

Gadang bags RM900m job

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KUALA LUMPUR: Gadang Holdings Bhd is likely to sign a contract valued at almost RM900 million with Mass Rapid Transit Corp Sdn Bhd (MRT Corp) today.

The contract for Package V2 covers viaduct and associated works from the Kota Damansara Station to the Dataran Sunway Station.

"It is more or less concluded ... The job is Gadang's. The relevant parties are expected to sign the agreement tomorrow [today]," said an executive familiar with the MRT project yesterday.

Tan Sri Kok Onn, Gadang managing director and CEO, declined to comment on the matter to *The Edge Financial Daily*. He holds 33.35% equity interest in the company.

Bursa Malaysia had recently queried Gadang over a news report speculating that it would bag this job. In a response to the query, the company had said: "We are currently awaiting the formal letter of award."

With this job, Gadang's order book is likely to swell to about RM1.6 billion, which should augur well for its earnings.

Gadang's core businesses are civil engineering and construction, property development, water concessions, mechanical engineering services and plantations.

For its nine months ended February this year, Gadang posted a 14% rise in net profit to RM5.26 million on revenue of RM169.82 million. Earnings per share for the period was 2.68 sen against 2.86 sen a year ago.

As at end-February this year, it had cash of about RM72.3 million and RM74.48 million short-term debt commitments plus RM36.54 million in non-current debt obligations. Its shareholders funds stood at RM240.88 million.