



**PRESS RELEASE**

## **Gagasan Nadi Cergas posts higher net profit of RM5.8 million in 4Q20**

- *Driven by strong property segment performance with the commencement of Selindung development in Ulu Yam under the Perumahan Penjawat Awam Malaysia (PPAM) housing programme*
- *To steamroll RM1.3 billion orderbook for this year*
- *Declares a single tier interim dividend of 0.5 sen per share with ex-date on 14 April 2021, to be paid on 30 April 2021*

Selangor, Malaysia, 25 March 2021 - Construction group Gagasan Nadi Cergas Berhad (Gagasan Nadi Cergas, the Group, 佳搏有限公司, Bloomberg: GNCB:MK) posted RM5.8 million net profit for the fourth quarter ended 31 December 2020 (4Q20), 32.5% higher than RM4.4 million a year ago (4Q19), spurred by encouraging performance in its property development and recurring income segments.

The property development segment recorded RM16.6 million revenue in 4Q20, 173.5% higher than RM6.1 million revenue in 4Q19, in line with building progress made for Antara Residence high-rise development and the commencement of affordably priced township development in Selindung Ulu Yam under the PPAM housing programme. The segment registered RM4.6 million profit before tax (PBT) in 4Q20 from loss before tax of RM0.04 million previously.

Meanwhile, the Group's utilities, concessions and facility management segments remained largely resilient, as they contributed PBT of RM5.4 million in 4Q20, rising from RM4.4 million in 4Q19.

The positive contributions from both property development and recurring income segments mitigated the construction segment pre-tax loss of RM3.2 million in 4Q20, which saw lower revenue of RM34.2 million versus RM63.1 million in 4Q19; this was largely affected by the sector-wide challenging operating environment amidst the COVID-19 pandemic.

“We reap the benefits of maintaining a diversified revenue portfolio, as our property development and recurring income segments have helped contribute to a solid 4Q20 result performance despite the weaker construction scene in 2020.

Particularly in our property development segment, we are making good progress in the development of Antara Residence, and remain on track in delivering the project on time. Furthermore, we have also received great demand for our highly sought-after Selindung development in Ulu Yam, with 84% sold/booked barely 12 months after launch.

Alongside signs of construction sector revival marked by our recent contract win for the Maktab Rendah Sains MARA (MRSM) Dungun campus, as well as more affordable housing projects in the pipeline, we aim to continue on our growth trajectory in 2021.”

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



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On 18 March 2021, Gagasan Nadi Cergas announced that it had won a RM97.4 million turnkey contract from the Public Works Department (PWD) to design and build a 68-acre full-facility campus for MRSM in Dungun, Perak.

The Group's outstanding orderbook currently stands at RM1.3 billion, including the recent MRSM contract win; Cardiology Centre in Serdang Hospital, Selangor; Putrajaya Homes public residential development in Putrajaya; as well as affordable homes projects in Shah Alam and Serendah, Selangor.

Among the affordable housing projects included in the orderbook is the Rumah Idaman project by Menteri Besar Selangor Incorporated (MBI) to build 4,319 units of affordable homes in Shah Alam. Gagasan Nadi Cergas announced in July last year to undertake construction of Rumah Idaman homes on 36.6 acres of land located in Seksyen U8 and U17, Shah Alam.

Haji Wan Azman said: "After some delay in our projects last year due to COVID-19, we now plan to steamroll our RM1.3 billion orderbook; for one we aim to kickstart the Rumah Idaman project very soon in the second half this year, so as to expedite the government's goal in providing affordable housing to the *rakyat* in the state."

"The six-year project will certainly sustain the Group's earnings going forward."

For the financial year ended 31 December 2020 (FY2020), group revenue came in lower at RM206.9 million from RM289.6 million a year ago (FY2019) due to reduced construction billings as a result of Movement Control Order in the earlier quarters.

Despite the lower group revenue for the year, group net profit however remained resiliently in the black for the past four quarters, totaling to RM12.5 million in FY2020 compared to RM25.3 million in FY2019.

The Group declared a single-tier interim dividend of 0.5 sen per share in respect of FY2020, with the ex-date on 13 April 2021 and payment date on 30 April 2021. This translates to RM3.8 million total dividend payout, representing 30.8% of net profit in FY2020.



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**About Gagasan Nadi Cergas Berhad ([www.nadicergas.com](http://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, 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) Sdn Bhd

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