



PRESS RELEASE

Gagasan Nadi Cergas net profit more than quadruple to RM7.5 million in 2Q21

- *Property segment continues to bolster Group's bottomline*
- *Construction sites resume operations since end-August; 99% fully-vaccinated workforce to accelerate progress on RM1.7 billion orderbook*

Selangor, Malaysia, 29 September 2021 - Construction group **Gagasan Nadi Cergas Berhad** (Gagasan Nadi Cergas; the Group; 佳搏有限公司; Bloomberg: GNCB:MK) saw net profit more than quadruple to RM7.5 million in the second quarter ended 30 June 2021 (2Q21) from a lower base of RM1.6 million recorded in the previous MCO-affected quarter last year (2Q20), driven by commendable performance in the Group's property development segment.

Group revenue rose 25.1% to RM50.2 million in 2Q21 versus RM40.1 million in 2Q20.

The Group's property development segment played a vital role in the better performance, with the segment's revenue growing to RM15.1 million in 2Q21 from RM1.6 million registered previously.

In effect, the property development segment contributed more than half of the Group's profit before tax (PBT) of RM12.6 million in 2Q21, as the segment recorded RM6.4 million PBT for the quarter, a turnaround from a loss before tax (LBT) of RM1.1 million in 2Q20.

"We have continued to benefit from our diversified business model, as the resilient performance from our property segment helped mitigate the weaker construction segment amidst the implementation of Full Movement Control Order (FMCO) and subsequently the National Recovery Plan since June 2021.

Although our construction segment was affected by the halts, we remain optimistic on the segment's contribution in the coming few quarters, with the resumptions of operations for our construction sites since end-August, coupled with our 99% fully-vaccinated workforce.

Moving forward, we will continue to work hard towards fulfilling our RM1.7 billion worth of outstanding orderbook."

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



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The stellar result seen in the property development segment came from positive progress made for both the Group's high-rise Antara Residence building, and its Selindung Ulu Yam development, an affordably priced township development under Rumah Selangorku (RSKU) and PPAM.

As of 30 June 2021, the Antara Residence has recorded a take-up rate of close to 70%, while the Selindung Ulu Yam development is 90% taken-up.

Meanwhile, the Group's construction segment saw lower revenue at RM30.6 million in 2Q21 from RM33.7 million in the previous corresponding quarter, due to halts in construction sites amidst the implementation of Full Movement Control Order from 1 June 2021 to beyond the end of 2Q21.

Nonetheless, the segment stood resiliently in the green on pre-tax levels, registering RM0.2 million PBT in 2Q21 compared to a LBT of RM3.1 million previously on improved cost management strategies.

Contributions from the Group's utilities, concessions and facility management segments remained largely intact at RM6.2 million PBT in 2Q21 from RM5.8 million PBT last year.

Gagasan Nadi Cergas's outstanding orderbook stood at RM1.7 billion as at 30 June 2021, including the Cardiology Centre in Serdang Hospital, Selangor; MRSM full-facility campuses in Bagan Datuk, Perak and Dungun, Terengganu; two high-rise affordable housing projects for Paramount Corporation Berhad in Selangor; Putrajaya Homes public residential development in Putrajaya; and Rumah Idaman projects in Bukit Jelutong and Elmina Shah Alam, Selangor.



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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 Battalion 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.

Recently received the 5-Star SCORE Award from Construction Industry Development Board (CIDB) for exemplary performance in the construction industry, the Group is registered with Pusat Khidmat Kontraktor (PKK) and CIDB as a Grade G7 contractor. The grade allows 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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