



**PRESS RELEASE**

## **Gagasan Nadi Cergas net profit doubles to RM13.7 million in 9M21**

- *Diversified business model continues to support bottomline; resilient property development and recurring income segments mitigated weaker construction segment*
- *Newly-won affordable housing and Merdeka 118 mosque construction projects to bolster Group's orderbook of RM2.5 billion*

Selangor, Malaysia, 23 November 2021 - Construction group **Gagasan Nadi Cergas Berhad** (Gagasan Nadi Cergas; the Group; 佳搏有限公司; Bloomberg: GNCB:MK) saw net profit double to RM13.7 million in the nine months ended 30 September 2021 (9M21) from RM6.7 million in previous period (9M20), as the Group's diversified business model continues to support the Group in navigating the tough operating environment.

Group revenue fell marginally to RM145.0 million in 9M21 in comparison to RM151.2 million in 9M20, despite a lower construction revenue of RM91.5 million in 9M21 versus RM128.9 previously. The property development and recurring income segments collectively registered RM53.6 million revenue in 9M21 compared to RM22.4 million a year ago.

The Group's property development and recurring income segments (Concession, Utility Services and Facility Management) contributed a total of RM24.8 million in pre-tax profit (PBT) in 9M21, mitigating the weaker construction segment which saw a pre-tax loss of RM2.0 million during the same period.

“Our resilient recurring income and property development segments have again supported us in maintaining profitability against headwinds faced in the construction segment.

The impact on the overall construction industry was accentuated between May to August 2021, when construction sites were not allowed to operate due to lockdown measures to curb the pandemic.

Nevertheless, our construction sites were able to resume operations since end-August, and we are fairly optimistic in achieving better performance moving into the new year 2022 as we deliver our RM2.5 billion worth of orderbook, including the recent contract wins from PNB Merdeka Ventures and Kwasa Land.”

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



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Gagasan Nadi Cergas continued to be profitable in the third quarter ended 30 September 2021 (3Q21), recording a net profit of RM1.1 million for the quarter from RM1.2 million in 3Q20. This was on the back of lower 3Q21 revenue of RM41.1 million from RM56.0 million previously.

The construction segment was impacted by the various lockdowns imposed during the quarter, which saw revenue fall to RM27.5 million from RM48.0 million a year ago.

Recurring income and property development segments remained solid in 3Q21, registering RM13.7 million revenue versus RM8.0 million in 3Q20.

The Group recently bagged a contract from PNB Merdeka Ventures Sdn Bhd (PNB Merdeka Ventures) worth RM33.9 million to build a mosque in Merdeka 118. Previously, the Group also won a RM750.0 million contract from Kwasa Land Sdn Bhd (Kwasa Land) to build 3,990 units of high-rise affordable housing in Kwasa Damansara.

Including the new contract wins, Gagasan Nadi Cergas's outstanding orderbook stood at RM2.5 billion as at 22 November 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](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 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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