UTeM Concession Project were undertaken based on PFI programme.
- (4) Total contract value was based on computation of net present value, i.e. fair value, using discounted cash flow analysis method, which is the sum of expected collection (i.e. cash inflow) over a period of 20 years discounted back to the net present value. The discounted rates used for the IIUM Concession Project and UTeM Concession Project, were based on the 20-year quasi-government yield-to-maturity rate as at the respective CPC date.

7. BUSINESS OVERVIEW (Cont'd)

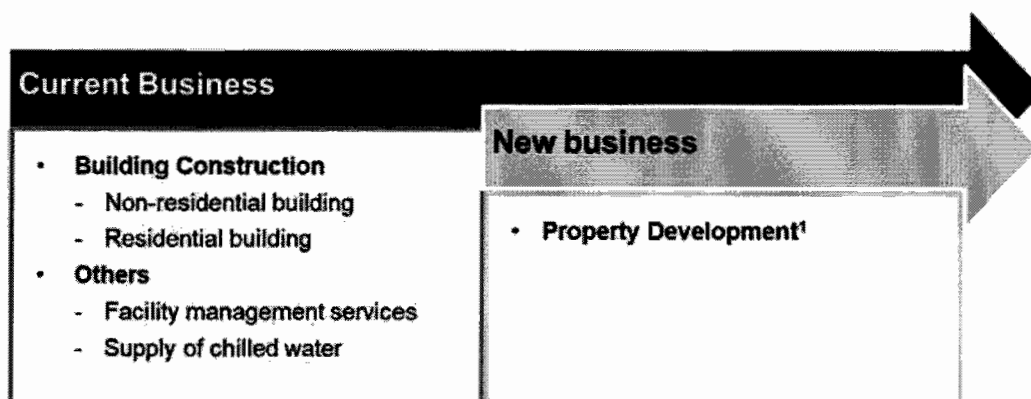
7.2.2 Awards

As at LPD, through our subsidiary Sasaran Etika, we have obtained the Blueprint Award 2012 under the 'New Structured-Finance Benchmark Deal' for RM220 million fixed rate serial bonds.

7.3 OUR BUSINESS MODEL

7.3.1 Principal business activities

As at LPD, our business activities are depicted in the diagram as follows:



Note:

(1) This refers to the AFF Mixed Development, the construction of the AFF headquarters commenced in April 2017 with piling works completed in May 2017, while the piling works for the construction of serviced apartments commenced in August 2018. Please refer to Section 7.24.1 of this Prospectus for further details on property development.

(i) Building construction

We are principally in the building construction of non-residential and residential buildings. Non-residential buildings include among others, student hostels, Government offices, campuses for public tertiary education institutions, aircraft hangars and training institutions, while residential buildings are mainly under Government initiative programmes such as PR1MA Homes, Rumah Selangorku, FELDA housing, and PPAM programmes.

Within building construction, we have a proven track record in undertaking projects from design, construction as well as maintenance of buildings and related facilities. For building construction, our role is to deliver the completed construction project while meeting customers' specifications requirements within budget and agreed timeframe. As a main contractor, we are responsible for all aspects of construction including overall project planning and management, structural and building design, construction of the buildings and facilities. In this respect, we engage workers as well as subcontractors to carry out the construction works. (Please refer to section 7.4.1 of this Prospectus for further details of building construction). For the Period Under Review, revenue contribution from building construction accounted for 97.40% (FYE 2014), 93.23% (FYE 2015), 93.50% (FYE 2016), 88.55 (FYE 2017) and 87.85% (FPE 2018) of our total revenue respectively.

7. BUSINESS OVERVIEW (Cont'd)

In addition to our building construction activities, our experience and capabilities extend to concession projects under PFI, which is part of the PPP programme. Under the PFI arrangement, we are responsible for, among others, design, development, construction, completion and after completion of construction, to carry out asset management services (referred here as "facility management services"). We are the concession holder for 2 PFI projects namely IIUM Concession Project and UTeM Concession Project. The construction of the IIUM Concession Project and the UTeM Concession Project were completed in 2014 and 2017 respectively. Moving forward, we will only receive recurrent revenue from the provision of facility management services in terms of Maintenance Charges until 2034 from the IIUM Concession Project and until 2037 from the UTeM Concession Project. Please refer to notes (5) and (6) of Section 7.3.1.3 of this Prospectus for further details of the payments of Availability Charges for the building construction and Maintenance Charges for the concession projects over 20 years.

Based on our Group's past track record, our Group has been reliant on Government Projects. For the Period Under Review, our building construction activities were mainly Government Projects, which accounted for 98.13% (FYE 2014), 97.92% (FYE 2015), 98.58% (FYE 2016), 99.37% (FYE 2017) and 99.96% (FPE 2018) of our total revenue respectively. These projects include the construction of offices and/or buildings for police, military, public education institutions and housing projects under Government initiative programmes and Government offices and buildings.

We are exposed to the risks associated with Government Projects. If there are any changes relating to Government Projects which are not favourable to our Group, such as cancellation, termination or unfavourable revision of terms (including pricing) as a result of continuing changes in Government policies, regulations or initiatives, our financial performance may be adversely affected. As such, before you decide whether to invest in our Shares, it is important that you consider amongst others the risk factor in Section 8.1.2 of this Prospectus – We are dependent on Government Projects.

As at LPD, 2 proposed Government Projects have been terminated by Unit PPAM. The PPA1M Alam Damai Cheras Development, one of our proposed property development projects, had been terminated by Unit PPAM in July 2018. For the PPA1M Tanjung Chat Project where we are the main contractor, the proposed development by the project owner, ND Mutiara Realities had also been terminated by a letter from Unit PPAM in July 2018. Further to the termination, the project owner ND Mutiara Realities had decided to continue the development as a private development project with Nadi Cergas as the main contractor and the parties to the Tanjung Chat MOU and the Tanjung Chat DBA (defined in section 9.1) had also via respective supplemental letters on 23 November 2018 agreed to the same. The project specifications of the private development project are pending finalisation. As at the LPD, the construction works for these 2 projects have not commenced.

In November 2018, we have also received contract sum reduction requests from 2 Government Project owners as at the LPD: (1) Public Works Department Malaysia, in relation to the Cardiology Centre for Serdang Hospital Project, had in November 2018 requested for a 10% reduction to the contract sum from RM289.77 million to RM260.79 million. As at the LPD, the Cardiology Centre for Serdang Hospital Project is on-going and on schedule with approximately 6% completed. (2) MARA, in relation to the MRSB Bagan Datuk Project, had also in November 2018 requested Nadi Cergas to submit a price revision proposal, and Nadi Cergas had subsequently offered a proposed reduction of RM1.5 million on a lump sum basis from the contract sum of RM95.59 million to RM94.09 million. The MRSB Bagan Datuk Project is on-going and progressing ahead of schedule with approximately 15% completed. The contracts for the Cardiology Centre for Serdang Hospital Project and the MRSB Bagan Datuk Project respectively do not contain provisions for revision of contract sum save for the variation terms pursuant to certified variation orders. The above revisions of terms are subject to the contracting parties' mutual agreement, and as at the LPD the negotiations for such contract sum revisions have yet to be finalised nor formalised.

7. BUSINESS OVERVIEW (Cont'd)

(ii) Other business activities

Revenue from other business activities include facility management services for the IIUM Concession Project, and GMI Chilled Water Supply which accounted for 2.60%, 6.77%, 6.50%, 11.45% and 12.15% of our total revenue for FYE 2014, 2015, 2016 and 2017, and FPE 2018 respectively.

We operate a district cooling system including the TES tank and related facilities to supply chilled water for air conditioning purposes. This is upon the completion of the construction of a district cooling system including the TES tank that was carried out by our Group.

(iii) New business

In March 2017, we started to embark on our new business activities in property development namely AFF Mixed Development project, which is synergistic to our building constructions.

As at the LPD, the total unbilled contract value of our construction projects was RM682.86 million[^] based on contracts secured, which is expected to be completed progressively up to 2021. This includes contract value of on-going and a new project secured as at the LPD.

Note:

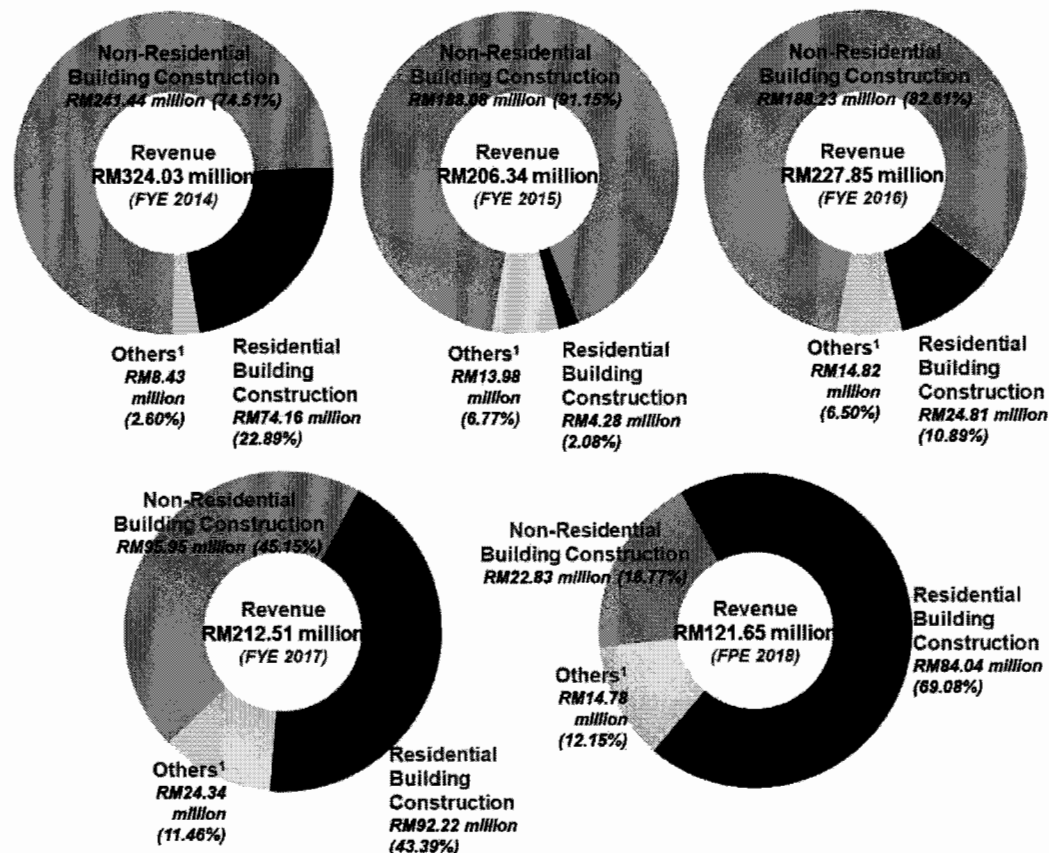
[^] Of the total unbilled contract value of our construction projects, we have received contract sum reduction requests from 2 Government Project owners as at the LPD, namely, Public Works Department Malaysia, in relation to the Cardiology Centre for Serdang Hospital Project and MARA, in relation to the MRSM Bagan Datuk Project. Please refer to Sections 3.1, 7.3.1, 7.3.1.3 and 8.1.2 of this Prospectus for further details. Assuming a maximum 10% reduction to the contract sum of the 2 Government Projects as stated above, respectively, the estimated total unbilled contract value of our construction projects as at the LPD will be lower at approximately RM644.33 million.

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7. BUSINESS OVERVIEW (Cont'd)

7.3.1.1 Revenue segmentations

Our revenue contributions by business segments for the Period Under Review are as follows:



Note:

1 Others include provision of facility management services and supply of chilled water.

7.3.1.2 Revenue by government and private sector projects

Our revenue contributions for the Period Under Review are as follows:

Types of Customer	FYE 2014		FYE 2015		FYE 2016	
	RM'000	%	RM'000	%	RM'000	%
Government Projects	317,954	98.13	202,060	97.92	224,609	98.58
Private Sector Projects	6,074	1.87	4,284	2.08	3,245	1.42
TOTAL	324,028	100.00	206,344	100.00	227,854	100.00

Types of Customer	FYE 2017		FPE 2018	
	RM'000	%	RM'000	%
Government Projects	211,168	99.37	121,597	99.96
Private Sector Projects	1,343	0.63	49	0.04
TOTAL	212,511	100.00	121,646	100.00

7. BUSINESS OVERVIEW (Cont'd)

Please refer to Section 7.3.2 of this Prospectus for further details of government and private sector projects. Some of the notable construction projects that we have undertaken for the Period Under Review are as follows:

- (i) Non-residential buildings
 - Student hostels for IIUM Concession Project in Kuantan, Pahang;
 - Student hostels for UTeM Concession Project in Malacca;
 - Student hostels for the Polytechnic Project in Peninsular Malaysia;
 - Aircraft hangars and academic buildings for UniKL MIAT Project in Subang, Selangor;
 - Cardiology Centre for Serdang Hospital Project in Selangor; and
 - Educational building for the MRSM Project in Bagan Datuk, Perak.

- (ii) Residential buildings
 - FELDA New Generation Housing Project in Kuantan, Pahang;
 - PR1MA Homes Pasir Mas (Phase 1) Project, Kelantan;
 - Rumah Selangorku Bukit Raja Project in Klang, Selangor; and
 - Rumah Selangorku Putra Heights Project, Selangor.

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7. BUSINESS OVERVIEW (Cont'd)**7.3.1.3 Types of projects**

Our business operations as segmented by concession and non-concession projects for the Period Under Review are depicted below:

Revenue Breakdown by type of projects

By Project Types	FYE 2014		FYE 2015		FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Concession projects	65,348	20.17	55,070	26.69	161,950	71.08	96,897	45.60	12,053	9.91
Student Hostels for IIUM Concession Project	65,348	20.17	9,367	4.54	9,323	4.09	9,355	4.40	4,700	3.86
Student Hostels for UTeM Concession Project	-	-	45,703	22.15	152,627	66.99	87,542	41.20	7,353	6.05
Non-concession projects	258,680	79.83	151,274	73.31	65,904	28.92	115,614	54.40	109,593	90.09
Building construction	251,811	77.71	146,665	71.08	60,411	26.51	102,498	48.23	102,747	84.46
Other projects ¹	6,869	2.12	4,609	2.23	5,493	2.41	13,116	6.17	6,846	5.63
TOTAL	324,028	100.00	206,344	100.00	227,854	100.00	212,511	100.00	121,646	100.00

Note:

(1) Other projects include the supply of chilled water, as well as supply and installation of equipment.

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7. BUSINESS OVERVIEW (Cont'd)

(i) Concession projects

As at the LPD, we have commenced the provision of facility management services for the IIUM Concession Project upon the issuance of the Certificate of Acceptance by IIUM in 2014. The construction of this IIUM Concession Project was completed in 2014. In this respect, revenue of RM65.35 million for the IIUM Concession Project was mainly derived from the remaining construction revenue of the said project for FYE 2014. For FYE 2015, FYE 2016 and FYE 2017, and FPE 2018, revenue of RM9.37 million, RM9.32 million, RM9.36 million and RM4.70 million, respectively were attributed to the provision of facility management services for the IIUM Concession Project. Moving forward, we will only expect recurrent revenue from the provision of facility management services until the end of Concession Period for the IIUM Concession Project.

The construction for this UTeM Concession Project was completed in June 2017. In this respect, revenue of RM45.70 million for FYE 2015 and RM152.63 million for FYE 2016 were derived from the construction of the UTeM Concession Project. We started providing facility management services for UTeM Concession Project on 15 September 2017 which recorded a revenue of RM1.87 million for FYE 2017, while RM85.67 million was derived from the remaining construction revenue of the said project for FYE 2017. For the FPE 2018, revenue of RM3.23 million was attributed to the provision of facility management services for the UTeM Concession Project, while RM4.12 million was derived from the remaining construction revenue of the said project. Moving forward, we will only expect recurrent revenue from the provision of facility management services until the end of Concession Period for the UTeM Concession Project.

The following are the general terms of the above concessions undertaken by our Group:

Concession Period: A period of 22.5 years ("Concession Period") commencing from the commencement date of construction or the date all conditions precedent for the Concession Agreement have been met whichever is the later ("Commencement Date"), and ending on the 6th month following the twenty second (22nd) anniversary of the Commencement Date ("Expiry Date"). 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").

Grant of Concession: The concession company is granted the rights and authority by the project owner to carry out, amongst others, the planning, design, development, construction and completion of the facilities and infrastructure of the project and upon issuance of the Certificate of Acceptance, to carry out the Asset Management Services subject to the terms and conditions of the Concession Agreement.

Consequences of Expiry of Concession: Upon the expiry of the Concession Period, the concession company shall, amongst others:

- (a) at no cost to the project owner, hand over the project land and the facilities and infrastructure on the project land and make good any defect. If the concession company fails to make good such defect, the project owner may do so and all costs and expenses incurred by project owner for making good the defect shall be a debt due from the concession company to project owner; and
- (b) cease to provide the Asset Management Services and the rights of the concession company in respect of the Concession shall revert to and vest in project owner.

7. BUSINESS OVERVIEW (Cont'd)

Concession Charges: Upon completion of the construction works and commencement of the Asset Management Services, the project owner will pay to the concession company throughout the Maintenance Period, the sub-lease rental for the availability of the facilities and infrastructure ("Availability Charges") and the asset management services charges ("Maintenance Charges") for the Asset Management Services by way of monthly payments in arrears. Either party may request for a review of the Maintenance Charges every 5 years.

Revision or Deduction of Charges: The project owner may request for a review of the Maintenance Charges every 5 years after the Asset Management Services has commenced. The project owner will deduct any costs and expenses incurred in making good any faults of the facilities and infrastructure during the Maintenance Period from the Maintenance Charges. The project owner may alter or vary utilisation of the facilities and infrastructure at any time 5 years after the Asset Management Services has commenced which may substantially change the scope of the Asset Management Services. Parties will renegotiate the revised Asset Management Services and new rates for the services. The project owner may impose penalties and deduct such amounts from the Maintenance Charges if the concession company fails or neglects to carry out the Asset Management Services in accordance with the agreed terms or at all.

Termination: if, at any time, during the Maintenance Period, the concession company, amongst others:

- (a) fails to provide any of the Asset Management Services in accordance with the terms of the Concession Agreement; or
- (b) is in breach of any of its obligations or fails to comply with any provisions under the Concession Agreement, then the project owner shall be entitled to give notice to the concession company to remedy the default within a period stipulated in the notice (the "Remedy Period"). If the Concession Company fails to remedy the default within the Remedy Period or such other period as may be determined by project owner,

the project owner shall have the right to terminate the Concession Agreement by giving notice to that effect to the Concession Company.

Consequences of Termination: If the Concession Agreement is terminated by project owner, the concession company shall pay amongst others the project owner losses, costs, damages or penalties incurred by the project owner arising from the default; the project land shall revert to project owner at no cost to project owner; and the project owner shall be entitled to utilize the facilities and infrastructure for its own benefit. The project owner shall pay to the concession company within a stipulated period from the termination date or any further period as the parties may mutually agree, all the Availability Charges and the Maintenance Charges which are due and payable as at the termination date and within a stipulated period from the termination date pay to the concession company the outstanding amount relating to the loan obtained by the concession company as approved by the Government for the purpose of financing the construction works for the project. The concession company shall not be entitled to claim any costs, expenses and losses arising from the termination other than set out above.

Expropriation by the Government: If the Government considers that it is in the national or public interest or national security to expropriate the concession company's rights under the concessions, the Government may terminate the Concession Agreements by giving the concession company prior written notice of a stipulated period.

7. BUSINESS OVERVIEW (Cont'd)

Consequences of Expropriation: In the event of expropriation by the Government, amongst others, the concession company will cease its obligations under the concession; the project land shall revert to project owner at no cost to project owner; and the project owner shall be entitled to utilize the facilities and infrastructure for its own benefit. The project owner shall pay to the concession company within a stipulated period from the termination date the present value of the Availability Charges for the remaining unexpired concession period discounted at the weighted average cost of capital of the concession company as at the termination date (less any amount which may be owed by the concession company to the project owner under the Concession Agreements as at the termination date); and the Availability Charges and/or Maintenance Charges payable by the project owner as at the termination date. The concession company shall not be entitled to claim any costs, expenses and losses arising from the expropriation other than set out above.

Our Group is of the view that there are no provisions under the Concession Agreements for the IIUM Concession Project and the UTeM Concession Project, which are unusual, exceptional or onerous in nature to be fulfilled by the concession company which could result in the termination of the Concession Agreements.

(ii) Non-concession Projects

Non-concession projects were mainly derived from revenue of building construction of non-residential and residential buildings. Please refer to Section 11.3.1 (ii) of this Prospectus for further details on revenue of building construction of non-residential and residential buildings.

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7. BUSINESS OVERVIEW (Cont'd)**Our Projects**

For the Period Under Review and up to the LPD, our concession projects for building construction and facility management services are as follows:

Concession projects	Customer Name	Government Projects/ Private sector projects	Start Date ¹	Completion Date ²	Total Contract Value RM million	Commercial Arrangements	Status as at LPD
(i) Non-residential building construction							
Student hostels for IIUM Concession Project	IIUM	Government Project	2012	2014	390.26 ³	Availability Charges ³ are billed and paid on a monthly basis after construction has been completed. Payments received are based on instalments over the maintenance period ⁵ . The collection period for Availability Charges is from 2014 until 2034.	Completed
Student hostels for UTeM Concession Project	UTeM	Government Project	2015	2017	295.88 ³	Availability Charges ³ are billed and paid on a monthly basis after construction has been completed. Payments received were based on instalments over the maintenance period ⁶ . The collection period for Availability Charges is from 2017 until 2037.	Completed
(ii) Facilities management services							
Student hostels for IIUM Concession Project	IIUM	Government Project	2014	2034	Not applicable	Maintenance Charges are billed and paid on a monthly basis over the maintenance period ⁵ .	On-going
Student hostels for UTeM Concession Project	UTeM	Government Project	2017	2037	Not applicable	Maintenance Charges are billed and paid on a monthly basis over the maintenance period ⁶ .	On-going

7. BUSINESS OVERVIEW (Cont'd)

Notwithstanding that payments of the Availability Charges are made after construction, for the building construction for the concession projects mentioned above, the revenue recognition was based on the stages of completion during the construction period.

Notes:

- (1) Year of commencement is based on date of site possession.
- (2) Completion date is based on issuance date of CPC.
- (3) Total contract value was based on computation of net present value, i.e. fair value, using discounted cash flow analysis method, which is the sum of expected collection of the Availability Charges (i.e. cash inflow) over a period of 20 years discounted back to the net present value. The discounted rates used for the ILUM Concession Project and UTeM Concession Project, were based on the 20-year quasi-government yield-to-maturity rate as at the respective CPC date.
- (4) Further details on revenue contribution for ILUM Concession Project and UTeM Concession Project:

By Project Types	FYE 2014		FYE 2015		FYE 2016		FYE 2017		FYE 2018	
	RM'000	% of our Group's total revenue	RM'000	% of our Group's total revenue	RM'000	% of our Group's total revenue	RM'000	% of our Group's total revenue	RM'000	% of our Group's total revenue
Concession projects	65,348	20.17	55,070	26.69	161,950	71.08	96,897	45.60	12,053	9.91
Student Hostels for ILUM Concession Project	65,348	20.17	9,367	4.54	9,323	4.09	9,355	4.40	4,700	3.86
Student Hostels for UTeM Concession Project	-	-	45,703	22.15	152,627	67.0	87,542	41.19	7,353	6.05

Please refer to the following notes (5) and (6) for further details of the revenue from building construction and facility management services of the abovementioned concession projects.

7. BUSINESS OVERVIEW (Cont'd)

(5) **IUUM Concession Project:**

The revenue contribution for this project in FYE 2014 was mainly derived from the remaining construction revenue of the project, which was recognised based on stage of completion. The construction for this project was completed in 2014. For the Period Under Review, the revenue contributions were attributed to the provision of facility management services for the project in terms of Maintenance Charges, which is billed and paid on a monthly basis. Moving forward, we will expect recurrent revenue from the provision of facility management services in terms of Maintenance Charges until 2034.

In 2014, upon the completion of the construction, we commenced provision of facilities management services where Sasaran Etika started to receive payments in Availability Charges in the Period Under Review. The total Availability Charges, which are expected to be collected over 20 years is approximately RM588.69 million, whereby the total for the first 15 years is approximately RM504.59 million (payable in fixed equal monthly instalments over the 15 years) and the total for the remaining 5 years is approximately RM84.10 million (payable in fixed equal monthly instalments over the 5 years).

The total Maintenance Charges for provision of facilities management services for the IUUM student hostels for 20 years is approximately RM187 million. The Maintenance Charges are subject to certification and any deduction (i.e. if Sasaran Etika is unable to carry out the facility management services according to the service description as set out in the asset management services manual) to be made in accordance with the applicable provisions of the concession agreement. For the facility management services, either party may request for a review of the Maintenance Charges every 5 years. For further details, refer to the general terms of the concession projects in Section 7.3.1.3.

In addition, IUUM pays a sinking fund of approximately RM69.68 million over 20 years until 2034. The sinking fund contributions are payable on monthly basis, and deposited into a joint account of IUUM and Sasaran Etika. The sinking fund may be withdrawn according to an asset management programme schedule set out in the asset management services manual, and for purposes of upkeeping the facilities and infrastructure (such as replacement of plants, machinery, equipment when it reaches its life span, becomes not economical to repair, obsolete, or due to wear and tear; or remedial works to architectural, civil and structural works when it reaches its life span, or due to aging, wear and tear, damages or deterioration in visual appearance). Any unutilised sinking funds will be disbursed back to the university at the end of 2034.

(6) **UTeM Concession Project:** The revenue for contribution for this project in the Period Under Review were mainly derived from the construction of the project, which was recognised based on stage of completion. The construction for this project was completed in 2017. On 15 September 2017, we started providing facility management services for the UTEM student hostels and related facilities. Moving forward, we will only expect recurrent revenue from the provision of facility management services in terms of Maintenance Charges until 2037.

The total Availability Charges, which are expected to be collected over 20 years is approximately RM476.07 million (payable in fixed equal monthly instalments). The total Maintenance Charges for provision of facilities management services for the UTeM student hostels for 20 years is approximately RM128 million. The Maintenance Charges are subject to certification and any deduction (i.e. if Naluri Etika is unable to carry out the facility management services according to the service description as set out in the asset management services manual) to be made in accordance with the applicable provisions of the agreement. For the facility management services, either party may request for a review of the maintenance charges every 5 years. For further details, please refer to the general terms of the concession projects in Section 7.3.1.3.

7. BUSINESS OVERVIEW (Cont'd)

In addition, UTeM pays a sinking fund of approximately RM62.21 million over 20 years until 2037. The sinking fund contributions are payable on monthly basis, and deposited into a joint account of UTeM and Naluri Etika. The sinking fund may be withdrawn according to an asset management programme schedule set out in the asset management services manual, and for purposes of upkeeping the facilities and infrastructure (such as replacement of plants, machinery, equipment when it reaches its life span, becomes not economical to repair, obsolete, or due to wear and tear; or remedial works to architectural, civil and structural works when it reaches its life span, or due to aging, wear and tear, damages or deterioration in visual appearance). Any unutilised sinking funds will be disbursed back to the university at the end of 2037.

Non-concession Projects

For the Period Under Review and up to LPD, our completed non-concession building construction projects are as follows:

Non-concession projects	Work carried out	Customer Name	Government Projects/ Private Sector Projects	Start Date¹	Completion Date²	Total Contract Value³ RM million	Remarks	Status
Student hostels for Polytechnic Project	Non-residential building construction	Konsortium PAE Concession Companies	Government Project	2013-2014 ⁴	2015-2016 ⁴	285.00	Amongst others, Nadi Cergas appointed the shareholders of Konsortium PAE Concession Companies, namely, Syarikat Kejuruteraan Kenali Sdn Bhd, PAE Builders Sdn Bhd and Seri Delima Anggun Sdn Bhd as subcontractors for the Polytechnic Project based on a mutual understanding between the Gagasan Nadi Group, Konsortium PAE Concession Companies and the said subcontractors ⁶ .	Completed

7. BUSINESS OVERVIEW (Cont'd)

Non-concession projects	Work carried out	Customer Name	Government Projects/ Private Sector Projects	Start Date ¹	Completion Date ²	Total Contract Value ³ RM million	Remarks	Status
Aircraft hangars and academic buildings for UniKL MIAT Project	Non-residential building construction	Public Works Department	Government Project	2013	2016	130.75	Not applicable	Completed
Hevea Kemensah in Melawati, Selangor	Residential building construction	Idolite Corporation Sdn Bhd	Private Sector Project	2011	2015	35.60	Not applicable	Completed
FELDA New Generation Housing Project in Kuantan, Pahang	Residential building construction	Ismafinie (M) Sdn Bhd	Government Project	2013	2015 ⁵	89.98	Not applicable	Completed
Branch office building for Ministry of Domestic Trade, Co-operatives and Consumerism	Non-residential building construction	Ministry of Domestic Trade, Co-operatives and Consumerism	Government Project	2016	2018	21.23	Not applicable	Completed

For the building construction projects mentioned above, the revenue recognition was based on the stages of completion.

Notes:

- (1) Year of commencement is based on date of site possession.

7. BUSINESS OVERVIEW (Cont'd)

- (2) Completion date is based on issuance date of CPC.
- (3) Total contract value includes variation orders.
- (4) For the 5 polytechnics in Ipoh, Banting, Seberang Perai, Johor Bahru and Port Dickson, construction commenced in 2013 and was completed in December 2015. The construction of the remaining 2 polytechnics in Jeli and Kota Bahru which commenced in 2014, was completed in May and July 2016, respectively.
- (5) The completion date is based on the physical construction work that was completed in January 2015 and CPC was issued in April 2018.
- (6) Nadi Cergas was appointed by 7 concession companies as their main contractor to carry out the Polytechnic Project.

The 7 concession companies namely Konsortium PAE (Banting) Sdn Bhd, Konsortium PAE (Ipoh) Sdn Bhd, Konsortium PAE (Johor Bahru) Sdn Bhd, Konsortium PAE (Seberang Perai) Sdn Bhd, Konsortium PAE (Jeli) Sdn Bhd, Konsortium PAE (Kota Bahru) Sdn Bhd, and Konsortium PAE (Port Dickson) Sdn Bhd (collectively referred to as "**Konsortium PAE Concession Companies**") were awarded concessions for the development of student hostels and the subsequent operation, maintenance and management of the student hostels. All 7 concession companies are wholly owned subsidiaries of Konsortium PAE Sepakat Sdn Bhd.

The details of the revenue contribution from Konsortium PAE Concession Companies are as follows:

	FYE 2014		FYE 2015		FYE 2016		FYE 2017		FPE 2018	
	RM'000	% of our Group's total revenue	RM'000	% of our Group's total revenue	RM'000	% of our Group's total revenue	RM'000	% of our Group's total revenue	RM'000	% of our Group's total revenue
Konsortium PAE Concession Companies	95,619	29.51	121,316	58.79	32,456	14.24	540	0.25	1	*

* *Negligible*

For the Polytechnic Project, we subcontracted the construction works for the 7 polytechnics due to the need to complete the construction simultaneously in 6 different states within a stipulated timeframe. The construction of the 7 polytechnics that were subcontracted out to external parties were located in Jeli, Kota Bahru, Seberang Perai, Johor Bahru, Port Dickson, Ipoh and Banting. The construction works were carried out based on our structural and building design and specifications and under our supervision. Nadi Cergas is responsible for overall project planning and management, structural and building design, procurement of construction materials as well as procurement of interior fixtures, fittings and furniture for the Polytechnic Project.

7. BUSINESS OVERVIEW (Cont'd)

The subcontractors of the Polytechnic Project include Syarikat Kejuruteraan Kenali Sdn Bhd, P.A.E Builders Sdn Bhd and Seri Delima Anggun Sdn Bhd. Syarikat Kejuruteraan Kenali Sdn Bhd, P.A.E Builders Sdn Bhd and Seri Delima Anggun Sdn Bhd are holding equity interest of 10.0%, 40.0% and 50.0% respectively in Konsortium PAE Concession Companies via Konsortium PAE Sepakat Sdn Bhd.

- Syarikat Kejuruteraan Kenali Sdn Bhd was our subcontractor for building works relating to the construction of Jeli and Kota Bahr Polytechnic. The building works were completed in 2016.
- P.A.E Builders Sdn Bhd was our subcontractor for building works relating to the construction of Seberang Prai and Port Dickson Polytechnic. The building works were completed in 2015.
- Seri Delima Anggun Sdn Bhd was our subcontractor for building works relating to the construction of Ipoh and Banting Polytechnic and the building works were completed in 2015.

The building works provided by Syarikat Kejuruteraan Kenali Sdn Bhd, P.A.E Builders Sdn Bhd and Seri Delima Anggun Sdn Bhd include piling and foundation, structural framework, wall and roofing, sewage and drainage works, and roadworks.

For the Period Under Review and up to LPD, our on-going and new non-concession building construction projects are as follows:

Non-concession projects	Work carried out	Customer Name	Government Projects/ Private Sector Projects	Start Date ¹	Completion Date ²	Total Contract Value ³ RM million	Remarks	Status
PR1MA Homes Pasir Mas (Phase 1) Project, Kelantan	Residential building construction	Firelex	Government Project	2016	2018	157.72	Please refer to Note (5) below.	On-going
Rumah Selangorku Bukit Raja Project in Klang, Selangor	Residential building construction	Sime Darby USJ Development Sdn Bhd	Government Project	2016	2019	96.98	Not applicable	On-going
Rumah Selangorku Putra Heights Project, Selangor	Residential building construction	Sime Darby USJ Development Sdn Bhd	Government Project	2017	2020	241.43	Not applicable	On-going

7. BUSINESS OVERVIEW (Cont'd)

Non-concession projects	Work carried out	Customer Name	Government Projects/ Private Sector Projects	Start Date ¹	Completion Date ²	Total Contract Value ³ RM million	Remarks	Status
Cardiology Centre for Serdang Hospital Project, Selangor	Non-residential building construction	Public Works Department Malaysia	Government Project	March 2018	2021	289.77 ⁴	Not applicable	On-going
MRSM Project in Bagan Datuk, Perak	Non-residential building construction	MARA	Government Project	March 2018	2020	95.59 ⁴	Not applicable	On-going
PR1MA Homes Pasir Mas (Phase 2) Project, Kelantan ⁵	Residential building construction	Firalex Sdn Bhd	Government Project	Expected by end of second half of 2018	2021	83.86	Please refer to Note (6) below.	Yet to commence pending for site possession

For the building construction projects mentioned above the revenue recognition is based on the stages of completion.

PPA1M Tanjung Chat Project: Nadi Cergas had entered into a MOU dated 20 September 2016, supplemental MOU dated 1 November 2016 and supplemental letter dated 8 November 2016 with ND Mutiara Realities, and Nik Mohd Kazim Bin Nik Din and Mohd Yusran Zamany Bin Yusoff, the then existing shareholders of ND Mutiara Realities (collectively referred to as the "Tanjung Chat MOU"), to set out the basis of collaboration in relation to the PPA1M Tanjung Chat project under the PPA1M programme and to facilitate ND Mutiara Realities in the process of securing a formal award from PPAM for the PPA1M Tanjung Chat Project.

By a Design and Build Agreement dated 1 November 2016 between ND Mutiara Realities and Nadi Cergas ("Tanjung Chat DBA"), ND Mutiara Realities had agreed to appoint Nadi Cergas to undertake the construction and completion of the PPA1M Tanjung Chat Project.

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, Hj Wan Azman and Datuk Wan Kassim, both directors of Nadi Cergas, are directors and shareholders of ND Mutiara Realities. Their directorships and shareholdings (as nominated by Nadi Cergas) in ND Mutiara Realities arise pursuant to the terms of the Tanjung Chat MOU to ensure all payments due to Nadi Cergas by ND Mutiara Realities under the Tanjung Chat Project are made when ND Mutiara Realities receives payment from their customer. The price per share for the shares in ND Mutiara Realities held by Datuk Wan Kassim and Hj Wan Azman in ND Mutiara Realities was RM1.00 per share. Pursuant to the terms of the MOU, upon completion of the PPA1M Tanjung Chat Project, subject to all payments due to Nadi Cergas being paid, Nadi Cergas is responsible to procure the re-transfer of the directorship and shareholdings held by Hj Wan Azman and Datuk Wan Kassim in ND Mutiara Realities back to Nik Mohd Kazim Bin Nik Din and Mohd Yusran Zamany Bin Yusoff, at RM1.00 per share.

On 1 November 2016, both Datuk Wan Kassim and Hj Wan Azman have signed a letter of undertaking to Nik Mohd Kazim Bin Nik Din and Mohd Yusran Zamany Bin Yusoff to execute and/or cause to be executed all relevant share transfer forms, directors' resolution, directors' resignation and all such documents which are necessary for the effective re-transfer of all of the shares held by them in ND Mutiara Realities to Nik Mohd Kazim Bin Nik Din and Mohd Yusran Zamany Bin Yusoff at original value upon completion of the PPA1M Tanjung Chat Project.

The proposed development by ND Mutiara Realities, under the PPA1M programme in Tanjung Chat, Kelantan had been subsequently terminated based on PPAM's letter dated 13 July 2018. Further to the termination, the project owner ND Mutiara Realities had decided to continue the development as a private development project with Nadi Cergas as the main contractor and the parties to the Tanjung Chat MOU and the Tanjung Chat DBA (defined in section 9.1) had also via respective supplemental letters on 23 November 2018 agreed to the same. The project specifications of the private development project are pending finalisation. Construction for this project has yet to commence as at the LPD. Please refer to Sections 9.1 and 7.18(d) of this Prospectus for further details.

Notes:

- (1) Year of commencement is based on date of site possession.
- (2) Completion date is based on issuance date of CPC.
- (3) Total contract value includes variation orders.
- (4) In November 2018, we have also received contract sum reduction requests from 2 Government Project owners as at the LPD: (1) Public Works Department Malaysia, in relation to the Cardiology Centre for Serdang Hospital Project, had in November 2018 requested for a 10% reduction to the contract sum from RM289.77 million to RM260.79 million. As at the LPD, the Cardiology Centre for Serdang Hospital Project is on-going and on schedule with approximately 6% completed. (2) MARA, in relation to the MRSM Bagan Datuk Project, had also in November 2018 requested Nadi Cergas to submit a price revision proposal, and Nadi Cergas had subsequently offered a proposed reduction of RM1.5 million on a lump sum basis from the contract sum of RM95.59 million to RM94.09 million. The MRSM Bagan Datuk Project is on-going and progressing ahead of schedule with approximately 15% completed. The contracts for the Cardiology Centre for Serdang Hospital Project and the MRSM Bagan Datuk Project respectively do not contain provisions for revision of contract sum save for the variation terms pursuant to certified variation orders. The above revisions of terms are subject to the contracting parties' mutual agreement, and as at the LPD the negotiations for such contract sum revisions have yet to be finalised nor formalised.