

**Company Name** : Gabungan Aqrs Berhad  
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## **Gabungan AQRS 3Q Net Profit Surges, Says To Benefit From Transparent Tendering Process**

KUALA LUMPUR (Oct 18): Gabungan AQRS Bhd has posted an 80.7% spike in net profit to RM17.05 million in the third quarter ended Sept 30 from RM9.43 million a year ago in tandem with higher revenue as its projects moved to more advanced stages of construction.

Earnings per share rose to 3.64 sen from 2.32 sen in 3QFY17, while revenue nearly doubled to RM159.27 million from RM80.45 million, mainly from work progress for the Sungai Besi – Ulu Kelang (SUKE) Highway and Pusat Pentadbiran Sultan Ahmad Shah (PPSAS) projects.

In a bourse filing, the group expressed confidence in its ability to compete under the new Pakatan Harapan Government's shift to more open tenders for public projects "given its strong technical capability, a good track record and a solid financial position".

"Additionally, we are now able to be more competitive in our future project tenders given our lean operating cost structure and low financing cost as a result of a low gearing," it said of its net gearing which stood at 0.14x as at end-September.

The group currently has an outstanding construction order book of RM2.4 billion — sustainable for the next three years — and continues to maintain its RM1.5 billion replenishment rate, but at an extended timeline to mid-2019, pending the Government's final review of key infrastructure jobs.

"Thus far, we have been notified that our validity for tenders submitted for the Pan Borneo Highway in Sabah has been further extended to year-end," it said.

Net profit for the cumulative nine-months amounted to RM52.62 million, up 60.4% from the 9MFY17, while revenue rose 48.5% to RM473.96 million.

Gabungan AQRS said work progress on the LRT3 project is expected to be back on track by the middle of 4Q18, and will start contributing positively to group revenue and earnings in the following quarters.

Besides construction, it said its property development project in Johor Bahru, The Peak, recorded a take-up rate of about 30.1% as at end-September. It is also in the midst of gearing up to launch E'Island Residence Puchong, which comprises 1,140 apartment units, with a total gross development value of RM491 million.

The group is aiming to hit RM500 million in sales from both projects.

As at end-September, unbilled property sales stood at RM111.8 million, while unsold property units were valued at RM485.7 million, out of which RM42.5 million worth have been completed.

The group expects its property division “to stage a major turnaround in 2019” and turn into a “cash cow” after over two years of negligible contribution.

Gabungan AQRS' share price — battered since the shock results of the May 9 election — finished half a sen higher at 93.5 sen today, for a market capitalisation of RM446.54 million.

The stock has lost about 39.6% of its value since May 8.