



GDB HOLDINGS BERHAD

(Company No. 1036466-U)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE FIFTH ANNUAL GENERAL MEETING (“5th AGM”) OF GDB HOLDINGS BERHAD (“GDB” OR “THE COMPANY”) HELD ON THURSDAY, 7 JUNE 2018 AT 10.30 A.M.

Q1. Why would the Company’s share price decline below the listing price despite strong financial performance reported by the Company with reference to Financial Highlights on page 6 of the Company’s Annual Report for the financial year ended 31 December 2017 (“AR 2017”)?

Share price movements are beyond the Company's control. In view of the current market sentiment, we believe that the decline in our share price may be a temporary situation. The Group’s order book remains healthy and is sufficient to sustain our earnings for the foreseeable future. The Group will also actively participate in securing new projects and hopefully that will help stimulate our share price.

Q2. Does the Group plan to venture or expand its projects into overseas market?

At present, the Group has adequate ongoing projects in the Klang Valley. We will stay focus on projects within the Klang Valley. The Group will consider to venture into overseas market for its next stage of growth when we have built up a bigger and dedicated team moving forward.

Q3. What are the competitive strengths of the Company as compared to other similar construction companies?

Our operations are supported by experienced and technically strong management team in the provision of construction services, focusing on high rise residential, commercial and mixed development projects.

We adopt construction good practices that enabled us to complete all our projects ahead of the contractual completion dates. We have a proven track record of delivering quality projects ahead of contractual completion dates, besides providing solutions which are reliable in terms of quality and safety.

We have also invested in project management software to improve efficiency and enhance our project management and efficiency.

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Summary of Key Matters discussed at the 5th AGM of the Company held on Thursday, 7 June 2018.....cont'd

All these factors will optimize our projects efficiencies and it also established better relationships with the customers and/or suppliers.

Q4. Which sector of the infrastructure segment does the Company plans to venture into?

As part of our long-term plan, the Group intends to expand its business into civil and infrastructure projects. We are currently sourcing for suitable key personnel to form a project team to work jointly with our existing key management team to venture into this new segment. The Group is poised to participate in the civil and infrastructure sector which is a big market for the construction industry.

Q5. How does the implementation of minimum wage impact the Group?

The implementation of minimum wage by the Government has minimum impact on the Group as we have a small number of construction workers for non-skilled works such as cleaning works. The Group engage subcontractors to carry out different aspects of the construction activities in particular those requiring specialised trade works which brings about operating costs efficiency. Hence, we do not foresee any material impact on the Group with the implementation of minimum wage by the Government.

Q6. How does the Company select its subcontractors?

We select and evaluate subcontractors based on their experiences, review of their track records, site visit and other standard operating procedures. We have a pool of subcontractors, including existing subcontractors and new subcontractors which are invited to submit their sub-contract tender.

Q7. Suggest for the Board to have a presentation on the prospects, progress and financial highlights of the Company in the next Annual General Meeting.

The Board took note of the above suggestion from the shareholder.

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Summary of Key Matters discussed at the 5th AGM of the Company held on Thursday, 7 June 2018.....cont'd

Q8. What is the Group's current order book and tender book?

The Group has an outstanding order book of RM808.72 million as at 31 March 2018. Our tender book stood at RM1.4 billion as at 23 April 2018.

Q9. Do you plan to tender for any Government projects in the future?

We will consider to bid for the Government projects if the opportunity arises.

Q10. Can you please update us on the latest status of utilization of proceeds raised from the Listing as disclosed in page 45 of the AR 2017?

The Company had utilized a sum of RM2.79 million of the gross proceeds raised from the Listing as at 31 March 2018. The remaining balance of RM40.96 million will be utilized as planned and set out in the Prospectus for the Listing.

Q11. With reference to page 63 of the AR 2017, what is the nature of provision for defect works?

As a contractor in the main contract, we are obliged to carry out the defects rectification works, if any, during defect liability periods. Hence, it is prudent for the Company to make appropriate provision for defect works.

Q12. With reference to the page 84 of the AR 2017 which states that the normal trade credit term is 30 days, is this the normal credit term for all the trade receivables?

30 days is our normal trade credit term. The fact that we have always been selective about our clientele, our clients include a roster of well-established companies and that helps us in keeping such collection record.

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Q13. With reference to the page 84 of the AR 2017, can you clarify the advances to subcontractors or suppliers?

As a main contractor, we work closely with our subcontractors or suppliers. Generally, there are two (2) types of subcontractors, i.e. domestic subcontractors engaged by the Group and nominated subcontractors or suppliers selected by clients. The scope of work, terms and conditions of contract, contract value and advances (if any) for nominated subcontractor are pre-negotiated by our clients and, as such, are imposed on us as the main contractor. These advances will be paid to nominated subcontractor upon receiving of the same advances from clients by the main contractor.

Q14. Does the Company put in place a dividend policy and will there be any distribution of dividend for this financial year ending 31 December 2018?

The Company has adopted a dividend policy prior to its submission for the Listing of recommending up to 30% of the profit attributable to the owners of the Company in each financial year to be distributed as dividend to our shareholders.

The Board will consider paying dividend as and when is appropriate after taking into account the availability of adequate reserves and cash flow position of the Group.

Q15. Is there a plan for the company to undertake a private placement or share buyback exercises?

The Management and the Board will evaluate several possible fund raising options including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s), as and when required.