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**PRESS RELEASE**

## **Gagasan Nadi Cergas' prospects reinforced by RM1.2 billion orderbook**

- *Ongoing construction of affordable houses and essential projects including hospital and college to provide earnings visibility for next six years*
- *2Q20 performance affected by Movement Control Order (MCO); to catch up on progress in second half of 2020*

Selangor, Malaysia, 19 August 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) is optimistic of its positive prospects given its RM1.2 billion outstanding construction order book that would mitigate its weaker financial results in the second quarter ended 30 June 2020 (2Q20).

With construction sites only allowed to resume works in end-April 2020, group revenue in 2Q20 dipped to RM40.1 million, from RM71.0 million a year ago. Similarly, net profit attributable to shareholders stood at RM1.6 million in 2Q20, compared to RM6.9 million in 2Q19.

Included in its order book are the recently-secured Rumah Idaman programme by the Selangor State Government worth RM777.0 million to construct 4,319 units of affordable homes in Shah Alam. Other projects include a construction project for 148-unit affordable homes in Serendah, the Cardiology Centre for Serdang Hospital and the Maktab Rendah Sains MARA Project in Bagan Datuk, Perak.

Moreover, operations of the Group's recurring income segments, namely the provision of utilities services, plus concession and facility management, are currently ongoing. This entails managing facilities of student hostels in International Islamic University Malaysia and University Teknikal Malaysia Melaka, and providing chilled water services through the District Cooling System to German-Malaysian Institute.

“Winning new jobs even during the soft construction market indicates our competitiveness and clients’ trust in our ability to deliver high-quality design-and-build works. The strong order book helps us greatly in resource planning, and we will be looking to make up for the time lost during the MCO to catch up on construction progress in the second half of 2020.

Still, we are tendering for more projects especially in the affordable housing category. The Government’s recent announcements to encourage home ownership such as the Home Ownership Campaign (HOC), “Skim Perumahan Belia” and the reduction in overnight policy rate augur well for the take-up of strategically located residences and are anticipated to spur the property market.

Despite the rough economic predicament, our twin business model of construction and concession is a plus point for us to carry us through the economic fluctuations.”

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



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For the first half ended 30 June 2020 (1H20), group revenue amounted to RM95.2 million, versus RM139.9 million a year ago. The construction segment reported RM80.9 million revenue in 1H20, while the property development contributed RM4.5 million. The remaining balance of RM9.9 million was derived from the recurring income segment.

1H20 net profit amounted to RM5.6 million from RM13.1 million a year ago.

**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 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.

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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