



**PRESS RELEASE**

# Gagasan Nadi Cergas 1Q24 net profit rises to RM2.7 million on improved construction segment

- *Higher net profit mainly attributed to positive contribution from construction segment alongside lower finance costs*
- *Property development segment to contribute significantly in FY2024, driven by Rumah Idaman affordable housing projects in Bukit Jelutong, Kwasa Damansara, and the City of Elmina*
- *Group boasts construction order book of approximately RM500 million*

Petaling Jaya, Malaysia, 30 May 2024 - Construction and property group Gagasan Nadi Cergas Berhad (Gagasan Nadi Cergas; the Group; 佳搏有限公司; Bloomberg: GNCB MK) saw its net profit rise to RM2.7 million in the first quarter ended 31 March 2024 (“1Q24”) from RM0.6 million in the previous corresponding quarter, attributed to a positive contribution from the construction segment and lower finance costs.

The Group’s construction sector achieved a turnaround, with profit before tax of RM1.9 million in 1Q24, swinging back from a loss before tax of RM6.3 million previously, due to the completion of legacy contracts which were affected by high material and labour costs previously.

At the same time, the reduction in finance costs followed the full settlement of borrowings in 2023 upon the completion of Phases 1 and 2 of the Selindung Daun Ulu Yam affordable housing project in Selangor.

The Group’s revenue declined 29.4% to RM 47.2 million in 1Q24 from RM66.8 million previously, mainly due to lower revenue registered by the Group’s property development segment following the completion of Antara Residence and Selindung Daun Ulu Yam.

“Our construction segment has achieved a turnaround in 1Q24, after a prolonged period of sluggishness, attributed to construction-related costs. We expect this segment to sustain its positive trajectory in line with increased stages of our construction projects in hand.

Moreover, our rapidly expanding property development segment is poised to bolster the Group’s financial performance this year. This segment is on track to deliver 14,000 affordable homes in Greater Kuala Lumpur, with a gross development value (“GDV”) of RM3.6 billion over the next eight years.”

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

Gagasan Nadi Cergas’ property development segment is currently developing three Rumah Idaman affordable housing projects in collaboration with the Selangor State Government with a collective GDV of RM1.0 billion, namely Idaman Bukit Jelutong, Idaman Kwasa Damansara, and Idaman Amani in the City of Elmina. The property development segment has total unbilled sales of RM148 million, which is expected to be recognised as revenue over the next two years.



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Meanwhile, the Group's construction segment boasts an order book of approximately RM500 million. Notable ongoing projects include the construction of the Sakura Residence apartments for Putrajaya Holdings Sdn Bhd in Putrajaya and Phase 1 of the Atera apartments for Paramount Corporation Berhad in Petaling Jaya.

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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, utility services, 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 concessions with International Islamic University Malaysia (IIUM) in Kuantan, Pahang and Universiti Teknikal Malaysia Melaka (UTeM) in Durian Tunggal, Melaka until 2034 and 2037 respectively.

Nadi Cergas Sdn Bhd, a wholly owned subsidiary of the Group, is registered with Pusat Khidmat Kontraktor (PKK) and CIDB as a Grade G7 contractor. The certification 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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