



Gagasan Nadi Cergas recommences all on-site construction operations nationwide

- ***Order book of approximately RM459 million to be recognized until 2021***
- ***Remains committed to completing acquisition of polytechnic hostel asset concessionaire Konsortium PAE Sepakat Sdn Bhd (KPS)***
- ***Posts net profit of RM3.9 million on RM55.1 million revenue in 1Q20***

Selangor, Malaysia, 22 June 2020 - Construction group and concessionaire **Gagasan Nadi Cergas Berhad** (Gagasan Nadi Cergas, the Group, 佳搏有限公司, Bloomberg: 0206:MK, Reuters: GAGA.KL) today announced that it recommenced on-site operations across all construction sites after the Government eased restrictions during the Conditional Movement Control Order (CMCO).

This followed Gagasan Nadi Cergas's successful screening of all of the Group's staff and workers for Covid-19 as per the directive of the Federal Government. Additionally, the Group has implemented stricter sanitisation protocols to ensure the well-being of staff, workers and stakeholders.

With certain projects being classified as essential, the Group were able to recommence works since April 2020. The Group's ongoing projects encompass the construction of Cardiology Centre for Serdang Hospital, Selangor; Maktab Rendah Sains MARA (MRSM) in Bagan Datuk, Perak; PR1MA Homes Pasir Mas (Phase 1) in Kelantan; Rumah Selangorku Putra Heights and Bukit Raja in Selangor; and public residential development in Putrajaya.

Additionally, the Group is also building its own property development projects, namely Antara Residence, Putrajaya and Selindung Ulu Yam PPAM Selangorku, Ulu Yam.

As at 31 March 2020, Gagasan Nadi Cergas's unbilled order book stood at a healthy level of approximately RM459 million to be recognised until 2021.

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

"We have successfully recommenced on-site operations across all eight sites nationwide. As such, we are currently ramping up our efforts to get on-site operations back to full force to make up for the lost time due to the MCO.

Going forward, we believe our double segment business model of stable recurring income from concession assets and construction order book of RM459 million would enable us sustain growth pace in the long-term. To this end, we remain committed in adding KPS to the Group and further bolstering our concession business."



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The Group proposed to acquire polytechnic hostel asset concessionaire, KPS for RM158.0 million, whose completion is delayed due to the MCO. The Group and the vendors have mutually agreed to extend the conditional period of the share sale agreement till 28 August 2020.

The Group has received approvals from Securities Commission Malaysia for its Islamic medium-term notes (IMTNs) and convertible sukuk (CS) programme to be used for funding the acquisition. The Group is currently in the midst of obtaining necessary approval from Unit Kerjasama Awam dan Swasta (UKAS) and Bursa Malaysia Securities Berhad for issuance of circular to hold an Extraordinary General Meeting to seek shareholders' approval for the proposed corporate exercise.

The proposed addition of KPS will entitle Gagasan Nadi Cergas to the future cash flow streams and extend its in-house facilities management services to KPS's concessions assets.

For the first quarter ended 31 March 2020 (1Q20), Gagasan Nadi Cergas recorded RM55.1 million revenue and RM3.9 million net profit compared to RM68.9 million revenue and RM6.2 million net profit in 1Q19. The 20.0% revenue and 36.1% net profit decline in 1Q20 are primarily attributable to lower progress from construction projects which were halted during MCO starting from 18 March 2020.

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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 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, 1Malaysia People's Housing (PR1MA) 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.



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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). For media enquiries, please contact:

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