



GDB HOLDINGS BERHAD

Registration No.: 201301006623 (1036466-U)
(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE SEVENTH ANNUAL GENERAL MEETING (“7th AGM”) OF GDB HOLDINGS BERHAD (“GDB” OR “THE COMPANY”) HELD ON FULLY VIRTUAL BASIS AND ENTIRELY VIA REMOTE PARTICIPATION AND VOTING AT THE BROADCAST VENUE ON TUESDAY, 16 JUNE 2020 AT 10.30 A.M.

- Q1. Is the 5-Star 22-storey hotel project located in Sabah (“Sabah Project”) affected by the Movement Control Order (“MCO”) as announced by the Government to contain the spread of the COVID-19 outbreak in Malaysia? Since the tourism industry has been massively affected by COVID-19, will the Sabah Project be turned down and/or facing difficulty in collection?**

Almost all the industries and sectors worldwide are impacted by the COVID-19. Nonetheless, the Sabah Project’s client is financially strong and there is no sign of project delay. In fact, the Company has been requested to resume the project works as soon as possible. However, there is a loss of time of approximately 3 months due to the MCO and the Company is currently applying for an extension of time (“EOT”) from the said client to prevent any legal or contractual disputes with them later.

- Q2. What is the impact of COVID-19 on GDB and does it have a significant impact to its next quarter results?**

The construction industry is ground to a halt as there were no construction activities undertaken during the MCO period. Hence, the direct impact is the loss of revenue during this MCO period. However, all of the ongoing projects have resumed work. There is no significant impact on the first quarterly results for the period ended 31 March 2020 of GDB which will be released in the next few days.

- Q3. What is the current total tender book value?**

The current tender book stands at RM2.8 billion of which RM2.4 billion is by Grand Dynamic Builders Sdn. Bhd. and RM0.4 billion is by GDB Geotechnics Sdn. Bhd. (formerly known as Eco Geotechnics Sdn. Bhd.).

- Q4. Has all the construction works resumed back to normal during the Recovery Movement Control Order (“RMCO”) period?**

The construction works of the Company’s projects have resumed gradually so far.

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Summary of Key Matters discussed at the 7th AGM of the Company held on fully virtual and entirely via remote participation and voting at the broadcast venue on Tuesday, 16 June 2020.....cont'd

Q5. How will the Company overcome the negative impacts of COVID-19 in terms of cost saving and securing contract?

The Company has negotiated with various service providers for waiver or reduction of fees such as rental of land, rental of machineries and rental of premises. The Company is also in the midst of streamlining its Standard Operating Procedures (“SOP”) for compliance with the rules and regulations with the view to avoid works stoppages and achieve maximum productivity as well as for cost saving purpose. In addition, its subsidiaries have also applied for the wage subsidy programme introduced by the Government which application for one of its subsidiaries is still in the midst of processing. The subsidy will help to compensate part of the cost incurred by the Group.

Q6. How much is the unbilled portion of the total order book value?

The Company has a total unbilled order book of RM1.15 billion as at 31 December 2019.

Q7. How confident is the Company to achieve RM1 billion revenue by year 2025?

The Company will strive to achieve this target.

Q8. How much cost does the Group anticipate to incur in order to be fully compliance with the SOP set by National Security Council and Construction Industry Development Board?

The Company has yet to determine the cost incurred due to the implementation of SOP for business operations as we have just resumed works for approximately a month. The general compliance costs for face masks, disinfectants, hand sanitizers and etc. are relatively not significant. As for the screening costs for construction workers, the costs are borne by the respective sub-contractors. The Group only bears the screening costs for its staffs and direct workers.

Q9. Hap Seng Consolidated Bhd has entered into a joint venture with Naza TTDI Sdn. Bhd. to bring global hotel brand Hyatt Regency to the KL Midtown project located in the RM20 billion KL Metropolis in Kuala Lumpur. Is there any chance for GDB to bid for the project?

There is no official announcement on the date of the open tender for the said project. The Group will participate in the tender when it is opened for tender.

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Q10. Will the Company maintain the dividend policy in view of the current economic condition?

For the time being, there is no change in the dividend policy. The Company will continue to maintain this policy as long as the cash flow permits.

Q11. Will the Company expect a lower new contract secured amount in this year? If yes, what is the estimated drop in percentage as compared to the contract secured in year 2019?

Currently, the Company is still receiving invitations for project tender. The Company is unable to predict the drop in percentage as compared with year 2019. However, the Company's target for new contract wins of RM750 million in year 2020 remains unchanged.

Q12. Will GDB face any cash liquidity problem in the near future?

To date, the Group's financial position remains positive with zero borrowings. In addition, the Group's clients are mostly good paymaster. Hence, barring any unforeseen circumstances, the Group does not foresee any risk in terms of collection and liquidity.

Q13. Does the Company have any plans to venture into road and bridge construction? What is the long-term goal of the Company and is there any plan to venture into overseas market?

It is always one of the Group's plans to venture into infrastructure projects. However, the Group is still sourcing for the right talent to head this division.

The Group's goal is mainly to focus on the local projects. Overseas project are not in the plan at this juncture.