



Gagasan Nadi Cergas revenue jumps 41.2% to RM300.1 million in FY2018

- **Posts net profit of RM32.6 million in FY2018**
- **Order book of approximately RM737 million**

Selangor, Malaysia, 27 February 2019 - Construction group and concessionaire **Gagasan Nadi Cergas Berhad** (Gagasan Nadi Cergas, the Group, 佳搏有限公司, Bloomberg: 0206:MK, Reuters: GAGA.KL) registered 41.2% higher revenue to RM300.1 million in financial year ended 31 December 2018 (FY2018) from RM212.5 million a year ago on the back of higher revenue from on-going construction projects and commencement of new construction project.

The Group's net profit, however, declined 34.4% to RM32.6 million from RM49.8 million a year ago. This is attributable to listing expenses related to the Initial Public Offering exercise, and impairment loss on receivables. In addition, the previous financial year saw the completion of higher gross profit margin project.

The construction segment contributed RM270.3 million or 90.1% of the Group's topline in FY2018, from works done for Rumah Selangorku in Putra Heights and Bukit Raja, 1Malaysia People's Housing (PR1MA) in Pasir Mas, Cardiology Centre for Hospital Serdang and Maktab Rendah Sains Mara (MRSM) in Bagan Datuk. The construction segment also constituted 61.4% or RM28.1 million of the Group's profit before tax (PBT).

The Group's recurring income streams of concession & facility management, and utility services brought in a further RM20.0 million or 6.7% of FY2018 turnover. Notably, these two segments contributed RM21.4 million or 46.8% of FY2018 PBT.

“Supported by a healthy orderbook and strong recurring income stream, our performance in 2018 is a testament to our steadfast commitment for continuous growth despite a challenging environment prevailing in the construction sector.

Moving forward, we endeavour to continue tendering for new public and private sector projects by leveraging on our competitive advantage of management team experience and approximately 20 years track record in completing sizable projects across nation, as well as our newly attained favourable position of being a listed entity.”

***Haji Wan Azman bin Wan Kamal,
Group Managing Director, Gagasan Nadi Cergas Berhad***

The balance RM9.8 million or 3.3% of FY2018 revenue was derived from property development, which also contributed RM1.0 million or 2.3% of FY2018 PBT.



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Under the Group's concession and facility management business, Gagasan Nadi Cergas holds two long-term contracts, namely a 20-year facility management concession for hostels of International Islamic University Malaysia (IIUM) in Kuantan, Pahang till 2034 and a 20-year facility management concession for hostels of Universiti Teknikal Malaysia Melaka (UTeM) in Durian Tunggal, Melaka till 2037.

For its utilities service segment, the Group holds two long-term contracts, namely a 20-year operation contract for a District Cooling System (DCS) to supply chilled water to the German-Malaysian Institute, Bangi till 2028 and upcoming 30-year operation contract for a DCS and electricity distribution under the Datum Jelatek development.

As at 18 February 2019, Gagasan Nadi Cergas's unbilled order book stood at a healthy level of approximately RM737 million. This includes new contracts worth RM385.4 million bagged in FY2018, and an additional RM110.0 million contract for the proposed construction and completion of a public residential development from Putrajaya Homes secured in January 2019.

For the fourth quarter ended 31 December 2018 (4Q18), the Group posted net profit of RM5.0 million on the back of RM89.2 million in revenue.

No comparative figures for the preceding year's quarter are available as this is the first interim financial report on the consolidated results for the 4Q18 announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities).

Gagasan Nadi Cergas Berhad was listed on the ACE Market of Bursa Securities on 8 January 2019.

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About Gagasan Nadi Cergas Berhad (www.nadicergas.com)

Gagasan Nadi Cergas is primarily involved in four business segments, namely building construction, provision of facilities management services, operations of district cooling system for the supply of chilled water and electricity distribution, and property development.

Among notable projects completed by the Group include German-Malaysian Institute, the Malaysia Institute of Aviation Technology, 4th Military Camp for the General Operations Force, and seven student hostels in polytechnic campuses across six peninsular states. Gagasan Nadi Cergas has also participated in undertaking housing initiative programmes such as Rumah Selangorku, Federal Land Development Authority (FELDA) housing, 1Malaysia People's Housing (PR1MA) and Housing for Civil Servants (PPAM).

Gagasan Nadi Cergas currently holds two 20-year student hostel concession projects, namely International Islamic University Malaysia (IIUM) in Kuantan, Pahang and Universiti Teknikal Malaysia Melaka (UTeM) in Durian Tunggal, Melaka until 2034 and 2037 respectively.

Gagasan Nadi Cergas also operates a district cooling system for the supply of chilled water for the German-Malaysian Institute in Selangor until 2028.

In property development, the Group is currently undertaking the mixed development of the ASEAN Football Federation (AFF) headquarters and serviced apartments in Putrajaya.

The Group is registered with Pusat Khidmat Kontraktor (PKK) and Construction Industry Development Board (CIDB) as a Grade G7 contractor, which allows the Gagasan Nadi Cergas to tender for projects with unlimited value as well as Bumiputera allocated projects.

Issued for and on behalf of GAGASAN NADI CERGAS BERHAD by Aquilas Advisory (Malaysia). For media enquiries, please contact:

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