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PRESS RELEASE

Gagasan Nadi Cergas projects positive performance in FY2024, driven by RM1.7 billion GDV affordable housing developments

- *Ongoing Rumah Idaman affordable housing projects in Bukit Jelutong, Kwasa Damansara, and City of Elmina to boost FY2024 financial performance*
- *Group boasts healthy construction order book of approximately RM478 million*
- *Lower 1H24 net profit, mainly due to reduced property development income following completion of Antara Residence and Selindung Daun, Ulu Yam*

Petaling Jaya, Malaysia, 29 August 2024 - Construction and property group **Gagasan Nadi Cergas Berhad** (Gagasan Nadi Cergas; the Group; 佳搏有限公司; Bloomberg: GNCB MK) remains optimistic of positive financial performance in the financial year ending 31 December 2024 (“FY2024”), driven by high demand for ongoing affordable housing developments worth RM1.7 billion in gross development value (“GDV”), despite a downswing in net profit in the six-month period ended 30 June 2024 (“1H24”).

The projects encompass approximately 6,000 Rumah Idaman affordable housing units in Bukit Jelutong and Kwasa Damansara, as well as over 1,000 Idaman Amani affordable housing units in the City of Elmina. These strategically located developments have enjoyed high take-up rates, reflecting the robust demand for affordable housing in Greater Kuala Lumpur.

The Group’s property development segment has total unbilled sales of RM135 million, expected to be booked in as revenue over the next two years, and aims to deliver 14,000 affordable homes over the next eight years in Greater Kuala Lumpur.

“We anticipate a substantial contribution from our property development segment in the upcoming quarters, underpinned by the strong market reception of our affordable housing projects in Bukit Jelutong, Kwasa Damansara, and City of Elmina.

Our enduring commitment to creating well-designed, modern, and affordable living spaces, is drawing in homebuyers and solidifying our position as a leading property developer in the growing affordable housing market.

At the same time, our construction segment is also gradually making a comeback, despite challenges posed by higher material costs. The resurgence is driven by a robust order book valued at RM478 million, underscoring our reputation as a trusted builder.

We are proud of our proven capability to execute a diverse array of construction projects across public and private sectors, reaffirming our commitment to excellence and reliability in every project we undertake.”

***Dato’ Sr. Hj. Wan Azman bin Wan Kamal,
Group Managing Director, Gagasan Nadi Cergas Berhad***



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The Group recorded 1H24 revenue of RM137.5 million and net profit of RM1.5 million, a decrease of 21.9% and 58.5%, respectively, compared to the same period last year. The decrease is largely attributed to reduced property development income following the completion of the Antara Residence serviced apartments in Putrajaya, and Phases 1 and 2 of the Selindung Daun affordable homes project in Ulu Yam.

The reduction in property development income also contributed to a net loss of RM1.2 million in the second quarter ended 30 June 2024 (“2Q24”), compared to a net profit of RM3.0 million in the previous corresponding quarter, while 2Q24 revenue decreased 14.7% to RM60.3 million in 2Q24 from RM70.0 million previously.

Meanwhile, the Group’s construction segment boasts a healthy order book of approximately RM478 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.

Despite higher material costs, the Group’s construction segment is turning a corner, recording a profit after tax of RM3.0 million in 1H24 compared to a loss after tax of RM1.9 million in the previous corresponding period.

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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, 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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