



GADANG HOLDINGS BERHAD
199301023376 (278114-K)

GADANG RECORDS REVENUE OF RM496 MILLION FOR FYE 2023

KUALA LUMPUR, 28 July 2023 – Gadang Holdings Berhad (“Gadang” or “Group”) recorded a revenue of RM496 million for the unaudited financial year ended 31 May 2023 (“FYE 2023”) with the Construction and Property Divisions as the main revenue contributor.

Gadang registered an unaudited loss before tax of RM28 million for FYE 2023, mainly due to lower contribution from construction activities impacted by the lingering challenges caused by the COVID-19 pandemic as well as accounting provisions on potential liabilities arising from liquidated ascertained damages (“LAD”) and impairments. The following items are subjected to impairment and provisioning:

- a) RM11 million one-off impairment loss on goodwill in the Singapore and Indonesia subsidiaries.
- b) RM7 million impairment of outstanding receivables and contract assets for construction projects. Gadang continues to actively pursue the recovery of outstanding sums.
- c) RM9 million impairment of the 9-megawatt hydro power concession in Lintau, Tanah Datar, Sumatera Barat arising from delays caused by social disturbances in land matters and construction issues. The project was also impacted by the efficiency and productivity of the construction workforce and the travel ban brought on by the pandemic.
- d) RM3 million provision for LAD from delays in an existing project.

The above-mentioned impairments and provisions were recognised following a rigorous position review and assessment performed by the Group over all its assets. With regards to the LAD provision, the Group has taken a prudent stance by making provisions for LAD and concurrently pursuing the extension of time claims with the respective clients.

The Group’s income tax expense of RM13 million on the back of the loss before tax was mainly due to the non-recognition of deferred tax assets on unutilised tax losses of certain subsidiaries and certain expenses not deductible for tax purposes.

Tan Sri Dato’ Kok Onn, Group Managing Director of Gadang said “*The impairments are done to better reflect the financial position of the Group after navigating through the unprecedented pandemic*”.

Tan Sri Dato’ Kok Onn further added, “*Looking ahead, the Group remains focused on ensuring timely completion of all on-going construction and development projects in this challenging and competitive environment. The Construction Division will continue to tender for new projects to replenish its order book. With our past track record of securing contracts, we are confident we will be successful in the coming year. The Property Division will focus on the development of mid-range residential projects in the coming year to meet market demand. After securing encouraging responses to our recently launched Laman Citra (Phase 2), Gelang Patah, Johor, we are preparing to launch more exciting projects in the coming year.*”



GADANG HOLDINGS BERHAD
199301023376 (278114-K)

The recent commencement of commercial operations of the mini hydropower plant in Lintau, Tanah Datar, Sumatera Barat, will further broaden the source of revenue for the Group. The 5.9MWac solar photovoltaic energy generating facility located in Tawau, Sabah will also contribute positively to the Group's revenue once completed and commissioned in the second half of 2024. We will continue to explore new markets to broaden the Group's revenue and client base to achieve long-term sustainable growth."

About Gadang Holdings Berhad

Gadang Holdings Berhad ("Gadang") was incorporated in Malaysia on 6 October 1993 as a public limited company under the name of Lai Sing Holdings Berhad. It was listed on the Second Board of Bursa Malaysia Securities Berhad on 2 September 1994 under the Construction Sector. Gadang was subsequently transferred to the Main Board (currently named as Main Market) under the same sector on 24 December 2007. Gadang is an investment holding company and its subsidiaries are in civil engineering and construction, mechanical and electrical engineering services, property development, and concessionaire of water supply, power generation, and solar photovoltaic plants.