



GDB HOLDINGS BERHAD

REGISTRATION NO.: 201301006623 (1036466-U)



ANNUAL REPORT 2021



About Us

Established in 2013, GDB Holdings Berhad ("GDB") was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") under the construction sector since 27 March 2018 and was transferred to the Main Market of Bursa Securities on 24 April 2020. GDB has two subsidiaries namely, 100%-owned Grand Dynamic Builders Sdn Bhd ("GDBSB") and 70%-owned GDB Geotechnics Sdn Bhd ("GDB Geotechnics") (collectively known as the "Group").

GDBSB is principally involved in the provision of construction services, focusing on high rise residential, commercial and mixed development projects as main contractor and principal works contractor. Since incorporation, GDBSB has established a good track record for completing projects ahead of the contractual completion dates, while adhering to stringent quality, safety and environmental standards.

GDBSB is accredited with multiple certifications such as ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and OHSAS 45001:2018 Occupational Health and Safety Management System. GDBSB has also attained QCLASSIC, CONQUAS, BuildQAS as well as SHASSIC safety certification for its projects and also completed the Green 5-S program which is in line with GDBSB's commitment to safety, health, quality, productivity and the environment. Notably, GDBSB is the first construction company in Malaysia to be certified by Hong Kong 5-S Association Ltd and SIRIM STS in December 2018 for implementing the Construction Green 5S ("CG5S") which consists of 5S and Lean 5S Programs.

On top of that, GDBSB is registered with the Construction Industry Development Board of Malaysia ("CIDB") as a Grade G7 contractor, which qualifies GDBSB to tender for projects of unlimited value in the categories of general building, general civil engineering, and mechanical works. GDBSB has also obtained the Sijil Perolehan Kerja Kerajaan as a Grade G7 contractor which qualifies GDB to participate in tenders for Government projects with contract value exceeding RM10.0 million.

Its 70%-owned subsidiary, GDB Geotechnics, extends the Group's in-house capabilities to include geotechnical and foundation engineering works which include bored piling, caisson and micro piling solutions, diaphragm walls, earth retaining systems, soil treatment, earthworks, basement works as well as general construction.

GDB Geotechnics also holds a Grade G7 License from CIDB.

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Vision

To be a highly **REPUTABLE** and **PROGRESSIVE** construction firm that delivers products and services of sustainable and excellent quality via innovation in **PEOPLE, QUALITY, SAFETY** and **TECHNOLOGY**.

Mission

- To employ, cultivate, and support our knowledgeable and motivated teams through continuous development and improvement driven by the synergy of Efficiency, Teamwork and Commitment of the management and staff.
- To build dedicated and lasting relationships with our valued customers by delivering progressive excellence, reliable quality and cost-effective projects that exceeds their expectations via exceptional performance by every member of GDB – every time.
- To safeguard Mother Nature and provide sustainability as well as additional peace of mind for our customers by upholding ecological, resource-efficient green technologies and environmentally responsible practices during every stage of construction.

Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Ir. Hj. Zaini Bin Omar
(Independent Non-Executive
Chairman)

Cheah Ham Cheia
(Group Managing Director)

Alexander Lo Tzone Leong
(Group Executive Director)

Cheah Jun Kai
(Executive Director)

Datuk Sr Chia Lui Meng
(Independent Non-Executive Director)

Kow Poh Gek
(Independent Non-Executive Director)

AUDIT COMMITTEE

Kow Poh Gek (Chairperson)
Tan Sri Dato' Ir. Hj. Zaini Bin Omar
(Member)
Datuk Sr Chia Lui Meng (Member)

REMUNERATION COMMITTEE

Datuk Sr Chia Lui Meng (Chairman)
Tan Sri Dato' Ir. Hj. Zaini Bin Omar
(Member)
Kow Poh Gek (Member)

NOMINATION COMMITTEE

Kow Poh Gek (Chairperson)
Tan Sri Dato' Ir. Hj. Zaini Bin Omar
(Member)
Datuk Sr Chia Lui Meng (Member)

RISK MANAGEMENT COMMITTEE

Datuk Sr Chia Lui Meng (Chairman)
Tan Sri Dato' Ir. Hj. Zaini Bin Omar (Member)
Kow Poh Gek (Member)
Cheah Ham Cheia (Member)
Alexander Lo Tzone Leong (Member)

COMPANY SECRETARY

Tea Sor Hua (MACS 01324)
(SSM PC No.: 201908001272)

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone No : 603-7725 1777
Fax No : 603-7722 3668

CORPORATE OFFICE

A-02-01, F-02-01 & F-02-02
Sekitar 26 Enterprise
Persiaran Hulu Selangor
Seksyen 26, 40400 Shah Alam
Selangor Darul Ehsan
Telephone No : 603-5103 8162
Fax No : 603-5103 6621
Website : <https://www.gdbhb.com.my>
Email : enquiry@gdbhb.com.my

AUDITORS

Crowe Malaysia PLT
Chartered Accountants
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Telephone No : 603-2788 9999
Fax No : 603-2788 9998

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Telephone No : 603-7890 4700
Fax No : 603-7890 4670

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
HSBC Bank Malaysia Berhad
United Overseas Bank (Malaysia) Bhd
CIMB Islamic Bank Berhad
Standard Chartered Saadiq Berhad

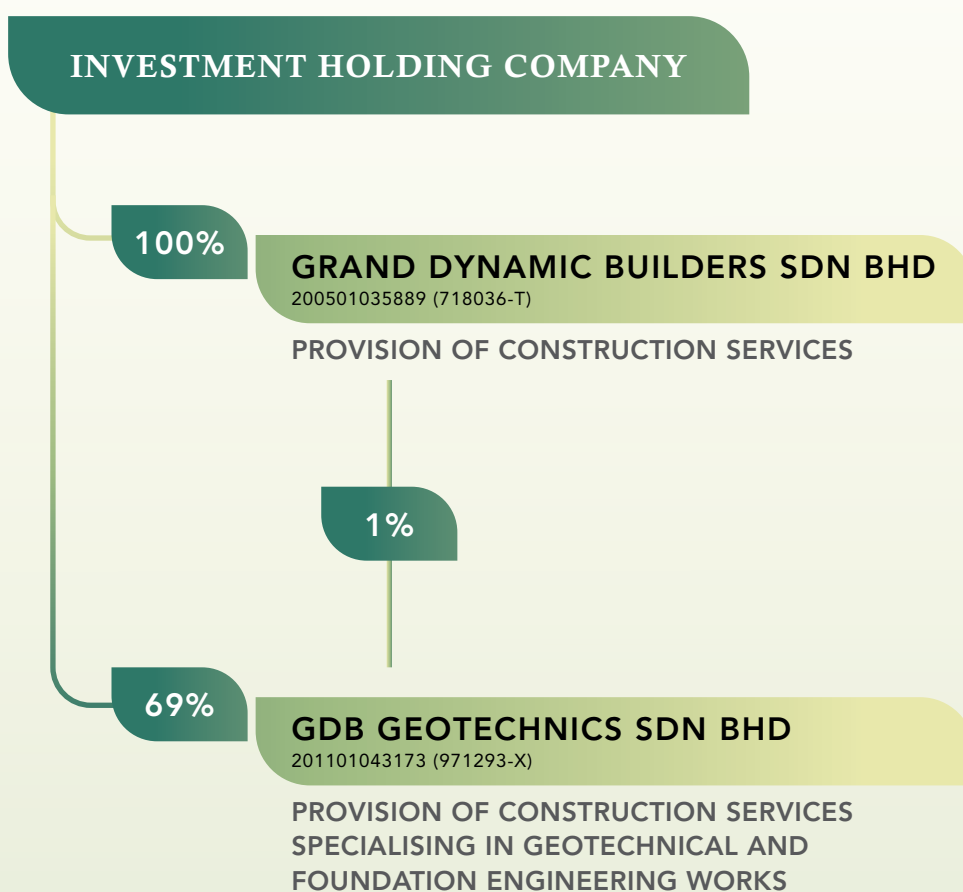
STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Name : GDB
Stock Code : 0198

Corporate Structure



GDB HOLDINGS BERHAD
201301006623 (1036466-U)

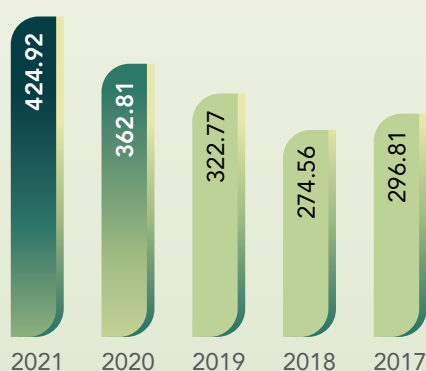


Group Five-Year Financial Highlights

	2021	2020	2019	2018	2017
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	424,924	362,813	322,767	274,559	296,812
Profit Before Taxation	37,312	33,787	37,723	36,949	30,502
Profit After Taxation and Non-Controlling Interest (PATNCI)	28,622	25,689	29,132	27,890	22,518
Total Assets	338,031	264,606	230,725	212,751	152,206
Total Liabilities	186,789	129,243	107,386	108,630	112,289
Shareholders' Fund	149,751	133,941	120,753	104,121	39,917
Market Capitalisation	412,500	584,375	384,375	143,750	NA
	Sen	Sen	Sen	Sen	Sen
Basic Earning Per Share ¹	3.05	2.74	3.11	2.97	2.40
Net Assets Per Share ²	15.97	14.29	12.88	11.11	4.26
	%	%	%	%	%
Dividend Yield	3.18	2.14	3.25	8.70	NA
Dividend Payout	45.86	48.66	42.91	44.82	NA

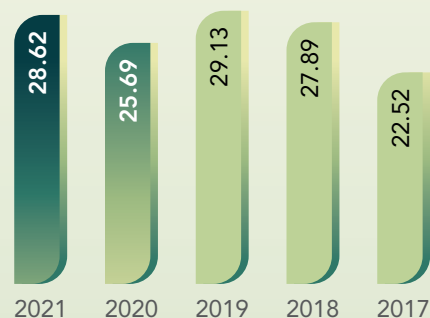
REVENUE

RM424.92 MILLION (2020: RM362.81 MILLION)



PATNCI

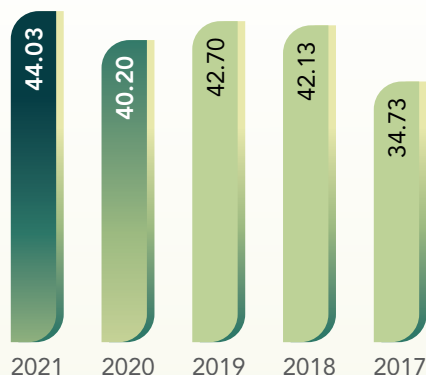
RM28.62 MILLION (2020: RM25.69 MILLION)



Group Five-Year Financial Highlights (cont'd)

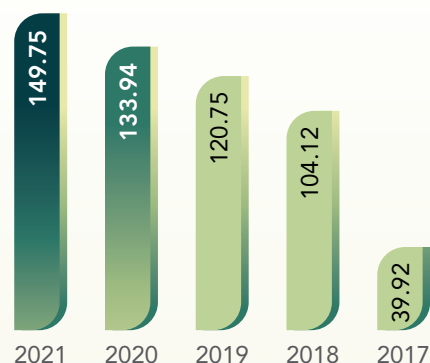
EBITDA

RM44.03 MILLION (2020: RM40.20 MILLION)



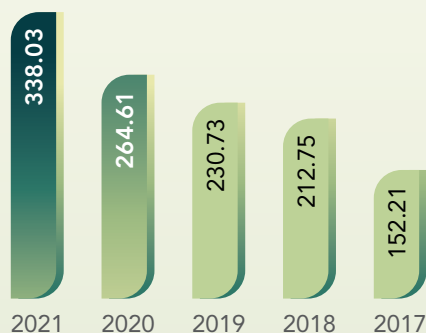
OWNERS' EQUITY

RM149.75 MILLION (2020: RM133.94 MILLION)



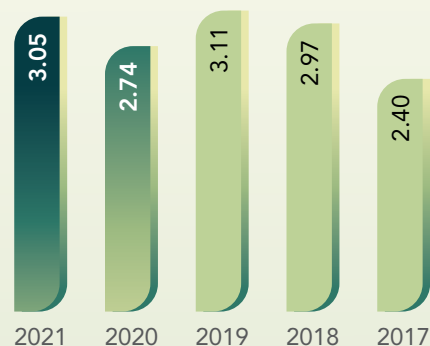
TOTAL ASSETS

RM338.03 MILLION (2020: RM264.61 MILLION)



EARNINGS PER SHARE¹

3.05 SEN (2020: 2.74 SEN)



Notes:

¹ Earnings Per Share is calculated based on issued share capital of 937,500,000 shares.

² Net Assets Per Share is calculated based on issued share capital of 937,500,000 shares.

Profile of Directors



TAN SRI DATO' IR. HJ. ZAINI BIN OMAR
Independent Non-Executive Chairman

Tan Sri Dato' Ir. Hj. Zaini bin Omar, male, a Malaysian, aged 73, is our Independent Non-Executive Chairman and was appointed to our Board on 18 September 2017. He is also a member of the Audit Committee, Remuneration Committee, Nomination Committee, and Risk Management Committee.

He graduated with a Bachelor of Engineering from James Cook University of North Queensland, Australia in November 1974 and holds a Bachelor of Laws from the University of London awarded in July 1985. In November 1986, he obtained his Professional Engineer status from the Board of Engineers, Kuala Lumpur and in September 1988, he was admitted and enrolled as an Advocate and Solicitor of the High Court in Malaya. In April 2003, he was conferred with an honorary Doctor of Philosophy (PhD) in project management by University Tun Hussein Onn, Malaysia. He was, from February 2000 to July 2005, the President of the Board of Engineers Malaysia and is currently the Honorary Fellow of the Institution of Engineers Malaysia and a fellow of the Construction Industry Development Board of Malaysia.

He has vast experience in the electricity sector, the aviation sector, the water supply sector and the public works sector. He has served in various functions including Director General of the Public Works Department, Deputy Director General of Electricity Department, Director General of the Department of Civil Aviation (DCA), Chairman of the National Water Services Commission, and the Head of The Special Unit for Overseas Projects in the Economic Planning Unit, Malaysia until 2009.

He is an Independent Non-Executive Chairman of Digistar Corporation Berhad since 10 March 2017.

He attended four (4) out of five (5) Board of Directors' Meetings held during the financial year ended 31 December 2021.

He has no family relationship with any Director and/or any major shareholder of GDB and has no conflict of interest with the Group. He has no conviction of any offences at any time other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.



CHEAH HAM CHEIA
Group Managing Director

Mr. Cheah Ham Cheia, male, a Malaysian, aged 66, is our Group Managing Director. He is also a substantial shareholder of the Group. He was appointed to our Board on 28 February 2013 and was re-designated to his current position in October 2019. He is responsible for the overall guidance on our business direction and manages the strategic development of our Group. He is a member of the Risk Management Committee.

He graduated with a Bachelor of Science in Engineering from University of Aberdeen, United Kingdom in July 1985. He has spent his entire career in the construction industry with over 42 years of experience and held multiple positions, including Group Chief Executive Officer of Putrajaya Perdana Berhad where he was responsible for planning strategic business objectives and ensuring positive growth of revenue and profit margins of the Putrajaya Perdana group.

He was involved in numerous notable projects including The Intermark in Kuala Lumpur, Sarawak Energy Berhad Headquarters in Kuching, Light Rail Transit Infrastructure Works in Putrajaya, Government Administrative Offices in Putrajaya (namely Parcel C and Parcel D) and Pavilion Kuala Lumpur, among others.

He attended all five (5) Board of Directors' Meetings held during the financial year ended 31 December 2021.

He is the father of Mr. Cheah Jun Kai, an Executive Director of GDB. He has no conflict of interest with the Group and does not hold directorship in any other public listed companies. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.

Profile of Directors (cont'd)



ALEXANDER LO TZONE LEONG
Group Executive Director

Mr. Alexander Lo Tzone Leong, male, a Malaysian, aged 50, is our Group Executive Director. He is also a substantial shareholder of the Group. He was appointed to our Board on 3 August 2016 as our Executive Director and subsequently re-designated to his current position in October 2019. He is responsible for assisting our Group Managing Director in the overall management and operation of our Group as well as overseeing the overall operations of our construction projects. He is a member of the Risk Management Committee and also a Fellow of the Chartered Institute of Building ("FCIOB").

He graduated with a Certificate in Technology (Building) from Kolej Tunku Abdul Rahman, Malaysia in May 1992. He has spent more than 29 years in the construction industry and has served in various capacities, including Chief Operating Officer of Putra Perdana Construction Sdn Bhd where he was responsible for all daily operations of the company.

He was involved in several reputable projects, including Bangsar Shopping Centre, the Government Administrative Offices in Putrajaya ("Parcel D"), Pavilion Kuala Lumpur, Felda Tower Platinum Park, The Intermark in Kuala Lumpur, Menara PJH in Putrajaya, and the Ara Green Wellness & Healthcare City in Kuala Lumpur.

In GDB, he is also instrumental in implementing executive orders for works at 8 Conlay in Kuala Lumpur City Centre, AIRA Residence in Damansara Heights, Menara Hap Seng 3 in Kuala Lumpur, Etiqa Office Tower in Kuala Lumpur, Perla Ara Sentral in Ara Damansara, Hyatt Centric Hotel in Kota Kinabalu, Hap Seng Star Mercedes-Benz Autohaus in Setia Alam, KL Eco City (Sections 1, 2A and 2B, and for office tower A) in Kuala Lumpur, Bukit Bintang City Centre (BBCC) Show Units in Kuala Lumpur, and One Central Park, as well as Westside III and Park Regent in Desa ParkCity.

He attended all five (5) Board of Directors' Meetings held during the financial year ended 31 December 2021.

He has no family relationship with any Director and/or any major shareholder of GDB and has no conflict of interest with the Group. He does not hold directorship in any other public listed companies. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.



CHEAH JUN KAI
Executive Director

Mr. Cheah Jun Kai, male, a Malaysian, aged 35, is our Executive Director and the Senior Manager for the Finance, Risk Management and Business Development divisions. He was appointed to our Board on 28 February 2013.

He graduated with a Bachelor of Arts in Accounting from University of Hertfordshire, United Kingdom in July 2011. He started his career as a Management Trainee at AmlInvestment Bank Berhad before joining WorleyParsons Business Service Sdn Bhd and working his way up to Senior Business Analyst where he was responsible for the account payable stream of the company by developing, managing and monitoring the key performance indexes and developing key controls upon high risk functions.

He attended four (4) out of five (5) Board of Directors' Meetings held during the financial year ended 31 December 2021.

He is the son of Mr. Cheah Ham Cheia, Group Managing Director of GDB. He has no conflict of interest with the Group and does not hold directorship in any other public listed companies. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.

Profile of Directors (cont'd)



DATUK SR CHIA LUI MENG
Independent Non-Executive Director

Datuk Sr Chia Lui Meng, male, a Malaysian, aged 67, is our Independent Non-Executive Director. He was appointed to our Board on 18 September 2017. He is the Chairman of the Remuneration Committee and the Risk Management Committee, as well as a member of the Audit Committee and the Nomination Committee.

He graduated with a Bachelor of Quantity Surveying (Hons) from Universiti Teknologi Malaysia in April 1978. He was also awarded a Bachelor of Laws (Hons) Degree from the University of London in August 1994 and completed the Certificate of Legal Practice by the Legal Qualifying Board Malaysia in December 1995. He is a Fellow of the Royal Institution of Surveyors, Malaysia since August 2005, a Member of the Society of Construction Law Malaysia since July 2006 and a Professional Member of the Royal Institution of Chartered Surveyors since November 2007. He was admitted to the Malaysian Bar in May 2017.

He has 44 years of experience in the property development and construction industry, and has worked in both the public and private sectors. He has held multiple positions until his retirement in year 2016, including Group Chief Executive Officer of United Malayan Land Berhad where he was responsible for the overall administration of the company, Chief Operating Officer of VIHAJICO Vietnam and was involved in the development of the 1,200 acres ECOPARK township in Hanoi, Vietnam, Group Director of Naza TTDI Sdn Bhd, CEO of Malton Berhad and is currently the Secretary General of the Real Estate and Housing Developers' Association Malaysia ("REHDA") and a Committee Member of the REHDA Wilayah Persekutuan Branch.

He is a Non-Executive Director of numerous subsidiaries under the United Malayan Land Berhad Group. He is currently practicing as an Advocate & Solicitor in Soh Hayati & Co specialising in the area of real estate development and construction law.

Our Board is of the view that Datuk Sr Chia Lui Meng's involvement as Non-Executive Director in Alpine Return Sdn Bhd, Bangi Heights Development Sdn Bhd, Nusajaya Consolidated Sdn Bhd, and UM Land Builders Sdn Bhd, which are carrying on a similar trade as our Group, does not give rise to a conflict of interest situation.

He attended all five (5) Board of Directors' Meetings held during the financial year ended 31 December 2021.

He has no family relationship with any Director and/or any major shareholder of GDB. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.



KOW POH GEK
Independent Non-Executive Director

Mdm. Kow Poh Gek, female, a Malaysian, aged 65, is our Independent Non-Executive Director. She was appointed to our Board on 14 December 2017. She is also the Chairperson of the Audit Committee and the Nomination Committee, as well as a member of the Remuneration Committee and the Risk Management Committee.

She graduated with a Diploma in Commerce (Cost & Management Accounting) from Kolej Tunku Abdul Rahman, Malaysia in May 1982. She has been a Chartered Accountant of the Malaysian Institute of Accountants since June 1988 and a Fellow of The Chartered Institute of Management Accountants since March 1993.

She has more than 40 years of experience in accounting and finance, and has served in various sectors such as investment holding, banking, hotels and resorts, direct selling, manufacturing and trading/services. She was the Chief Financial Officer of EITA Resources Berhad from January 2012 to December 2017, where she was responsible for the Group's finance and accounts, investor relations functions and risk management.

She is also an Independent Non-Executive Director of QL Resources Berhad since 1 April 2018.

She attended all five (5) Board of Directors' Meetings held during the financial year ended 31 December 2021.

She has no family relationship with any Director and/or any major shareholder of GDB and she has no conflict of interest with the Group. She has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on her by any regulatory bodies during the financial year.

Key Management Profile

TOH FONG ENG

Chief Financial Officer

Mdm. Toh Fong Eng, female, a Malaysian, aged 60, is our Chief Financial Officer. She is responsible for the overall corporate finance functions of the Group and oversees the accounting, taxation and treasury functions as well as the statutory compliance and reporting of our Group since May 2017.

She is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) since November 2004. She is also a registered chartered accountant with the Malaysian Institute of Accountants since June 2001.

She has more than 39 years of experience in accounting and corporate finance, and has held multiple positions, including as General Manager for Finance & Accounts of Putrajaya Perdana Berhad before she joined our Group.

She has no family relationship with any Director and/or any major shareholder of GDB and has no conflict of interest with the Group. She does not hold directorship in any public listed companies. She has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on her by any regulatory bodies during the financial year.

LIM LEE LING

Senior Manager for Human Resource and Administration

Mdm. Lim Lee Ling, female, a Malaysian, aged 52, is our Senior Manager for Human Resource and Administration. She is responsible for our Group's overall human resource and office administrative matters since she joined the Group in May 2013.

She graduated from Systematic Secretarial Centre Sdn Bhd, Kuala Lumpur with a Diploma in Secretarial & Administration in December 1996 and was awarded the Pitman Diploma in Secretarial and Administration from The City and Guilds of London Institute in July 1997. Prior to her current position, she has had extensive experience in secretarial and administrative matters, and has served in various capacities, including Office Manager in the Group.

She has no family relationship with any Director and/or any major shareholder of GDB and has no conflict of interest with the Group. She does not hold directorship in any public listed companies. She has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on her by any regulatory bodies during the financial year.

YAP WEI TONG

General Manager - Projects

Mr. Yap Wei Tong, male, a Malaysian, aged 48, is our General Manager – Projects/Head of Project. He assists our Group Executive Director in managing the construction division and was the Head of Project for several of our Group's projects since he joined the Group in May 2014.

He graduated from Universiti Sains Malaysia with a Bachelor of Civil Engineering (Hons) in July 1999. He has substantial experience in the construction sector, and has held multiple positions, including Senior Project Manager at Putra Perdana Construction Sdn Bhd before joining our Group.

He has no family relationship with any Director and/or any major shareholder of GDB and has no conflict of interest with the Group. He does not hold directorship in any public listed companies. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.

Key Management Profile

(cont'd)

WONG CHIN TEE

General Manager for Tenders and Contracts

Mr. Wong Chin Tee, male, a Malaysian, aged 57, is our General Manager for Tenders and Contracts. He oversees and manages the Group's project costs, tendering of projects, and leads the Tender & Contract Department since he joined the Group in August 2013.

He graduated from Robert Gordon University, Aberdeen with a Bachelor of Science majoring in Quantity Surveying in June 1993. He has extensive experience in the construction industry and served in various capacities, including Senior Contract Manager of Putra Perdana Construction Sdn Bhd before he joined our Group in August 2013.

He has no family relationship with any Director and/or any major shareholder of GDB and has no conflict of interest with the Group. He does not hold directorship in any public listed companies. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.

GOH ENG NGAI

Executive Director for GDB Geotechnics Sdn Bhd

Mr. Goh Eng Ngai, male, a Malaysian, aged 61, Executive Director for GDB Geotechnics Sdn Bhd ("GDB Geotechnics"), joined our Group following the GDB's acquisition of GDB Geotechnics since October 2019. He is responsible for the overall guidance on the GDB Geotechnics's strategic direction and tendering activities as well as overseeing the overall operations of our piling and substructure projects.

He graduated with an applied science degree from Queen's University, Canada.

He has more than 37 years of experience in the construction industry and specialised in piling and substructure works. He has held various positions including Project Manager of Singapore Piling & Civil Engineering Pte Ltd, Senior Construction Manager of B+B Geotechnics Sdn Bhd, General Manager of Pilecon Geotechnics Sdn Bhd and Senior General Manager of Sunway Geotechnics Sdn Bhd. He was serving as the Executive Director of the GDB Geotechnics since September 2013.

He has no family relationship with any Director and/or any major shareholder of GDB and has no conflict of interest with the Group. He does not hold directorship in any public listed companies. He has no conviction of any offences in the past five (5) years other than traffic offences (if any). There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.

Chairman's Statement

Dear shareholders,

The year 2021 was an extremely difficult time for the construction sector that bore the adverse impact of the COVID-19 pandemic. On one hand, on-site building progress was impeded due to limited workforce capacity during the Government-implemented Movement Control Order (MCO) in its various forms during the year.

Companies faced increased costs of doing business, with various Standard Operating Procedure (SOP) compliance costs such as workers' testing, quarantine and site sanitization measures incurred, in addition to rising construction material prices due to supply chain disruptions.

Nonetheless, GDB Holdings Berhad ("GDB") remained steadfast in navigating the mounting challenges with a ruthless emphasis on project delivery and execution. I am heartened to share that in the year under review, the Company and its subsidiaries ("Group") had successfully delivered two projects ahead of schedule, and reached the first major milestone within our single-largest undertaking.

Our financial performance also remained resilient where both revenue and net profit reported double-digit expansion versus a year ago.

Therefore, on behalf of the Board of Directors of GDB, it is my privilege to present to you the annual report and audited financial statements of GDB for the financial year ended 31 December 2021 ("FYE 2021").

2021 ECONOMIC REVIEW

The year 2021 proved extremely challenging, even as governments worldwide did their utmost best to slow the advancement of COVID-19 with aggressive vaccination programs to protect its populations.

On a global scale, International Monetary Fund (IMF) reported a growth of 5.9% in Gross Domestic Product (GDP) in 2021. The recovery momentum of the global economy was weakened due to worsening pandemic dynamics for low-income developing economy and longer-than-expected supply chain disruptions. Besides that, the labour market in most countries continued to witness a lag in recovery as the pandemic had resulted in limited activities in sectors that are classified as "contact-intensive".



Chairman's Statement (cont'd)

Domestically, Bank Negara Malaysia (BNM) reported a 3.1% expansion in the nation's GDP in 2021 compared to a contraction of 5.6% in 2020, as the high vaccination rates precipitated the opening of most economic sectors in stages under the National Recovery Plan.

CORPORATE EXERCISE

In an effort to encourage greater participation in GDB's equity as well as enhance trading liquidity, the Group undertook two corporate exercises in FY2021:

- Bonus issue of new ordinary shares on the basis of one Bonus Share for every two existing GDB Shares (1-for-2 Bonus Issue)

The 1-for-2 Bonus Issue entailed the issuance of 312.5 million new ordinary shares which was completed on 30 June 2021. The Group's share base expanded from 625.0 million shares to 937.5 million shares, while share capital remained unchanged at RM62.6 million.

- Bonus issue of warrants on the basis of two Warrants for every five existing GDB Shares (2-for-5 Warrants)

The 2-for-5 Warrants involved the issuance of 250.0 million new Warrants on 30 June 2021, which would potentially increase the Group's share base to 1,187.5 million with share capital of RM212.6 million.

The 2-for-5 Warrants has a tenure of 5 years and its maturity date is on 24 June 2026 at an exercise price of RM0.60 each. Hence its full exercise potentially raises up to RM150.0 million in proceeds for the Group within the five-year tenure for working capital purposes.

2022 OUTLOOK AND APPRECIATION

The emergence of new COVID-19 variants continue to stoke fears of prolonged supply chain disruptions. Correspondingly, the IMF forecasted a weaker global growth of 4.4% for the year 2022 versus a 5.9% growth for the year 2021. Notably, this prognosis had not yet factored in the effects of geopolitical conflict between Russia and Ukraine, which have already exerted global pressures on broad-based inflation and soaring energy prices.

On the domestic front, Malaysia's economy is projected to grow between 5.3% and 6.3% in 2022 on the back of sustained growth in global demand, easing of COVID-19 mitigation measures and reopening of borders. However, Bank Negara Malaysia also forewarned on the negative implications of the military conflict between Ukraine and Russia in tandem with global growth.

Compounding this, the construction industry continues to face rising input costs, including raw materials such as steel rebar, cement and other building components, higher manpower wages due to shortage, and increased petrol prices in line with global trends.

Noting the above, the Group is cautiously optimistic for the year 2022.

On a personal note, I would like to extend my sincerest appreciation to the Board of Directors, key senior management and our employees for upholding the spirit of resilience and unity through the turbulent year.

I would also like to thank our business partners, associates, suppliers, customers, and valued shareholders for their unwavering support that resulted in our business sustainability.

Sincerely,

Tan Sri Dato' Ir. Hj. Zaini Bin Omar
Chairman

Management Discussion & Analysis

Dear esteemed shareholders,

We are pleased to report that GDB Holdings Berhad (“GDB” or “the Group”) had weathered through the unprecedented year with commendable growth in both top and bottom lines, in addition to achieving significant operational milestones.

It is my privilege to present to you the Group’s performance for the financial year ended 31 December 2021 (“FYE 2021”).

BUSINESS OVERVIEW

GDB specializes in high-rise residential, commercial, and mixed development buildings in Malaysia. Established in 2013, the Group debuted on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) in 2018 and successfully transferred to the Main Market of Bursa Malaysia in 2020.

The Group has two subsidiaries, namely Grand Dynamic Builders Sdn Bhd (“GDBSB”) and GDB Geotechnics Sdn Bhd (“GDB Geotechnics”).

Our 100%-owned subsidiary, GDBSB, is a main or principal works contractor that is responsible for the entire implementation of construction projects, including engaging subcontractors and managing daily works necessary to complete projects on time and in accordance with customers’ specifications.



Management Discussion & Analysis (cont'd)



As a builder that emphasizes quality, environment and safety in building premium high-rise construction projects, GDBSB is equipped with multiple certifications such as ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System.

Besides that, GDBSB has obtained the Quality Assessment System in Construction (QLASSIC), Safety and Health Assessment System in Construction (SHASSIC), Building Quality Assessment System (BuildQAS), Construction Quality Assessment System (CONQUAS) and Green 5S certifications for our various projects.

A registered Grade G7 contractor with the Construction Industry Development Board of Malaysia (CIDB), GDBSB is able to tender for projects with unlimited value in the categories of general building, general civil engineering, and mechanical works. In addition, GDBSB is equipped with the Sijil Perolehan Kerja Kerajaan as a Grade G7 contractor, which allows the Group to tender for public sector jobs with contract values above RM10.0 million.

The use of cutting-edge technology and efficient practices have enabled GDBSB to provide value engineering as well as deliver projects ahead of their contractual completion time.

These technologies and practices include:

- **Building Information Modelling (BIM)**, which provides “virtual reality” insight throughout the building construction stages. This allows for early clash detection and analysis, which enhances efficiency in implementing large-scale projects and reduces completion time.
- **Industrialised Building System (IBS)**, which is a construction process that utilises techniques, products, components or building system which involves prefabricated components and on-site installation. IBS include panel and box systems, steel formwork and steel framework systems, prefabricated timber framing systems as well as block work systems.
- **The Green 5S system** which develops and enhances the practices of Structurise, Systematise, Sanitise, Standardise and Self-discipline with the goal of improving the safety, quality, and environmental aspects of our projects.

Our 70%-owned subsidiary, GDB Geotechnics, provides bored piling and foundation services. Similar to GDBSB, it also holds a Grade 7 License from CIDB Malaysia.

Overall, GDB is capable of providing integrated substructure and superstructure works to our clients.

Management Discussion & Analysis (cont'd)

OPERATIONS OVERVIEW

- **Successful Delivery & Milestone**

Despite MCO-induced disruptions to construction works during the year, the Group not only handed over two projects to customers, but also did so ahead of contractual completion dates.

The Group had delivered the 18-storey AIRA Residences on 11 March 2021, a day before the scheduled completion date, and handed over our first auto showroom Hap Seng Star Mercedes Autohaus on 11 October 2021, 8 days ahead of the scheduled completion date.

Subsequently on 18 November 2021, the Group commemorated the topping out ceremony of the 61-storey Tower A of 8 Conlay, accomplishing the structural completion of the first of three towers in development.



Group's Revenue

RM424.9 million

+17.1% in FYE 2021

Profit Before Tax

RM37.3 million

+10.4% in FYE 2021

- **Steady headway**

The Group's orderbook as of 31 December 2021 remained strong at RM1.54 billion, mainly comprising works for Perla Ara Sentral in Ara Damansara, Park Regent in Desa Parkcity, Hyatt Centric in Kota Kinabalu and Damai City's 8 Conlay.

These projects provide earnings visibility till the financial year ending 31 December 2024, after taking into account the extensions of time across ongoing projects in light of the MCO.

FINANCIAL OVERVIEW

The challenging operational backdrop did not deter GDB from charting double-digit growth, as revenue expanded 17.1% year-on-year to RM424.9 million in FYE 2021 versus RM362.8 million previously.

Our ability to continue delivering record revenue during the year was mainly attributable to the Group's progression to advanced stages of construction activities for ongoing projects, despite experiencing period of inactivity during lockdowns.

Still, the profits recognised for completed projects were offset by multiple effects brought on by the pandemic, such as lower profit margins for ongoing projects, higher costs of building material prices and labour costs, additional project preliminaries and staff costs due to prolonged contract duration, and increased COVID-19 compliance costs.

Management Discussion & Analysis (cont'd)



Despite reduction in other income, and higher other expenses on account of impairment of goodwill, the Group recorded 10.4% higher profit before tax of RM37.3 million compared to RM33.8 million in the previous year.

A lower effective tax rate was applied for FYE 2021 due to adjustment for over provision of income tax in prior year. Hence, the Group only incurred a slightly higher tax expense despite a significant growth in revenue, leading to a 11.4% increase in profit after tax and non-controlling interests to RM28.6 million from RM25.7 million a year ago.

Furthermore, on the Group's balance sheet, GDB had retained a net cash position without any outstanding borrowings as of 31 December 2021. Cash and cash equivalents amounted to RM76.9 million compared to RM73.4 million previously, ensuring the sustainability of our business operations amidst the chaotic and unprecedented period.

Not only that, total assets climbed 27.7% to RM338.0 million from RM264.6 million on higher contract assets and trade receivables in line with higher topline.

Similarly, the Group's total liabilities grew by 44.5% to RM186.8 million from RM129.2 million on higher trade payables and other payables and accruals, given the rise in construction activities for ongoing projects.

Total Assets

RM338.0 million

+27.7% in FYE 2021

Shareholders' Fund

RM149.8 million

+11.8% in FYE 2021

The 22.1% increase in retained profits to RM87.2 million as at 31 December 2021 versus RM71.4 million previously led to GDB's total equity attributable to owners of the Company rising 11.8% to RM149.8 million as at 31 December 2021 from RM133.9 million a year ago.

Overall, GDB had delivered resilient financial performance backed by a healthy balance sheet with net cash position for FYE 2021.

DIVIDEND

GDB remained committed to rewarding our shareholders in appreciation of their support, making this the fourth consecutive year of dividend payouts since listing.

GDB paid a total dividend of 1.4 sen per share in respect of FYE 2021, consisting of a first interim single-tier dividend of 0.7 sen per share on 21 September 2021 and a second interim single-tier dividend of 0.7 sen per share on 29 March 2022. In total, GDB had paid RM13.1 million as dividends, with 45.9% dividend payout ratio exceeding our dividend policy of distributing up to 30% of annual net profit.

Management Discussion & Analysis (cont'd)

GROWTH STRATEGIES

The unprecedented challenges posed by the evolving Covid-19 pandemic seemed relentless at first, as progress on construction projects came to a grinding halt when the Government imposed strict containment measures. However, the Group proved its commitment to excellence when we delivered projects ahead of schedule and registered growth in financial performance during the year.

Going forward, the Group plans to navigate the way forward with the following growth strategies:

► **To tender selectively for new jobs**

The Group would continue to selectively participate in tenders including tenders for new design-and-build contracts to maintain our growth path going forward. We are vying for residential, commercial, mixed and other construction projects in the Klang Valley. The Group will remain mindful of the price fluctuation of raw materials, even as we aim to replenish our order book.



► **To expand into other building segments, including hospitals**

Our first hotel undertaking in financial year 2020 had proven to us that our expertise in the construction of high-rise buildings is transferrable across different building segments.

Going forward, the Group plans to expand our construction portfolio into the hospital segment, especially since the pandemic had raised awareness of the needs for more hospitals in the country to meet rising demand for healthcare services.

The Group believes that our accomplishments in our past construction projects will be able to open up new opportunities for us in the hospital segment.

► **To diversify into civil and infrastructure construction segment**

The Group will keep a lookout for suitable candidates to form a new team to spearhead opportunities in the civil and infrastructure construction segment. The setting up of the team would further expand the scope of GDB's business activities.

► **To acquire land for storage**

Our long-term plan of acquiring land for storage of construction machineries remains intact and we are in the midst of identifying a suitable piece of land for our intended purposes.



Management Discussion & Analysis (cont'd)



RISKS

The Group remains vigilant of the inherent risks that could have a material impact on our future performance and is committed to devise solutions to mitigate them effectively.

The following presents the key risks that have been identified by the Group:

► Fewer Launches of Residential Buildings

The arduous economic environment could lead to fewer launches of residential properties, as developers defer planned launches of new properties, adopt a soft-launch approach to gauge initial interest before the official launch, or carve a single-large project into multiple undertakings in tandem with end-user demand.

However, the Group believes that the residential building market may witness a bounce back in 2022, especially after the transition to Phase 4 of the National Recovery Plan had enabled the re-opening of sales galleries and resumption of construction activities. Furthermore, Government's economic stimulus measures are expected to take effect to boost positive market sentiment.

We further believe that GDB's diversified tender portfolio to include commercial and hospital projects could help in mitigating this risk.

► Increased Competition in the Construction Industry

The intense competition amongst local and foreign players in the construction industry may adversely affect the profitability of all, if our peers engage in aggressive tender pricing.

Our competitive edge lies in our brand name which is synonymous with our stellar track record of delivering premium high-rise buildings with exceptional quality.

Additionally, we are able to offer comprehensive construction works to our clients from piling and substructure to the superstructure works, which may position us favourably during the tender process.

► Rising Costs of Construction Materials and Labour

The steel and cement industry is not spared from the supply chain bottlenecks caused by the ongoing pandemic and global geopolitical risks, leading to higher raw material prices.

Management Discussion & Analysis (cont'd)

At the same time, the industry is facing labour shortages due to the high demand across various economic sectors, resulting in higher wages to secure workers. This may affect the Group's bottom line.

The Group will continue to monitor the price fluctuations of input costs and exercise prudence to ensure stability of our finances and business operations.

► Economic Risks in Light of COVID-19

While the rapid mutation of the Covid-19 virus has hindered the world's return to pre-pandemic normalcy, the Group remains mindful of the pessimistic economic outlook going forward.

Nonetheless, the Malaysian Government's planned transition to endemic is a welcome call, where members of the public and industries would adhere to a standard set of Standard Operating Procedures ("SOP") and guidelines to maintain overall safety.

We will remain vigilant and apply stringent practices to enable sustainability of our operations.

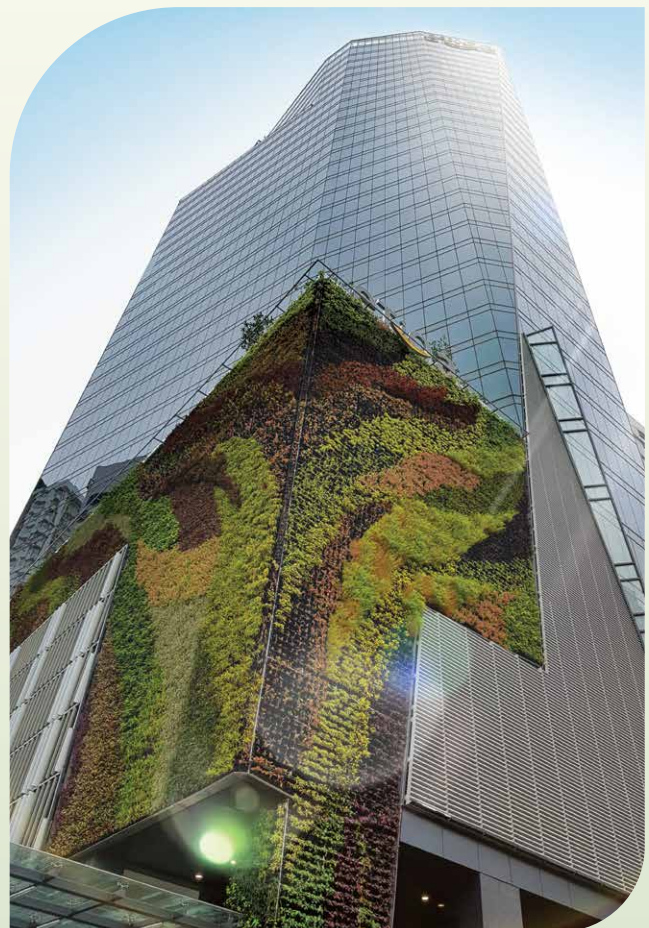
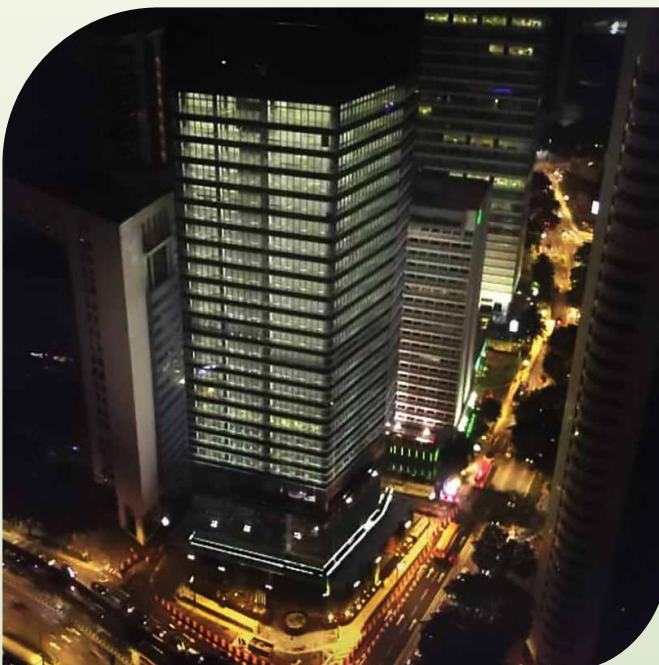
APPRECIATION

I would like to convey my gratitude to the GDB family, from the invaluable guidance of the Board and management team to the immense contributions of our employees for bringing GDB to greater heights during FYE 2021.

My sincere appreciation is also extended to our business partners, associates, suppliers, customers, and valued shareholders for their confidence in us as we continue to push ourselves harder to weather through the future.

Sincerely,

Cheah Ham Cheia
Group Managing Director



Sustainability Statement

GDB Holdings Berhad (“GDB”) and its subsidiaries (“Group”) are dedicated to embedding sustainability elements in our business operations to safeguard Mother Nature and create perpetual value for our stakeholders. This mission statement outlines our approach to sustainability throughout the financial year under review.

The Board of Directors of GDB recognizes the importance of a good sustainability governance structure to strengthen the confidence of our customers, regulatory authorities, suppliers, subcontractors, employees, shareholders, and society at large. It ensures that responsibilities are competently discharged among our stakeholders.

The four impact areas that have firmly guided our sustainability initiatives encompass the health, safety and well-being of our employees, our environmental impact, our contribution to the communities where we operate, and the overall marketplace.

I. HEALTH, SAFETY AND WELL-BEING OF EMPLOYEES

We acknowledge the importance of human capital in charting the future success of the Group, which is the first of the Group’s three-pronged mission statement. Hence, the health, safety and well-being of our employees remain a non-negotiable priority for GDB and we strive to promote a culture of excellence and meritocracy at our workplace.

Our commitment to establishing a safe working environment for our employees has been recognised to meet the international standard of ISO 45001:2018 for occupational health and safety management system by also implementing the 5S approach to enhance the site safety and health conditions of our employees.

After the declaration of COVID-19 pandemic as a public health emergency, GDB launched a set of Standard Operating Procedures (SOP) with the 5S standard to comply with the recommended policies set out by the government to mitigate the risk of infections among workers and employees at all our construction sites.

The initiatives that were implemented on our construction sites for our workers include providing COVID-19 tests for all on-site workers, having properly-spaced on-site accommodation, undertaking regular temperature checks and carrying out sanitation works. As for our offices, practices that were adopted include encouraging virtual meetings and social distancing, as well as disinfecting and sanitising workplace regularly.

The Group will continue to keep an eye on the development of the endemic, while implementing stringent SOP at our construction sites to minimise unnecessary disruptions to our operations.

To foster a safe working attitude among employees, the safety performance of individuals, groups and the worksite is constantly monitored and evaluated. This is done through Worksite Safety Inspection, which entails the adherence to inspection checklists for plant and machinery as well as for safety and health guidelines. This is further complemented by occupational safety and health meetings including daily briefings, tool-box meetings and regular site occupational safety and health committee meetings.

Since most of our works are involved in the construction of high-rise buildings, we have established a manual on a set of Safety and Health Roles & Responsibilities for our employees on-site. Besides that, safe work practices are incorporated to further safeguard our employees from risks of injuries such as improving the control of the floor opening, steel barricade system for edges protection, topmost working floor fall protection, fall prevention systems and overhead protection, site safety access, and electrical safety, amongst others.

Sustainability Statement (cont'd)

GDB is dedicated to upholding the fundamental belief that every human's basic rights should be respected. We embrace workplace diversity and do not engage in any form of discrimination, be it race, age, gender, religion, disability or marital status during our hiring process. We reward our employees with career advancement opportunities, remunerations and benefits based on their personal merits and contributions to GDB's success.

Besides that, the Group values the professional development of our employees. We continue to invest in our employees through various training programmes provided during the year under review.

II. ENVIRONMENT

GDB endeavours to reduce the adverse environmental impact that results from our business operations through the implementation of Environmental Management Programme and Monitoring Plan. Our focus is mainly on managing material waste, air, wastewater and noise effectively at our construction project sites.

In our effort to manage material waste, we strive to achieve a balance between waste generation and disposal, on top of complying with local laws and regulations such as Department of Environment's Scheduled Waste Guidelines and Environmental Quality (Scheduled Waste) Regulations 2005 for the storage, packaging and labelling of scheduled waste.

The Group appoints Competent Personnel to be our waste contractor at site, and engages the services of a licensed transporter and facilities operator for waste collection and treatment respectively.

Not only that, GDB actively segregates timber waste and scrap iron for recycling, collects construction waste for disposal, and utilizes a septic tank to contain sewage while carrying out regular de-sludging. We also make sure to reuse waste that are transformable into other useful products, such as reutilising concrete waste to make concrete road barriers, car stoppers, and concrete cubes to be used in project sites.

As one of our initiatives to reduce air pollution, we monitor air emission levels to make sure that the exhaust gas emitted by our vehicles and machineries are within acceptable levels. Other environmental initiatives that are done on-ground include paving site access routes with suitable materials to reduce dust emission, washing every vehicle to remove dust before leaving the site, providing hoarding where a site boundary adjoins an area accessible to public and prohibiting open burning on-site.

Furthermore, the Group strives to discharge wastewater responsibly to prevent occurrences of water contamination, spillage and leakage. Other actions that have been undertaken by the Group to ensure optimum water quality include adopting a silty water treatment system to treat surface runoff and stormwater from excavation works, and a waste water filter system for sediment settlement, prior to discharge into the public drain. Additionally, we have adopted measures to prevent the washing away of sand, silt and waste water to the footpath and public road, and constructed an oil trap at the concrete pump maintenance area for oils to be treated as scheduled waste.

In terms of noise management, we install sound blankets as noise barriers at our construction sites whenever we carry out works related to piling, hacking and drilling to reduce unwanted noise to a manageable level. Besides that, we make sure to obtain clients and authorities' approval prior to carrying out any construction activities at night, on top of undertaking regular maintenance and inspection of our machineries to reduce the generation of excessive noise.

Sustainability Statement (cont'd)

When it comes to choosing suitable building materials, we generally prefer the usage of eco-friendly materials and strive to validate the sustainability of our building materials sources. We also adhere to ISO 14001:2015 Environmental Management System international standard as part of our efforts to improve environmental performance.

Some of our environmental sustainability initiatives that are aligned with the United Nations' Sustainable Development Goal (UN SDG) include the installation of energy saving light bulbs at our office and construction sites, which is in accordance with UN SDG 7 on affordable and clean energy, as well as the usage of own eco-friendly containers for food and beverages, which is in accordance with UN SDG 14 on protecting marine and coastal ecosystems by avoiding the use of plastic bags.

III. COMMUNITY

GDB is committed to stepping forward to help the community. During the financial year under review, the key management together with staff members participated in "Walk For Wishes", a fundraising campaign organized by Make A Wish Foundation Malaysia. The campaign aims to raise funds to bring hope, strength and joy to the lives of critically-ill children.

Besides that, the Group strives to provide future owners and/ or tenants of our buildings with a high quality of life by practicing strong adherence to strict health, safety, and quality standards in our projects. Furthermore, we are compliant with ISO 9001:2015 Quality Management System international standard, which demonstrates our ability to provide quality workmanship in our projects.

GDB provided employment opportunities to 328 people directly with reasonable remuneration package on top of a conducive working environment that supports their professional growth and career advancement. We emphasize on the cultivation of good working relationships with our subcontractors and suppliers too, giving them sufficient support to sustain their operations and indirectly creating more job opportunities in the construction sector.

IV. MARKETPLACE

GDB believes that good corporate governance would allow us to command greater confidence amongst our stakeholders. Hence, we are dedicated to upholding the highest standards of corporate governance in building our business.

The nature of our business requires us to liaise with various business associates for raw materials and services that are vital to our operations. Hence, we strive to foster a culture of trust with our suppliers and subcontractors by paying them reasonably, on top of our commitment to reach commercially fair terms for all parties during negotiation.

We place strong emphasis on time and quality excellence in our construction management process. To ensure that we maintain our track record of timely delivery of projects, one of GDB's innovation initiatives lies in the integration of cutting-edge technologies and construction methods into our operations.

For instance, the Group implemented the use of Industrialised Building System, a construction technique that involves manufacturing the components off-site before assembling them on-site. This technique has enabled the Group to accelerate our construction timeline while satisfying the quality requirements of our customers during project delivery.

Sustainability Statement (cont'd)

Besides that, in an effort to foster a culture of ethical behaviour among employees, we have implemented robust measures to combat bribery and corruption effectively. One of which is done through our Anti-Bribery and Corruption Policy, which sets out principles and guidelines that our employees are required to comply with at all times.

The policy is in line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), and reflects our stance of having zero-tolerance towards any forms of bribery and corruption.

For instance, it prohibits our employees from dealing, being involved in and/or being a part of any form of corrupt practices, both as giver or receiver of monetary gains or otherwise, be it in kind, tangible or intangible, direct, or indirect for personal gains.

In the event that any suspicious transactions or violations to the policy are noticed, the employee must instantly communicate his findings to his immediate superiors for guidance on next course of action. On top of that, the employee can also report directly to the management of GDB through our Whistleblowing Report Form available on the Company website (<https://www.gdbhb.com.my/investor-relations/corporate-governance/>).

The policy allows us to make sure that good business ethics are emphasized in our interactions within the Group, as well as with third parties including government authorities, sub-contractors, vendors, business partners and investors.

Furthermore, GDB recognizes our responsibility as a public listed company to disclose timely announcements to our shareholders, which include any material information and corporate development updates. In addition, we place great emphasis on transparency and integrity in our financial performance reporting as we maintain our commitment to protecting shareholders' rights.

Lastly, GDB has an articulated dividend policy of paying up to 30% of our annual net profit as dividends to shareholders. We intend to maintain this policy as a token of appreciation to our shareholders' continuous confidence in the Group.

Corporate Governance Overview Statement

The Board of Directors ("Board") of GDB Holdings Berhad ("Company") is pleased to present this statement to provide shareholders and investors with an overview of the corporate governance practices of the Company during the financial year ended 31 December 2021 ("FYE 2021"). The statement is also presented in compliance with Paragraph 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Corporate Governance Overview Statement ("CG Statement") is based on the three (3) principles as set out in the Malaysian Code of Corporate Governance ("MCCG") which was further updated by Securities Commission Malaysia on 28 April 2021, which are:

Principle A - Board leadership and effectiveness

Principle B - Effective audit and risk management

Principle C - Integrity in corporate reporting and meaningful relationship with stakeholders

This CG Statement is augmented with a Corporate Governance Report ("CG Report") which provides a detailed articulation on the application of the Company and its subsidiaries' ("the Group") corporate governance practices as set out in the MCCG throughout the FYE 2021. This CG Report is available on the Company's corporate website at www.gdbhb.com.my, as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1.1 Board and Board Committees

The Board is always mindful of its pivotal role in the stewardship of its direction and operations in delivering the sustainable and long-term success of the Company's businesses and ultimately creating shareholders' value. To fulfil this role, the Board determines the strategic objectives and policies of the Group to ensure the sustainability of the business.

The Board is responsible for the overall performance and business affairs of the Group, amongst others, reviewing and adopting corporate strategies, enhancing corporate values, overseeing the conduct of the Group's businesses to evaluate whether they are properly managed, reviewing the adequacy and effectiveness of the Group's internal control systems and management information systems in ensuring compliance with applicable laws, regulations, rules, directives and guidelines.

An effective Board is one that is made up of a combination of Executive Directors with intimate knowledge of the business and Non-Executive Directors from diversified industry/business backgrounds to bring broad business and commercial experience to the Group.

In order to ensure the effectiveness in discharging its fiduciary duties and responsibilities, the Board has put in place the relevant Board Committees as follows to assist the Board in the running of its function:-

- a. Audit Committee ("AC");
- b. Nomination Committee ("NC");
- c. Remuneration Committee ("RC"); and
- d. Risk Management Committee ("RMC")

Corporate Governance Overview Statement (cont'd)

Each Committee operates in accordance with clearly defined Terms of Reference. These Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their respective terms of reference and report to the Board on their proceedings and deliberation together with its recommendations to the Board for approval.

Apart from the responsibility of the Board Committees, the chief officers and other Senior Management are also delegated with certain authority to enable them to effectively discharge their responsibilities on the day-to-day operations of the Group.

1.2 Chairman of the Board

The Board is chaired by Tan Sri Dato' Ir. Hj. Zaini Bin Omar ("Tan Sri Chairman"), who is an Independent Non-Executive Chairman and is primarily responsible for matters pertaining to the Board and ensures the orderly conduct and performance of the Board. The Chairman is committed to good corporate governance practices and has been leading the Board towards a high performing culture.

The key responsibilities of the Chairman, amongst others, are as follows:

- a. To provide leadership to the Board.
- b. To oversee the effective discharge of the Board's supervisory role.
- c. To facilitate the effective contribution of all Directors.
- d. To conduct and chair Board Meetings and general meetings of the Company.
- e. To manage communications and effectiveness at Board level and effective supervision over the Management.
- f. To ensure that quality information to facilitate decision-making is delivered to the Board in a timely manner.
- g. To ensure Board Meetings and general meetings are conducted/held in compliance with good conduct and best practices.
- h. To promote constructive and respectful relations between Board members and between the Board and the Management.
- i. To jointly represent the Company together with the Group Managing Director ("GMD") to external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments.

Tan Sri Chairman does not assume the position of chairman of the Board Committees but as a member of the Board Committees. Through his participation and corporate experience, it is believed that the Board's objectivity in receiving or reviewing the committees' reports has not been diminished in any way.

1.3 Chairman and GMD

In line with good corporate practices, there is a clear distinction between the role of the Chairman of the Board and GMD. This is to ensure that there is a balance of power and authority to promote accountability and unfettered powers in decision making.

The Chairman of the Board is primarily responsible for the leadership, effectiveness, conduct and governance of the Board while the GMD has overall responsibilities over the business operations and day-to-day management of the Group and implementation of the Board's policies and decisions.

Corporate Governance Overview Statement (cont'd)

1.4 Qualified and Competent Company Secretary

The Board is supported by a competent and qualified Company Secretary under Section 235(2) of the Companies Act 2016. The Company Secretary is a member of the Malaysian Association of Companies Secretaries and possesses over 28 years of experience in corporate secretarial practices.

The Company Secretary constantly keeps herself abreast with the latest regulatory changes and/or development in corporate governance by attending the necessary trainings, conferences, seminars and/or workshops to ensure effective discharge of her advisory role to the Board.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of her duties and functions.

1.5 Access to Information and Advice

The Board recognises that the decision-making process is highly dependent on the quality of information furnished to the Board. In furtherance to this, every Director has access to all the information within the Company or the Group through the following means:-

- a. Members of Senior Management attend Board and/or Board Committees meetings by invitation and report on areas which are within their responsibilities for the Board's decision making and effective discharge of the Board's responsibilities if required.
- b. The notices of meetings and meeting materials are prepared and circulated to the Directors and/or Board Committees Members at least five (5) working days prior to the scheduled Board Meetings.
- c. Company Secretary or the representative of the Company Secretary attends all the Board and Board Committees' meetings and ensures the deliberation and decision of matters discussed at the Board and Board Committees' meeting are duly recorded and well documented in the minutes of meetings.
- d. Regular updates and advices on new regulations, guidelines or directives issued by Bursa Securities, Securities Commission of Malaysia and any other relevant regulatory authorities.
- e. The Directors, collectively or individually, may seek independent professional advice and information in the furtherance of their duties at the Company's expense, if so required.

1.6 Board Charter

The Company has formalised and adopted a Board Charter which sets out the functions, authority, roles and responsibilities of the Board as well as the various internal processes and principles governing the Board. The Board Charter also serves as a source of reference and primary induction literature, providing insights to new Board members.

In addition to the Board Charter, the governance framework of the Company is supported by the Group's Limit of Authority which defines further the matters as well as the applicable limits specifically reserved for the Board's approval and those delegated to the GMD, Group Executive Director and Management.

Corporate Governance Overview Statement (cont'd)

The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

The Board Charter was last reviewed, revised and approved by the Board on 19 August 2021 and is published on the Company's website, www.gdbhb.com.my.

1.7 Code of Ethics and Conduct

The Board has established appropriate standards of business conduct and ethical behaviour to govern the exercise of the Directors' duties and responsibilities as Directors of the Company in order to uphold good corporate integrity.

The Code of Ethics and Conduct sets out the general principles and standards of business conduct and ethical behaviour for the Directors and employees of the Group in the performance and exercise of their responsibilities or when representing the Group and includes the expectation of professionalism and trustworthiness from the Directors and employees of the Group.

The Code of Ethics and Conduct which is incorporated in the Board Charter of the Company is published on the Company's website, www.gdbhb.com.my.

1.8 Whistle Blowing Policy

The Board has also adopted a Whistle Blowing Policy to provide an avenue for all employees of the Group and members of the public to report or disclose any violations or wrongdoings that may be observed in the Group without fear of retaliation should they act in good faith when reporting such concerns.

The Board had on 19 August 2021 reviewed, revised the Whistle Blowing Policy and adopted new Whistle Blowing Standard Operating Procedures ("SOPs") to facilitate the effective whistle blowing mechanism for all employees of the Group and members of the public to raise concerns or disclose any improper conduct committed by any directors or employees of the Group. The SOPs also provide a framework for a fair and expeditious means of dealing with whistle blowing instances respecting the rights of all parties concerned.

The Whistle Blowing Policy is published on the Company's website, www.gdbhb.com.my.

1.9 Anti-Bribery & Corruption Policy ("ABC Policy")

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place ABC Policy to encourage a culture of integrity and transparency in all of the Group's activities. This policy which adheres to the Listing Requirements of Bursa Securities and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally set out the responsibilities of the Company, and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ABC Policy will be reviewed at least once in every three (3) years and in accordance with the needs of the Company.

The ABC Policy is published on the Company's website, www.gdbhb.com.my.

Corporate Governance Overview Statement (cont'd)

1.10 Sustainability Governance

The Board believes that sustainable business practices are essential to the creation of long-term value, and that running the business in a responsible manner is intrinsically tied to achieving operational excellence.

In terms of structural oversight over sustainability including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance factors as part of the Group's corporate strategy.

As fiduciary to the Company's shareholders, the Board is focused on maintaining exemplary corporate governance practices, which include a commitment to ethics, integrity and corporate responsibility. The Board also ensures the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets as well as overall performance in which the Sustainability Statement has provided a detailed articulation in this Annual Report.

The Board had on 19 August 2021 reviewed, revised and approved the relevant amendments by incorporating the assessment on the Board's understanding on sustainability issues in the annual performance evaluation that are critical to the Company's performance.

PART II – COMPOSITION OF THE BOARD

2.1 Board Composition

The Board presently has six (6) members comprised of one (1) GMD, one (1) Group Executive Director, one (1) Executive Director and three (3) Independent Non-Executive Directors. This composition is able to provide unbiased and independent views, advice and judgement to facilitate a balanced and impartial Board decision making process in the Group as well as provide effective check and balance to safeguard the interest of other stakeholders, and ensure that high standards of conduct and integrity are maintained, which complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities and Practice 5.2 of the MCCG.

The Board members have diverse backgrounds and experiences in various fields. Collectively, they bring a wide range of skills, experience and knowledge to manage the Group's business. The profiles of these Directors are provided on pages 7 to 9 in this Annual Report.

2.2 Tenure of Independent Directors

The Board is fully aware that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

During the financial year under review, none of our Directors has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years.

Corporate Governance Overview Statement (cont'd)

The Company has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years. Notwithstanding that, the assessment of the independence of Independent Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

2.3 New Appointment to the Board

The Board through the NC is responsible for reviewing recommendations of any new appointments to the Board. In reviewing these recommendations, the NC will review the Board appointment based on merit, taking into account the skills, experience, independence and knowledge that the Board as a whole requires to be effective. Any new nomination is to be reviewed by NC and subsequently recommended to the full Board for assessment and endorsement.

In fostering the commitment of the Board to devote sufficient time to carry out their responsibilities, each Director is required to notify the Chairman of the NC and the Board prior to accepting directorships, his or her directorship in listed issuers other than the Group. All Directors shall not hold more than five (5) directorships in other listed issuers as required under Paragraph 15.06 of the Listing Requirements of Bursa Securities.

2.4 Board Diversity and Senior Management Team

The Board is supportive of the diversity of the Board and Senior Management Team. The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, including the selection of Board members and Senior Management. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Group.

In the event where a vacancy in the Board arises, the Board, through the NC, will consider the female representation when suitable candidates are identified. However, the appointment of a new Board member will not be guided solely by gender but will also take into account the skill sets, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

In view of the gained attention of boardroom diversity as an important element of a well functioned organisation, the Gender Diversity Policy was reviewed, revised and approved by the Board on 19 August 2021 which provides a framework for the Company to improve its gender diversity at the Board and Senior Management level.

2.5 Board Committees

The Board Committees are set up to manage specific tasks for which the Board is responsible within clearly defined Terms of Reference. This ensures that the Board members can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particulars issues.

Corporate Governance Overview Statement (cont'd)

The Board has established four (4) Board Committees and the membership of each committee is set out in the table below:-

Composition	AC	NC	RC	RMC
Tan Sri Dato' Ir. Hj. Zaini Bin Omar <i>(Independent Non-Executive Chairman)</i>	Member	Member	Member	Member
Datuk Sr Chia Lui Meng <i>(Independent Non-Executive Director)</i>	Member	Member	Chairman	Chairman
Kow Poh Gek <i>(Independent Non-Executive Director)</i>	Chairperson	Chairperson	Member	Member
Cheah Ham Cheia <i>(Group Managing Director)</i>	N/A	N/A	N/A	Member
Alexander Lo Tzone Leong <i>(Group Executive Director)</i>	N/A	N/A	N/A	Member

The Terms of Reference of the respective Board Committees are published on the Company's website, www.gdbhb.com.my.

2.6 NC

The NC, which is chaired by the Independent Non-Executive Director, is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis. The Board will have the ultimate responsibility and final decision on the appointment of the Directors. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company and determine a skills matrix to support the strategic direction and needs of the Company.

The NC has written Terms of Reference dealing with its authority and duties which include the selection and assessment of directors. The Terms of Reference of the NC was last reviewed, updated and approved on 19 August 2021 which incorporated the relevant practices recommended under the MCCG. The Terms of Reference of the NC is available on the Company's website, www.gdbhb.com.my.

During the FYE 2021, the following are the summary of activities undertaken by the NC:-

- Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he/she could devote sufficient time to the role.
- Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.
- Reviewed and assessed the independence of the Independent Directors of the Company.

Corporate Governance Overview Statement (cont'd)

- d. Reviewed and assessed the performance of the AC.
- e. Reviewed and recommended to the Board for consideration, the re-election of the Directors who were due to retirement at the Annual General Meeting ("AGM").

2.7 Board Appointment and Re-appointment Process

The NC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nominee for appointment to the Board. In the case of a nominee for the position of Independent Non-Executive Directors, NC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. The Board has in the review of the skills of Directors, including information technology, legal, public relations and experience in the retailing industry as the matrix of skills of Directors that would be prioritised when selecting candidates for appointment to the Board.

In accordance with the Listing Requirements of Bursa Securities and the Company's Constitution, one-third of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors, shall retire from office at least once in every three years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NC considers their competencies, commitment, contribution, performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company.

The Board makes recommendations concerning the re-election, re-appointment and the continuation in office of any Director for shareholders' approval at the AGM.

2.8 Annual Evaluation of the Board and Board Committees as a whole

The NC has a formal assessment criterion to assess the effectiveness of the Board and Board Committees as a whole and the contribution of each individual Director. The Board, through the annual review by the NC on the size and composition of the Board, will determine if the Board has the right size and sufficient diversity with independence elements that befit the Company's objectives and strategic goals.

In evaluating the performance of Non-Executive Directors, the assessment comprises amongst others, the attendance at Board or Committee meetings, adequate preparation for Board and/or Board Committees' meetings, regular contribution to Board or Board Committees' meetings, personal input to the role and other contributions to the Board or Board Committees as a whole.

In evaluating the performance of Executive Directors, the assessment was carried out against diverse key performance indicators including amongst others, financial, strategic and sustainability, conformance and compliance, business acumen or increase shareholders' wealth, succession planning and personal input to the role.

Corporate Governance Overview Statement (cont'd)

2.9 Attendance of Board and Board Committees' Meetings

The Board meets at least once in every quarter on a scheduled basis and additional meetings are to be convened as and when deemed necessary by the Board. All the Directors fulfilled the requirements of the Listing Requirements of Bursa Securities of having attended at least 50% of the Board meetings held by the Company for the FYE 2021.

The attendance records of the Directors at Board and Board Committees' meetings for the FYE 2021 are set out as follows:-

Meeting Attendance	Board	AC	NC	RC	RMC
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	4/5	4/5	1/1	1/1	2/2
Cheah Ham Cheia	5/5	N/A	N/A	N/A	2/2
Alexander Lo Tzone Leong	5/5	N/A	N/A	N/A	2/2
Cheah Jun Kai	4/5	N/A	N/A	N/A	N/A
Datuk Sr Chia Lui Meng	5/5	5/5	1/1	1/1	2/2
Kow Poh Gek	5/5	5/5	1/1	1/1	2/2

2.10 Directors' Training

The NC has taken on the responsibility of evaluating and determining the specific and continuous training needs of the Directors on a regular basis. The Directors have attended courses/conferences and/or in-house training from time to time to enhance their skills and knowledge and to keep abreast with the relevant changes in laws, Listing Requirements, regulations and business environment in order to discharge their duties more effectively.

The Directors are mindful that they should continually attend seminars and courses to keep themselves abreast with the latest economic and corporate developments as well as new regulations and statutory requirements. The Directors are also encouraged to evaluate their own training needs on a continuous basis and to determine the relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contribution to the Board.

Relevant guidelines on statutory and regulatory requirements were circulated to the Board from time to time for Board reference. During the FYE 2021, the Directors of the Company have attended in-house training session conducted by the Company Secretary on "Updated MCGG 2021".

The following training programmes were attended by the Directors during the FYE 2021:-

Name of Directors	Training /seminar attended
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	<ul style="list-style-type: none"> Advocacy Session on Corporate Disclosure
Datuk Sr Chia Lui Meng	<ul style="list-style-type: none"> Updated MCGG 2021
Kow Poh Gek	<ul style="list-style-type: none"> Updated MCGG 2021 Understanding Board Decision-Making Process The MCGG 2021 – What the Updates entail & their implications to the Board of Directors & Management

Corporate Governance Overview Statement (cont'd)

The following training programmes were attended by the Directors during the FYE 2021:- (cont'd)

Name of Directors	Training /seminar attended
Cheah Ham Cheia	<ul style="list-style-type: none"> • Updated MCCG 2021 • Corporate Liability on Corruption under the MACC Act 2009 • Tackling the impact of Covid-19 on Construction Projects • 2022 Budget Highlights & Navigating Post Covid-19 Recovery @ Construction Industry
Alexander Lo Tzone Leong	<ul style="list-style-type: none"> • Updated MCCG 2021 • Construction Claims & ADR Conference 2021 • Corporate Liability on Corruption under the MACC Act 2009 • MBAM Webinar on ESG in Construction • MBAM Webinar on Workplace Digitalisation through Connected Machinery • Tackling the impact of Covid-19 on Construction Projects
Cheah Jun Kai	<ul style="list-style-type: none"> • Corporate Liability on Corruption under the MACC Act 2009 • MBAM Webinar on ESG in Construction • Trends Developments, and Best Practices in Financial and ESG Reporting • 2022 Budget Highlights & Navigating Post Covid-19 Recovery @ Construction Industry

The Directors will continue to participate in professional development programmes from time to time as necessary to enable them to carry out their roles and duties effectively.

PART III – REMUNERATION

3.1 Remuneration Policy

The Board has in place a formal Remuneration Policy for Directors and/or Senior Management. The Remuneration Policy establishes a formal and transparent procedure for developing a structure for determining the remuneration of Directors and/or Senior Management of the Company with the objective of supporting and driving business strategy and the long-term interests of the Company.

The Remuneration Policy aims to:

- determine the level of remuneration of Directors and/or Senior Management;
- attract, retain and reward high performing, experienced and qualified Directors and/or Senior Management by providing remuneration which commensurates with their responsibilities and contributions, and be competitive with the industry; and
- encourage value creation for the Company by aligning the interests of Directors with the long-term interests of shareholders.

The Remuneration Policy is available at the Company's website, www.gdbhb.com.my.

Corporate Governance Overview Statement (cont'd)

I) Executive Directors and/or Senior Management

The RC reviews and recommends the remuneration package of the Executive Directors and/or Senior Management for the Board's deliberation and it is the responsibility of the Board as a whole to approve the total remuneration package of the Executive Directors, giving due consideration to the individual performance, responsibility and sustainable development of the Group, and shall take into account the size and complexity of the business.

II) Independent Non-Executive Directors

Independent Non-Executive Directors' fees consist of annual fees that reflect the expected diverse experience, skill sets and the roles and responsibilities of the Independent Non-Executive Directors concerned. The Independent Non-Executive Directors are also paid a meeting allowance for each meeting they attend.

The Board, through the RC will conduct a periodic review of the criteria to be used in recommending the remuneration package of Directors and/or Senior Management to ensure that it is in line with current market practices and needs.

The annual Directors' fees and benefits payable to the Non-Executive Directors are endorsed by the Board for approval by the shareholders of the Company at the AGM.

Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration packages.

3.2 Remuneration of Directors

The breakdown of the remuneration of each individual Director of the Company and of the Group for the FYE 2021 are as follows:-

The Company

Name of Directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits-in Kind RM'000	Other emoluments# RM'000	Total RM'000
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	78.0	2.8	-	-	-	-	80.8
Cheah Ham Cheia	-	-	493.5	-	-	19.7	513.2
Alexander Lo Tzone Leong	-	-	516.0	-	-	62.8	578.8
Cheah Jun Kai	-	-	145.2	-	-	18.3	163.5
Datuk Sr Chia Lui Meng	66.0	3.5	-	-	-	-	69.5
Kow Poh Gek	72.0	3.5	-	-	-	-	75.5
TOTAL	216.0	9.8	1,154.7	-	-	100.8	1,481.3

Corporate Governance Overview Statement (cont'd)

The Group

Name of Directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits-in Kind RM'000	Other emoluments# RM'000	Total RM'000
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	78.0	2.8	-	-	-	-	80.8
Cheah Ham Cheia	-	48.0	493.5	105.8	-	170.7	818.0
Alexander Lo Tzone Leong	-	-	516.0	145.3	21.3	317.0	999.6
Cheah Jun Kai	-	16.2	145.2	37.1	-	48.1	246.6
Datuk Sr Chia Lui Meng	66.0	3.5	-	-	-	-	69.5
Kow Poh Gek	72.0	3.5	-	-	-	-	75.5
TOTAL	216.0	74.0	1,154.7	288.2	21.3	535.8	2,290.0

Note:-

Other emoluments include EPF, SOCSO, EIS, project incentive and completion reward, and petrol card.

3.3 Remuneration of Senior Management

The Board is of the view that the disclosure of the Senior Management's remuneration components on a named basis would not be in the best interest of the Company as it may be detrimental to the Company's human resource management due to the competitive nature for talents within the construction industry.

The Board also took into consideration of sensitivity and security of the remuneration package of Senior Management, hence, opts not to disclose on a named basis the remuneration or in bands of RM50,000.00 for the Senior Management.

Alternatively, the Board is of the view that the disclosure of the Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the Senior Management of the Group for the FYE 2021 are as follows:-

Remuneration Band	Number of Senior Management
RM100,001 to RM150,000	1
RM200,001 to RM250,000	1
RM400,001 to RM450,000	2
RM500,001 to RM550,000	1

Corporate Governance Overview Statement (cont'd)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE

4.1 Effective and Independent AC

The AC is relied upon by the Board to, amongst others, provide advice and oversee in the areas of financial reporting, external audit, internal control environment and internal audit processes, review of related party transactions as well as conflict of interest situations.

The AC comprises of three (3) Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director namely Mdm. Kow Poh Gek. As the Chairperson of the AC is distinct from the Chairman of the Board, it ensures that the objectivity of the Board's review of the AC's findings and recommendations is not impaired.

The composition of the AC is in compliance with Paragraphs 15.09 and 15.10 of the Listing Requirements of Bursa Securities and the recommendation of MCCG whereby all the three (3) AC members are Independent Non-Executive Directors. None of the Independent Directors has appointed alternate directors.

None of the members of AC were former key audit partners and in order to uphold utmost independence, the Board has no intention to appoint any former key audit partner as a member of the AC.

The term of office and performance of the AC and its members are reviewed by the NC annually to determine whether such AC and members have carried out their duties in accordance with the terms of reference.

4.2 External Auditors

The Group has established a transparent and appropriate relationship with the External Auditors which has been accorded the authority to communicate directly with the External Auditors. The External Auditors in turn are able to highlight matters which require the attention of the Board to the AC in terms of compliance with the accounting standards and other related regulatory requirements.

The Board also has established the External Auditors Assessment Policy together with the Annual Performance Evaluation Form. The said policy aims to outline the guidelines and procedures for AC to review, assess and monitor the performance, suitability and independence of the External Auditors. The factors considered by the AC in its assessment include adequacy of professionalism and experience of the staff, the resources of the External Auditors, fees, independence, and the level of non-audit services rendered to the Group.

The AC is satisfied with the performance, suitability and independence of the External Auditors of the Company, Crowe Malaysia PLT. Having assessed their performance, the AC is satisfied with the competence and independence of the External Auditors and had recommended to the Board, the re-appointment of the External Auditors upon which the shareholders' approval will be sought at the forthcoming AGM of the Company.

Corporate Governance Overview Statement (cont'd)

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control Framework

The Board acknowledges the importance of a sound risk management system and internal control to ensure that the risks in the Group are identified and managed with the appropriate risk management system. The risk management process includes identifying principal business risks in critical areas, assessing the likelihood and impact of material exposures and determining its corresponding risk mitigation and treatment measures.

The internal audit function of the Group is outsourced to an independent professional firm. The Internal Auditors conducts regular review and appraisals of the effectiveness of the governance, risk management, anti-corruption, whistle blowing and internal control system within the Group. The Internal Auditors are also required to assist the Group in enhancing its existing risk management framework and adopting a risk-based approach. The assessment and findings of the internal audit are reported periodically to the AC. The recommendations arising from the internal audit and its implementations would be monitored.

Besides that, AC undertakes an annual assessment of the suitability and performance of the Internal Auditors. The AC, in its assessment, has considered several factors, which included adequacy and resources of the Internal Auditors, quality control processes, the professional staff assigned to the audit, independence and objectivity of the Internal Auditors, discussion on audit scope, plan and fees and communication from the Internal Auditors.

Further details of the internal audit functions are set out in the Statement on Risk Management and Internal Control of this Annual Report on pages 44 to 49 in this Annual Report.

5.2 RMC

The members of the RMC are nominated and appointed by the Board to assist the Board in discharging its fiduciary duties and responsibilities to review the effectiveness of the Group's internal control system and ensure that there is a process in place for identifying, evaluating and managing the significant risks to the achievement of the Group's strategic objectives.

This provides assurance on the management of risk and receives reports on the efficiency and effectiveness of internal controls. Each of the individual business units and functional management teams drive the process through which principal and emerging risks and uncertainties are identified. The Board understands that the individual business units and functional management teams are best placed to identify the principal and emerging risks and uncertainties associated with their respective areas of business. Risks identified and associated mitigating controls are subject to review by the RMC and the Board regularly.

The process for identifying, evaluating and managing risks has been in place throughout the FYE 2021. The internal control system is designed to manage and mitigate, rather than eliminate, the risk of failure to achieve business objectives. The internal control system can only provide reasonable assurance, rather than absolute assurance, against material misstatement or loss.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

6.1 Continuous Communication with Stakeholders

The Board recognises the need for transparency, timely and quality disclosure as well as regular communication with its shareholders, stakeholders and investors on the performance and major developments of the Company.

To ensure effective dissemination of information to the shareholders and stakeholders, the Group makes necessary announcements on the Group's affairs and development in accordance with the Listing Requirements of Bursa Securities through the website of Bursa Securities. In addition to that, the Company also maintains a corporate website at www.gdbhb.com.my where pertinent information on the Group can be easily accessible by the shareholders and stakeholders in matters as follows:-

- Interim financial reports to provide updates on the Group's operations and business development on a quarterly basis;
- Annual audited financial statements and annual reports to provide an overview of the Group's state of governance, state of affairs, financial performance and cash flows for the relevant financial year;
- Corporate announcements to Bursa Securities on material developments of the Group, as and when necessary and as mandated by the Listing Requirements of Bursa Securities; and
- Company's corporate information including Board Charter, Terms of References of various Board Committees and Whistle Blowing Policy.

6.2 Corporate Disclosure Policy

The Board is committed to provide effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, that information filed with regulators is in accordance with all applicable legal and regulatory requirements.

The Corporate Disclosure Policy was formalised to promote comprehensive, accurate and timely disclosures pertaining to the Company and the Group to regulators, shareholders and stakeholders.

PART II – CONDUCT OF GENERAL MEETING

7.1 Conduct of General Meetings

The AGM remains the principal forum for dialogue with shareholders where they may seek clarifications on the Company's business and reports.

In line with Practice 13.1 of MCCG, the notice convening the Eighth AGM was issued to shareholders at least 28 days before the Eighth AGM date, which gives shareholders sufficient time to prepare themselves to attend the Eighth AGM or to appoint proxy to attend and vote on their behalf.

Corporate Governance Overview Statement (cont'd)

The Company had its fully virtual Eighth AGM through live streaming and via online remote voting from the broadcast venue and all the Directors had attended the Eighth AGM. The key management of the Company as well as the External Auditors of the Company had attended as well to respond to shareholders' questions during the Eighth AGM.

All resolutions set out in the Notice of Eighth AGM were put to vote by poll and the votes casted were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities at the end of the meeting day.

7.2 Effective Communication and Proactive Engagement

All Directors had attended the Eighth AGM and be accountable to the shareholders for their stewardship of the Company. The Chairman of the Board and its Board Committees members were available to respond to shareholders' queries concerning the Company and the Group in the Eighth AGM. The External Auditors were also be invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders.

From the Company's perspective, the AGM also serves as a forum for Directors to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from the shareholders during and at the end of shareholders' meeting and ensures their queries are responded to in a proper and systematic manner.

The Chairman ensures that a reasonable time is provided to the shareholders for discussion at the AGM before each resolution is proposed. The summary of the key matters discussed at the Eighth AGM was also published on the Company's website for the shareholders' information.

STATEMENT BY THE BOARD ON CG STATEMENT

The Company shall continue to strive for high standards of corporate governance through the Group, and the highest level of integrity and ethical standards in all of its business dealings.

The Company has in material aspects satisfactory complied with the principles and practices set out in the MCCG, except for the departures set out in the CG Report.

Audit Committee Report

The Board of Directors ("Board") of GDB Holdings Berhad ("GDB" or "Company") presents the Audit Committee ("AC") Report in which provide insights how the AC discharged its functions and duties for the financial year ended 31 December 2021 ("FYE 2021").

1. OBJECTIVES

The primary objective of the AC is to assist the Board in fulfilling its oversight responsibilities effectively and ensuring GDB operates in an ethical environment and complies with laws and regulations. The AC is charged with oversight of financial reporting, internal control systems, as well as responsible for the internal and external audit functions. The AC maintain communication with the External and Internal Auditors, ensuring its independence, effectiveness and efficiency and having free reign in the audit process.

2. COMPOSITION

The composition of the AC is as follows:-

Name	Designation
Mdm. Kow Poh Gek, Chairperson	Independent Non-Executive Director
Tan Sri Dato' Ir. Hj. Zaini Bin Omar, Member	Independent Non-Executive Chairman
Datuk Sr Chia Lui Meng, Member	Independent Non-Executive Director

The AC composition meets the requirements of Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") as well as Practice 9.1 and 9.4 under the Principle B of the Malaysian Code of Corporate Governance 2021.

The AC Chairperson, Mdm. Kow Poh Gek is a member of the Malaysian Institute of Accountants and fellow member of the Chartered Institute of Management Accountants. Accordingly, the composition of AC members complies with Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities.

3. TERMS OF REFERENCE

The information on the Terms of Reference of the AC is made available on the Company's website at <https://www.gdbhb.com.my>.

4. ATTENDANCE OF MEETINGS

During the FYE 2021, the AC had held five (5) meetings and attendance of meetings for each of the AC members is as follows:

AC Members	Attendance
Mdm. Kow Poh Gek, Chairperson	5/5
Tan Sri Dato' Ir. Hj. Zaini Bin Omar, Member	4/5
Datuk Sr Chia Lui Meng, Member	5/5

Audit Committee Report (cont'd)

4. ATTENDANCE OF MEETINGS (CONT'D)

The Executive Directors and certain designated Key Senior Management as well as the External Auditors and Internal Auditors were invited to the AC meetings to facilitate direct communication and to provide clarifications on audit issues, areas of concerns, operational matters as well as to brief the AC on specific issues arising from the internal audit report or any other matters of specific interest.

As part of the AC's efforts to ensure the effectiveness of the Group's internal controls, the Internal Auditors, Sterling Business Alignment Consulting Sdn Bhd ("SBAC") is engaged to conduct independent quarterly review and present to the AC for review before the Board's approval and adoption.

5. SUMMARY OF WORK

During the FYE 2021, the summary of activities that carried out by the AC, amongst others, included the deliberation and review of the following:

- a. The audit plan and scope of the statutory audit of the Group's financial statements for the FYE 2021 before the audit commenced to ensure that the scope of the external audit is comprehensive;
- b. The Audit Review Memorandum with the External Auditors upon completion of the annual audit, covering findings on the results and issues arising from their audit of the financial statements of the Group and their resolutions of such issues highlighted in their report to the AC;
- c. The Company's quarterly and year-end financial results prior presenting its recommendations to the Board for consideration and approval for release of the announcements of the financial results to Bursa Securities;
- d. The annual audited financial statements of the Company to ensure compliance with accounting standards and other legal requirements. Discussion with the External Auditors on their audit findings focusing particularly on matters relating to changes in accounting standards and other disclosure requirements;
- e. The performance of the External Auditors based on competency, efficiency and transparency as demonstrated during their audit, recommendation on their re-appointment and proposed audit fee to the Board for consideration and approval;
- f. The risk-based annual internal audit plan and its adequacy of scope and coverage as proposed by the Internal Auditors. The findings of the quarterly internal audit reports and follow-up audit status as well as considered the Management responses thereto, and ensured that appropriate actions are taken by the Management on the recommendations raised by Internal Auditors;
- g. Related party transactions and/or recurrent related party transactions that transpired by the Group during the financial year under review, to ascertain that such transactions, if any, are carried out on arm's length basis;
- h. The Corporate Governance Overview Statement, Corporate Governance Report, AC Report and Statement on Risk Management and Internal Control to ensure compliance with legal and regulatory reporting also disclosure requirements, prior recommendation to the Board for inclusion in the Annual Report;
- i. Appropriate measures are taken to identify corporate liability risks including bribery risks, corruption risks and compliance risks. Also, the review of the whistleblowing and anti-bribery and anti-corruption findings of the Group was reported quarterly to the AC;

Audit Committee Report (cont'd)

5. SUMMARY OF WORK (CONT'D)

- j. Evaluation of the performance of the Internal Auditors based on criteria, among others, include calibre and quality of the engagement team, the degree of its audit governance and independence, as well as effectiveness and efficiency of their internal audit reviews; and
- k. Annual self-appraised performance of the AC and submission of the evaluation forms to the Nomination Committee for assessment.

6. INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to SBAC which assist the Board and AC in discharging its duties and responsibilities in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. SBAC reports directly to the AC.

The internal audit cost incurred by the Group for the outsourced internal audit functions for FYE 2021 amounted to RM40,000.

The internal audit team conducted the audit work in accordance with the annual audit plan approved by the Board on 26 February 2021, covers key functional areas and business activities of the GDB emphasising on best practices and encompasses all business risks with core focus on the following aspects and is subject to evolve with changes in risks profile:

- The effectiveness and efficiency of operations;
- Reliability of reporting;
- Compliance with applicable laws and regulations; and
- Safeguarding the assets.

The internal audit reviews are conducted on a functional area basis aiming to provide a valuable platform to evaluate processes in providing assurance that all areas of concern, findings and recommendations are put in place and/or enhanced where deemed appropriate by the Management.

The AC is of the opinion that the internal audit function is independent and the Internal Auditors have performed their audit assignments with impartiality, proficiency and due professional care.

7. RELATIONSHIP WITH AUDITORS

The Board, through AC maintains a transparent and appropriate relationship with both External and Internal Auditors. The AC have direct communication channels with both External and Internal Auditors without the presence of the Executive Directors and employees whenever deemed necessary. Both External and Internal Auditors have direct reporting and access to the AC to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of the Management.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("Board") of GDB Holdings Berhad ("the Company") is pleased to present its Statement on Risk Management and Internal Control ("Statement"), which outlines the nature and scope of the Company and its subsidiaries ("Group") risk management and internal control for the financial year ended 31 December 2021 ("FYE 2021"). This Statement is prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") on the issuance of Risk Management and Internal Control Statement pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") and the Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

BOARD'S RESPONSIBILITY

The Board recognises the importance of good corporate governance and affirms the overall responsibility for maintaining a sound system of risk management and internal control so as to safeguard shareholders' interest and the Group's assets.

The Board carries out its responsibilities in ensuring the adequacy and effectiveness of the framework and controls are put in place. However, in view of the limitations that are inherent in any system of internal control, the framework of risk management and internal control is designed to manage but may not totally eliminate the risks of failure to achieve business objectives. The system can only provide reasonable and not absolute assurance against the occurrence of any material misstatement, error, fraud, irregularities or losses.

The Audit Committee ("AC") oversees the Group's system of internal controls ensuring its adequacy, integrity and effectiveness, also ensuring compliance with laws and regulations. The AC relies and overseeing the internal audit function conducted by the outsourced Internal Auditor, Sterling Business Alignment Consulting Sdn Bhd ("SBAC") to provide independent assurance that the Group's internal control processes are operating effectively, SBAC presents the audit reports directly to the AC of all audit issues and actions taken by the Management in addressing the issues/weaknesses raised where it will be deliberated on during the AC meetings.

Whilst the Risk Management Committee ("RMC") provides oversight, direction and guidance on the Group's risk management structure, process and support system. RMC review and assess the adequacy of risk management policies and framework for identifying, measuring and controlling risks over its business and operations particularly in respect of key risks which the Group faces on a regular basis in the conduct of its business.

SBAC is also engaged to assist the RMC in reviewing and assessing the Group's risk management framework and to present its finding to the RMC on a half-yearly basis for reviews and assessment on the efficacy of the controls taken to mitigate, monitor and manage the overall risk exposure of the Group.

The AC and RMC made recommendations to the Board based on the internal audit review report and risk management review report respectively for deliberation and approval.

RISK MANAGEMENT

The Board regards the management of core risks as an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial year under review enabled the Group to make cautious, mindful and well-informed decisions through the formulation and implementation of requisite action plans and monitoring regime which are imperative in ensuring the accomplishment of the Group's objectives.

Statement on Risk Management and Internal Control (cont'd)

The Board, through the RMC, provides oversight on overall risk management framework of the Group, establishes risk management policies and procedures on risk and control by identifying and assessing risks, and making recommendations designed to monitor, evaluate, manage and mitigate such risks throughout the business operations particularly in respect of key risks which the Group faces on a regular basis in the conduct of its business. The risk management practices serve as an on-going process to identify, evaluate and put into effect necessary actions to remedy any significant failings or weaknesses identified from the review. This is to enable the Group to respond effectively to the changing business and competitive environment which are critical for the Group's sustainability.

The independent review on the Group's Risk Management Framework, Risk Register, Risk Impact and Likelihood Classification, Risk Management Action Plan and Risk Management Review Report by SBAC has provided a certain degree of reasonable assurance to the RMC that the Group's risk management is adequate and effective in providing feedback for further improvement.

The Group's identified major key risk areas for risk mitigating measures in the following aspects:

Legal and Regulatory Risk

Ensure compliance with laws and regulations that Group's exposure to potential legal liabilities during the course of business such as compliance with industry legislation as well as Listing Requirements are well managed to avoid disruption to its business and operations. Hence, it is important to keep abreast with new regulations and assess their potential implication on the Group's business operations.

This includes compliance with the requirements of Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act on corporate liability for corruption and anti-bribery & whistle-blowing measures. During the financial year under review, the Group has conducted virtual training for all its employees.

The Group has also added/enhanced the following risks in its Risk Register for monitoring:

- (a) Compliance with the new and enhanced practices recommended in the MCCG 2021;
- (b) Compliance with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019;
- (c) Accreditation and certification of a construction site supervisor and skilled construction worker by CIDB; and
- (d) Validity of work permits of foreign workers who work at all our construction sites.

Political, Legislative and Economic Risk

Keeping the Group updated with any changes and / or risk factors in relation to the political situation, government economic plans and policies development in Malaysia.

Financial Risk

Liquidity risk management processes which enable the Group effectively and efficiently manages its financial resources and meets its financial obligations and liquidity requirements.

Business Risk

Strategic business risk management to identify the exposure of internal and external events that may prevent it from achieving its objectives. The key areas monitored are competition and volatility of major material prices. The identified business risks are assessed and ranked based on their severity of consequences and likelihood of occurrence for seizing business opportunities and mitigating actions to be taken.

Statement on Risk Management and Internal Control (cont'd)

During the FYE 2021, the prolonged COVID-19 pandemic continues impacted the Group since the first movement control order enforced by the Malaysian Government on 18 March 2020. The Group has responded to the situations by putting in place various measures to protect its stakeholders at all work sites, including the physical distancing guidelines, work-from-home or split-team arrangements to reduce unnecessary contacts, temperature screenings, regular sanitisation of work places, encouraging employees to sign up for the vaccination and booster programme. The Group also purchased vaccines through CIDB for its employees and workers so that there would be minimal interruption to its operations.

Operational Risk

Key operational risks identified such as risks affecting quality and timeliness of project delivery are monitored by risk owners to keep track of the remedial and mitigating actions such as, among others, wastage monitoring and continuous internal quality assessment are carried out. The Management conducts risk monitoring to determine whether the underlying conditions of a particular risk have been effectively dealt with and where required, to implement further measures to mitigate the impact of the risk to the Group.

Security Risk

Security risks inherent to IT network and information systems are secured and safeguarded with preventive measures such as system back-up recovery, antivirus and IT access controls are assigned appropriately to avoid leakage of private and confidential information.

Environmental, Safety and Health Risk

Adopting stringent monitoring controls on environmental, safety and health which are of utmost importance to the business. Monitoring control and measures include clearly documented procedures, the delegation of duties and responsibilities, schedule of tasks and the implementation of control measures.

The Group also implemented and monitored at all construction sites ensuring compliance with the COVID-19 standard operating procedures ("COVID-19 SOP") and always keeping abreast of the latest update of the Government's COVID-19 SOP to avoid any work interruption for offences such as stop work order.

Human Capital Risk

Human resource risks such as key-person dependency risks are addressed by a succession planning process which is in place to ensure continuity of business.

Investment Risk

The Group ensures that proper due diligence will be corroborated and deliberated prior to any investment on acquisition.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is performed by SBAC, who has no family relationships with any Director and/or Shareholder and has no conflicts of interest with the Group. SBAC is not involved in any implementation and development of internal controls, procedures, or engage in any activity of the Group which may impair its judgement. Accordingly, SBAC provides independent and objective assurance to the Board and Management on the adequacy and integrity of the Group's internal audit function.

Statement on Risk Management and Internal Control (cont'd)

The IA uses the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the Group’s internal control systems.

During the FYE 2021, SBAC has undertaken independent audit assignments on business units and projects of the Group in accordance with the annual audit plan 2021 approved by the Board on 26 February 2021. Among the scope of coverage are:

- Human Resources Management;
- Administration;
- Compliance with the Malaysian Code on Corporate Governance;
- Review of the Group’s Anti-Bribery Policies and Procedures;
- Safety, Environment and Quality;
- Project Management;
- Procurement; and
- Finance and Accounts

The relevant internal audit reports were presented directly to the AC during the quarterly AC meetings for deliberation and Management has acted accordingly on the corrective actions as well as noted SBAC’s recommendations for necessary improvement and enhancement measures where weaknesses were found.

For the FYE 2021, four (4) internal audit reports together with quarterly follow-up status reports on previous audit findings raised but not yet closed were tabled to AC by SBAC:

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Audited Areas
1st Quarter (January – March 2021)	May 2021	GDB Holdings Berhad and its subsidiaries	Human Resources Management
			Administration
			Compliance with the Malaysian Code on Corporate Governance
			Review of the Anti-Bribery Policies and Procedures Implemented by the Group
			Follow up Status Review on previously reported outstanding issues
2nd Quarter (April – June 2021)	August 2021	Grand Dynamic Builders Sdn Bhd	Safety, Environment and Quality
			Follow up Status Review on previously reported outstanding issues

Statement on Risk Management and Internal Control (cont'd)

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Audited Areas
3rd Quarter (July – September 2021)	November 2021	GDB Geotechnics Sdn Bhd	Project Management Safety, Environment and Quality Follow up Status Review on previously reported outstanding issues
4th Quarter (October – December 2021)	February 2022	Grand Dynamic Builders Sdn Bhd	Procurement Finance and Accounts Follow up Status Review on previously reported outstanding issues

The cost incurred in outsourcing the internal audit function and the review of risk management for the FYE 2021 was at RM46,000.

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROLS

The other key elements of the Group's internal control system include: -

1. Clearly defined terms of reference, authorities and responsibilities of the various Board committees which include the AC, Nomination Committee, Remuneration Committee and RMC;
2. Well-defined organisational structure with clear lines of authority, limits of authority, accountability and responsibilities of the Senior Management;
3. Clearly documented internal procedures in respect of operational processes as set out in the ISO 9001: 2015 Quality Management System and Quality, Environment, Safety and Health (QESH) Management System;
4. Regular reporting of operational performance and financial results at timely intervals to enable proper review by the Group Managing Director, Group Executive Director, Executive Directors and Senior Management;
5. Clearly defined and formalised internal policies and procedures are in place to support the Group in achieving its corporate objectives. These policies and procedures provide a basis for ensuring compliance with applicable laws and regulations, and also internal controls with respect to the Group's conduct of business;
6. A fully independent AC comprising exclusively of Independent Non-Executive Directors with full and unrestricted access to both Internal and External Auditors. The quarterly financial results and annual audited report are reviewed by the AC prior to approval by the Board;
7. Decision of the Board to outsource its internal audit function to SBAC for greater independence and accountability in the internal audit function; and
8. Whistle Blowing Policy which provides an avenue for employees to report suspected malpractices, misconduct or violations of the Group's policies and regulations in a secured and confidential manner.

Statement on Risk Management and Internal Control (cont'd)

ASSURANCE FROM THE MANAGEMENT

Nonetheless, based on the reporting by the Management which provide insights from the review and any changes made to its risk management framework and internal control as well as the reporting by the Internal Auditors of their audit review which covers the Management's actions and explanations towards their identified audit findings and concerned areas, the Board is of the view, and to the best of its knowledge, satisfied that the Group's risk management framework and system of internal control is in place and is operating adequately and effectively in all material aspects during the financial year under review.

The Board is also taking into consideration the written assurance from the Group Managing Director and Chief Financial Officer stating that the Group's risk management and internal control system is operating adequately and effectively in all material aspects during the FYE 2021, based on internationally recognised risk management framework adopted by the Group. Nonetheless, the Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit* and Assurance Practice Guide 3 ("AAPG 3"), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report*, issued by Malaysian Institute of Accountants.

The External Auditors have reported to the Board that, based on their review procedures performed and evidence obtained, nothing has come to their attention that causes them to believe that this Statement is factually inaccurate nor is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control Guidelines: Guidelines for Directors of Listed Issuers.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

CONCLUSION

For the financial year under review, the Board is of the view that the Group's risk management and internal control systems are rated overall as satisfactory, adequate and effective for the purpose of safeguarding the Group's assets as well as shareholders' investments, and the interests of all stakeholders. There has been no internal control failure nor any material losses or weaknesses identified from the reviews.

The Board confirms that there is an on-going process of identifying, evaluating, monitoring and managing risks to achieve the objectives of the Group. The process is in place for the year under review and up to the date of issuance of the Statement on Risk Management and Internal Control.

Additional Compliance Information

The information set out below are disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"):-

1. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The Group did not seek any mandate on RRPT from its shareholders. The RRPT of revenue and trading in nature incurred by the Group for the financial year ended 31 December 2021 ("FYE 2021") did not exceed the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Securities.

2. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries ("Group") involving the interest of the Directors or major shareholders, either still subsisting at the end of the FYE 2021 or entered into since the end of the previous financial year.

3. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to the External Auditors by the Company and Group for the FYE 2021 are as follows:

Type of Services	Fee (RM)	
	Company	Group
Audit		
- Financial audit	33,000	113,000
Non-audit		
- Review of Statement on Risk Management and Internal Control	5,000	5,000
- Tax advisory & compliance fees	5,490	33,890
Total	43,490	151,890

4. UTILISATION OF PROCEEDS RAISED FROM PUBLIC ISSUE ("IPO PROCEEDS")

The Company had on 26 March 2021 resolved to vary the intended purposes for the utilisation of part of the unutilised IPO Proceeds ("Variation") and to extend the timeframe for the utilisation of the remaining IPO Proceeds for a further twenty-four (24) months period ("Further Extension of Time") until 26 March 2023.

Additional Compliance Information (cont'd)

4. UTILISATION OF PROCEEDS RAISED FROM PUBLIC ISSUE ("IPO PROCEEDS") (CONT'D)

The details of the Variation and Further Extension of Time for utilisation of the IPO Proceeds are set out below:

Description of Utilisation	Utilisation of IPO Proceeds				Timeframe from the Listing Date			
	Initial Allocation RM'000	Deviation (a) RM'000	Variation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Initial Intended Timeframe	Previously Revised Timeframe	Further Extension of Time
Capital expenditure:								
- Purchase of new construction machinery and equipment	8,670	-	(6,845) ^(b)	(1,825)	-	Within 3 years	No change	No change
- Acquisition of a new office building	8,000	-	-	(8,000)	-	Within 3 years	No change	No change
- Acquisition of land for storage	8,000	-	-	-	8,000	Within 1 year	Within 3 years	Within 5 years ^(d)
Working capital:								
- Payment to suppliers and subcontractors	14,900	673	7,525	(23,098)	-	Within 1 year	No change	Within 5 years ^(d)
- Payment of salaries for new employees (for infrastructure project team) to be based at our head office	680	-	(680) ^(c)	-	-	Within 1 year	Within 3 years	No change
Estimated listing expenses	3,500	(673)	-	(2,827)	-	Within 3 months	No change	No change
Total	43,750	-	-	(35,750)	8,000			

Notes:

- (a) The actual listing expenses are lower than the estimated amount hence, the excess of RM0.67 million was used for working capital purposes.
- (b) RM6.845 million of the RM8.67 million allocated for the purchase of new construction machinery and equipment has been re-allocated to payment to suppliers and subcontractors.
- (c) RM0.68 million as allocated for payment of salaries for new employees (for infrastructure project team) to be based at the head office has been re-allocated for payment to suppliers and subcontractors.
- (d) Further extension of time for a another twenty-four (24) months until 26 March 2023.

Directors' Responsibility Statement

In respect of the Audited Financial Statements for the financial year ended 31 December 2021

The Board of Directors ("Board") are responsible for ensuring that the annual financial statements of the Group and of the Company are drawn up in accordance with applicable Malaysian Financial Reporting Standards (MFRSs), the International Financial Reporting Standards (IFRSs), and the requirements of the Companies Act 2016.

The Board are responsible to ensure that annual financial statements are prepared with reasonable accuracy from the accounting records of the Group and of the Company so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2021, and of the results and cash flows for the financial year.

In preparing the financial statements, the Board has:

- adopted and applied appropriate and relevant accounting policies consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis as the Board has a reasonable expectation that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Board is responsible for:

- ensuring that the Group and the Company maintain proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, and ensuring that the financial statements comply with the Companies Act 2016; and
- taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and of the Company, to detect and prevent fraud and other irregularities.

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Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	27,791,079	13,126,876
Attributable to:-		
Owners of the Company	28,622,287	13,126,876
Non-controlling interest	(831,208)	-
	27,791,079	13,126,876

DIVIDENDS

Dividends paid or declared by the Company since 31 December 2020 are as follows:-

	RM
Ordinary Share	
<u>In respect of the financial year ended 31 December 2020</u>	
A second interim single-tier dividend of RM0.01 per ordinary share, paid on 26 March 2021	6,250,000
<u>In respect of the financial year ended 31 December 2021</u>	
A first interim single-tier dividend of RM0.007 per ordinary share, paid on 21 September 2021	6,562,500
	12,812,500

On 25 February 2022, the Company declared a second interim single-tier dividend of RM0.007 per ordinary share amounting to RM6,562,500 in respect of the current financial year, paid on 29 March 2022, to shareholders whose names appeared in the record of depositors on 15 March 2022. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2022.

Directors' Report (cont'd)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its number of ordinary shares by way of bonus issue of 312,500,000 new ordinary shares of the Company on the basis of one bonus share for every two existing ordinary shares held.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

WARRANTS 2021/2026

The Company issued 250,000,000 warrants ("Warrant(s)") which were listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 30 June 2021 pursuant to the bonus issue on the basis of two Warrants for every five existing ordinary shares held in the Company.

The Warrants are constituted by a Deed Poll dated 9 June 2021 executed by the Company. Each Warrant entitles the registered holder during the exercise period to subscribe for one new ordinary share at the exercise price of RM 0.60 per Warrant, subject to adjustment in accordance with the provisions of the Deed Poll. The Warrants not exercised at the date of the maturity will thereafter lapse and cease to be valid for any purpose.

Issue Date	Expiry Date	At		At	
		1.1.2021	Granted	Exercised	31.12.2021
25.06.2021	24.06.2026	-	250,000,000	-	250,000,000

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the setting up of allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

Directors' Report (cont'd)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature other than the recognition of an impairment loss on goodwill as disclosed in Note 24 to the financial statements.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Directors' Report (cont'd)

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Cheah Ham Cheia
Alexander Lo Tzone Leong
Cheah Jun Kai
Tan Sri Dato' Ir. Hj. Zaini Bin Omar
Datuk Sr Chia Lui Meng
Kow Poh Gek

The names of directors of the Company's subsidiary who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Goh Eng Ngai
Izhan Goh Bin Abdullah @ Eng Tew (Alternate Director to Goh Eng Ngai)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares or options over unissued shares of the Company and its related corporations during the financial year are as follows:-

	<----- Number Of Ordinary Shares ----->			
	At 1.1.2021	Bought/ Granted	Sold	At 31.12.2021
The Company				
<i>Direct Interests</i>				
Alexander Lo Tzone Leong	131,692,900	65,846,450	-	197,539,350
Cheah Jun Kai	1,500,000	950,000	-	2,450,000
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	350,000	175,000	-	525,000
Datuk Sr Chia Lui Meng	300,000	150,000	-	450,000
Kow Poh Gek	300,000	150,000	(200,000)	250,000
<i>Indirect Interests</i>				
Cheah Ham Cheia*	305,900,000	152,950,000	-	458,850,000
Cheah Jun Kai^	50,000	25,000	-	75,000
The Holding Company				
<i>Direct Interests</i>				
Cheah Ham Cheia	2,250,000	-	-	2,250,000
Cheah Jun Kai	250,000	-	-	250,000

Directors' Report (cont'd)

DIRECTORS' INTERESTS (CONT'D)

	<----- Number of Warrants ----->			
	At 1.1.2021	Granted	Sold	At 31.12.2021
The Company				
<i>Direct Interests</i>				
Alexander Lo Tzone Leong	-	52,677,160	-	52,677,160
Cheah Jun Kai	-	800,000	-	800,000
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	-	140,000	-	140,000
Datuk Sr Chia Lui Meng	-	120,000	-	120,000
Kow Poh Gek	-	120,000	(120,000)	-
<i>Indirect Interests</i>				
Cheah Jun Kai [^]	-	20,000	-	20,000

Notes:-

* Deemed interested by virtue of his substantial shareholding in CHC Holdings Sdn. Bhd., the holding company, pursuant to Section 8 of the Companies Act 2016.

[^] Deemed interested by virtue of his spouse's shareholding in the Company.

By virtue of his shareholdings in the Company, Alexander Lo Tzone Leong is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interest, in accordance with Section 8 of the Companies Act 2016.

By virtue of his shareholdings in the holding company, Cheah Ham Cheia is deemed to have interests in shares in the Company and in its related corporations during the financial year to the extent of the holding company's interests, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in Note 29 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interest as disclosed in Note 30 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Report (cont'd)

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 29 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Company were RM2,000,000 and RM14,360 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 35 to the financial statements.

HOLDING COMPANY

The holding company is CHC Holdings Sdn. Bhd., a company incorporated in Malaysia.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 23 to the financial statements.

Signed in accordance with Board of Directors' Meeting held on 25 April 2022.

Cheah Ham Cheia

Alexander Lo Tzone Leong

Statement By Directors

Pursuant to Section 251(2) of The Companies Act 2016

We, Cheah Ham Cheia and Alexander Lo Tzone Leong, being two of the directors of GDB Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 65 to 116 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 25 April 2022.

Cheah Ham Cheia

Alexander Lo Tzone Leong

Statutory Declaration

Pursuant to Section 251(1)(b) of The Companies Act 2016

I, Toh Fong Eng, MIA Membership Number: 16576, being the officer primarily responsible for the financial management of GDB Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 65 to 116 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Toh Fong Eng
at Kuala Lumpur
in the Federal Territory
on this 25 April 2022

Toh Fong Eng

Before me

Commissioner for Oaths
Yokheswarem A/L M. Thirunadesan
No. W-540

Independent Auditors' Report

To the Members of GDB HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No: 201301006623 (1036466 - U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of GDB Holdings Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2021, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 65 to 116.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition, contract assets and liabilities Refer to Notes 9 and 20 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>The recognition of revenue on contracts is based on the percentage of completion method. The stage of completion is measured by reference to the proportion of actual costs incurred for work performed to date to the estimated total costs for the project.</p> <p>The determination of the percentage of completion requires the management to exercise significant judgement in estimating the total costs to complete the contracts.</p>	<p>Our procedures included, amongst others: -</p> <ul style="list-style-type: none">• Reviewing the contract value secured and projected budgeted costs;• Assessing the estimated total costs to complete through inquiries with the operational and finance personnel of the Group;• Inspecting documentation to support cost estimates made including contract variations and cost contingencies;• Performing verification on the actual progress billings issued and actual costs incurred for the financial year; and• Performing recomputation on the profit recognised and checked calculation of the percentage of completion.

Independent Auditors' Report

To the Members of GDB HOLDINGS BERHAD (cont'd)

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

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report

To the Members of GDB HOLDINGS BERHAD (cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditors' Report

To the Members of GDB HOLDINGS BERHAD (cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

25 April 2022

Ngiam Mia Teck
03000/07/2022 J
Chartered Accountant

Statements of Financial Position

At 31 December 2021

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	28,003,157	25,933,157
Property, plant and equipment	7	26,174,164	25,425,103	8,831,726	9,015,721
Goodwill	8	-	1,285,825	-	-
		26,174,164	26,710,928	36,834,883	34,948,878
CURRENT ASSETS					
Contract assets	9	144,234,558	112,710,979	-	-
Trade receivables	10	67,947,561	33,265,563	-	-
Other receivables, deposits and prepayments	11	12,935,465	10,164,172	31,130	31,130
Amount owing by subsidiaries	12	-	-	7,317,835	1,590,000
Short-term investments	13	68,904,061	64,251,987	26,826,041	34,078,824
Fixed deposits with licensed banks	14	9,858,908	8,395,529	-	-
Cash and bank balances		7,976,311	9,107,465	212,057	266,378
		311,856,864	237,895,695	34,387,063	35,966,332
TOTAL ASSETS		338,031,028	264,606,623	71,221,946	70,915,210
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	62,564,078	62,564,078	62,564,078	62,564,078
Retained profits		87,187,199	71,377,412	8,560,222	8,245,846
Equity attributable to owners of the Company		149,751,277	133,941,490	71,124,300	70,809,924
Non-controlling interest	6	1,491,168	1,422,376	-	-
TOTAL EQUITY		151,242,445	135,363,866	71,124,300	70,809,924
NON-CURRENT LIABILITY					
Deferred tax liability	16	1,087,880	1,483,472	-	-
CURRENT LIABILITIES					
Contract liabilities	9	652,151	92,572	-	-
Trade payables	17	60,989,516	39,780,294	-	-
Other payables and accruals	18	115,145,541	80,201,577	91,881	97,957
Provision	19	5,040,179	4,656,471	-	-
Current tax liabilities		3,873,316	3,028,371	5,765	7,329
		185,700,703	127,759,285	97,646	105,286
TOTAL LIABILITIES		186,788,583	129,242,757	97,646	105,286
TOTAL EQUITY AND LIABILITIES		338,031,028	264,606,623	71,221,946	70,915,210

The annexed notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2021

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
REVENUE	20	424,924,099	362,812,977	13,524,000	12,650,000
COST OF SALES	21	(377,548,758)	(320,798,860)	-	-
GROSS PROFIT		47,375,341	42,014,117	13,524,000	12,650,000
OTHER INCOME	22	1,634,448	2,916,552	2,376,651	2,970,921
		49,009,789	44,930,669	15,900,651	15,620,921
ADMINISTRATIVE EXPENSES	23	(7,500,801)	(8,516,693)	(2,409,598)	(2,511,860)
OTHER EXPENSES	24	(4,197,446)	(2,626,960)	(280,375)	(183,994)
PROFIT BEFORE TAXATION		37,311,542	33,787,016	13,210,678	12,925,067
INCOME TAX EXPENSE	25	(9,520,463)	(9,262,603)	(83,802)	(61,697)
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		27,791,079	24,524,413	13,126,876	12,863,370
PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
- Owners of the Company		28,622,287	25,688,669	13,126,876	12,863,370
- Non-controlling interest		(831,208)	(1,164,256)	-	-
		27,791,079	24,524,413	13,126,876	12,863,370
EARNINGS PER SHARE (SEN)					
- Basic	26	3.05	2.74		
- Diluted	26	3.05	2.74		

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2021

The Group	Note	Share Capital RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interest RM	Total Equity RM
Balance at 1.1.2020		62,564,078	58,188,743	120,752,821	2,586,632	123,339,453
Profit/(Loss) after taxation/Total comprehensive income/ (expenses) for the financial year		-	25,688,669	25,688,669	(1,164,256)	24,524,413
Distribution to owners of the Company:						
- Dividends	27	-	(12,500,000)	(12,500,000)	-	(12,500,000)
Balance at 31.12.2020/1.1.2021		62,564,078	71,377,412	133,941,490	1,422,376	135,363,866
Profit/(Loss) after taxation/Total comprehensive income/ (expenses) for the financial year		-	28,622,287	28,622,287	(831,208)	27,791,079
Contribution by and distribution to owners of the Company:						
- Additional investments by non-controlling interest		-	-	-	900,000	900,000
- Dividends	27	-	(12,812,500)	(12,812,500)	-	(12,812,500)
Balance at 31.12.2021		62,564,078	87,187,199	149,751,277	1,491,168	151,242,445

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2021 (cont'd)

The Company	Note	Share Capital RM	Retained Profits RM	Total Equity RM
Balance at 1.1.2020		62,564,078	7,882,476	70,446,554
Profit after taxation/Total comprehensive income for the financial year		-	12,863,370	12,863,370
Distribution to owners of the Company:				
- Dividends	27	-	(12,500,000)	(12,500,000)
Balance at 31.12.2020/1.1.2021		62,564,078	8,245,846	70,809,924
Profit after taxation/Total comprehensive income for the financial year		-	13,126,876	13,126,876
Distribution to owners of the Company:				
- Dividends	27	-	(12,812,500)	(12,812,500)
Balance at 31.12.2021		62,564,078	8,560,222	71,124,300

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2021

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	37,311,542	33,787,016	13,210,678	12,925,067
Adjustments for:-				
Depreciation of property, plant and equipment	6,720,220	6,407,649	183,995	183,994
Plant and equipment written off	6,877	59,449	-	-
Provision for defect works	1,134,208	3,334,393	-	-
Impairment of goodwill	1,285,825	-	-	-
Dividend income	-	-	(13,524,000)	(12,650,000)
Gain on disposal of plant and equipment	(274)	(5,941)	-	-
Interest income	(909,890)	(2,366,132)	(396,651)	(1,065,921)
Reversal of provision for defect works	(750,500)	(3,412,097)	-	-
Operating profit/(loss) before working capital changes	44,798,008	37,804,337	(525,978)	(606,860)
Increase in contract assets	(31,523,579)	(22,642,924)	-	-
(Increase)/Decrease in trade and other receivables	(37,453,291)	(13,249,483)	-	126,719
Increase in amount owing by subsidiaries	-	-	(1,192,499)	(1,560,000)
Increase/(Decrease) in contract liabilities	559,579	(2,767,471)	-	-
Increase/(Decrease) in trade and other payables	56,153,186	28,537,643	(6,076)	(77,415)
CASH FROM/(FOR) OPERATIONS	32,533,903	27,682,102	(1,724,553)	(2,117,556)
Income tax paid	(9,071,110)	(8,973,729)	(85,366)	(54,917)
Income tax refunded	-	50,877	-	9,087
NET CASH FROM/(FOR) OPERATING ACTIVITIES	23,462,793	18,759,250	(1,809,919)	(2,163,386)

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2021 (cont'd)

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Dividends received		-	-	7,015,000	12,650,000
(Increase)/Decrease in pledged fixed deposits with licensed banks		(1,463,379)	2,428,424	-	-
Interest income received		909,890	2,366,132	300,315	1,065,921
Proceeds from disposal of plant and equipment		275	14,286	-	-
Purchase of property, plant and equipment		(7,476,159)	(4,078,792)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(8,029,373)	730,050	7,315,315	13,715,921
CASH FLOWS FOR FINANCING ACTIVITIES					
Acquisition of shares in a subsidiary by non-controlling interest		900,000	-	-	-
Dividends paid	27	(12,812,500)	(12,500,000)	(12,812,500)	(12,500,000)
Advances from related parties		-	500,003	-	-
NET CASH FOR FINANCING ACTIVITIES		(11,912,500)	(11,999,997)	(12,812,500)	(12,500,000)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		3,520,920	7,489,303	(7,307,104)	(947,465)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		73,359,452	65,870,149	34,345,202	35,292,667
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	28	76,880,372	73,359,452	27,038,098	34,345,202

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2021

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : Third Floor, No. 77, 79 & 81,
Jalan SS 21/60,
Damansara Utama,
47400 Petaling Jaya,
Selangor Darul Ehsan.

Principal place of business : A-02-01, F-02-01 & F-02-02,
Sekitar 26 Enterprise,
Persiaran Hulu Selangor, Seksyen 26,
40400 Shah Alam,
Selangor Darul Ehsan.

The financial statements were authorised for issuance by the Board of Directors in the Board of Directors' Meeting held on 25 April 2022.

2. HOLDING COMPANY

The holding company is CHC Holdings Sdn. Bhd., a company incorporated in Malaysia.

3. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

4. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

4. BASIS OF PREPARATION (CONT'D)

- 4.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendment to MFRS 16: Covid-19-Related Rent Concessions

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

- 4.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendment to MFRS 16: Covid-19 - Related Rent Concessions beyond 30 June 2021

Effective Date

1 April 2021

Amendments to MFRS 3: Reference to the Conceptual Framework

1 January 2022

Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use

1 January 2022

Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract

1 January 2022

Annual Improvements to MFRS Standards 2018 - 2020

1 January 2022

MFRS 17 Insurance Contracts

1 January 2023

Amendments to MFRS 17 Insurance Contracts

1 January 2023

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 -

1 January 2023

Comparative Information

Amendment to MFRS 101: Classification of Liabilities as Current or Non-current

1 January 2023

Amendments to MFRS 101: Disclosure of Accounting Policies

1 January 2023

Amendments to MFRS 108: Definition of Accounting Estimates

1 January 2023

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

1 January 2023

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

(b) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 8 to the financial statements.

(c) Impairment of Contract Assets and Trade Receivables

The loss allowances for contract assets and trade receivables are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of contract assets and trade receivables as at the reporting date are disclosed in Notes 9 and 10 to the financial statements respectively.

(d) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 9 to the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) **Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of the Group's and the Company's current tax liabilities as at the reporting date are RM3,873,316 (2020 - RM3,028,371) and RM5,765 (2020 - RM7,329) respectively.

(f) **Provision**

The Group recognises a provision for liabilities associated with completed contract based on past experience of the level of repair of defects. The Group's provision of defect works is affected by claims due to actual repair of defects, which may result in the actual costs differing from the Group's estimates. The carrying amount of provision as at the reporting date is disclosed in Note 19 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

5.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statements of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

5.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

5.4 FUNCTIONAL AND PRESENTATION CURRENCY

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities (Cont'd)

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

5.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

5.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Freehold buildings	2%
Computer software and hardware	20% - 33%
Motor vehicles	20%
Office equipment	20% - 33%
Plant and machinery	20%
Renovation	20%
Site equipment	20% - 33%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

5.8 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 LEASES (CONT'D)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

5.9 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

5.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

5.11 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.11 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. The expected credit losses on these financial assets are estimated based on the customer's financial information, past trend of payment and are adjusted for forward-looking information (including time value of money where appropriate).

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.12 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

5.13 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss and included in the construction costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the construction costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

5.14 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.14 INCOME TAXES (CONT'D)

(b) Deferred Tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

5.15 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

5.16 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5.17 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Group and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.18 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

5.19 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.19 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

5.20 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2021 RM	2020 RM
Unquoted shares, at cost:-		
At 1 January	25,933,157	25,933,157
Additions during the financial year	2,070,000	-
At 31 December	28,003,157	25,933,157

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Group		Principal Activities
		2021 %	2020 %	
Grand Dynamic Builders Sdn. Bhd. ("GDBSB")	Malaysia	100	100	Provision of construction services.
GDB Geotechnics Sdn. Bhd. ("GDBGSB") *	Malaysia	70	70	Provision of construction services specialising in geotechnical and foundation engineering works.

Note:-

* 1% of the issued share capital is held by GDBSB.

(a) During the current financial year, the Company and its subsidiary, GDBSB, have subscribed for additional 2,070,000 and 30,000 ordinary shares for a total subscription price of RM2,070,000 and RM30,000 respectively, to be satisfied by the amount owing from GDBGSB to the Company and GDBSB.

(b) The non-controlling interest at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2021 %	2020 %	2021 RM	2020 RM
GDBGSB	30	30	1,491,168	1,422,376

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (c) The summarised of unaudited financial information (before intra-group elimination and fair value adjustments) for each subsidiary that has non-controlling interest that are material to the Group is as follows:-

	GDBGSB	
	2021 RM	2020 RM
<u>At 31 December</u>		
Non-current asset	1,056,045	1,613,824
Current assets	3,314,302	1,797,283
Current liabilities	(2,979,564)	(3,367,513)
Net assets	1,390,783	43,594
<u>Financial Year Ended 31 December</u>		
Revenue	5,830,684	1,521,290
Loss/Total comprehensive expenses for the financial year	(1,652,811)	(2,628,144)
Total comprehensive expenses attributable to non-controlling interest	(495,843)	(788,443)
Net cash flows for operating activities	(2,480,155)	(4,005,564)
Net cash flows for investing activities	(19,390)	(62,914)
Net cash flows from financing activities	3,000,000	1,900,003

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2021 RM	Additions RM	Disposal RM	Write Off RM	Depreciation Charges RM	At 31.12.2021 RM
2021						
<i>Carrying Amount</i>						
Freehold buildings	9,015,721	-	-	-	(183,995)	8,831,726
Computer software and hardware	481,720	148,384	-	(1,176)	(196,177)	432,751
Motor vehicles	654,955	3,506	-	-	(270,843)	387,618
Office equipment	268,856	34,459	-	(526)	(86,824)	215,965
Plant and machinery	9,610,684	2,887,130	-	-	(3,632,709)	8,865,105
Renovation	464,655	-	-	-	(116,158)	348,497
Site equipment	4,928,512	4,402,680	(1)	(5,175)	(2,233,514)	7,092,502
	25,425,103	7,476,159	(1)	(6,877)	(6,720,220)	26,174,164

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At 1.1.2020 RM	Additions RM	Disposals RM	Write Off RM	Reclassification RM	Depreciation Charges RM	At 31.12.2020 RM
2020							
<i>Carrying Amount</i>							
Freehold buildings	9,199,715	-	-	-	-	(183,994)	9,015,721
Computer software and hardware	332,109	318,582	(6,355)	(7,529)	18,337	(173,424)	481,720
Motor vehicles	957,780	7,000	(1,835)	-	38,326	(346,316)	654,955
Office equipment	114,100	162,429	-	(631)	81,993	(89,035)	268,856
Plant and machinery	13,694,249	1,460,100	-	(19,592)	(1,887,568)	(3,636,505)	9,610,684
Renovation	573,963	126,252	-	(18,457)	(100,330)	(116,773)	464,655
Site equipment	2,949,838	2,004,429	(155)	(13,240)	1,849,242	(1,861,602)	4,928,512
	27,821,754	4,078,792	(8,345)	(59,449)	-	(6,407,649)	25,425,103

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2021			
Freehold buildings	9,199,715	(367,989)	8,831,726
Computer software and hardware	1,505,410	(1,072,659)	432,751
Motor vehicles	2,624,231	(2,236,613)	387,618
Office equipment	820,038	(604,073)	215,965
Plant and machinery	43,689,151	(34,824,046)	8,865,105
Renovation	585,089	(236,592)	348,497
Site equipment	17,454,727	(10,362,225)	7,092,502
	75,878,361	(49,704,197)	26,174,164
2020			
Freehold buildings	9,199,715	(183,994)	9,015,721
Computer software and hardware	1,458,795	(977,075)	481,720
Motor vehicles	2,620,725	(1,965,770)	654,955
Office equipment	791,379	(522,523)	268,856
Plant and machinery	41,975,889	(32,365,205)	9,610,684
Renovation	585,089	(120,434)	464,655
Site equipment	11,982,063	(7,053,551)	4,928,512
	68,613,655	(43,188,552)	25,425,103

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At 1.1.2021 RM	Depreciation Charge RM	At 31.12.2021 RM
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2021

Carrying Amount

Freehold buildings	9,015,721	(183,995)	8,831,726
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	At 1.1.2020 RM	Depreciation Charge RM	At 31.12.2020 RM
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2020

Carrying Amount

Freehold buildings	9,199,715	(183,994)	9,015,721
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	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
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2021

Freehold buildings	9,199,715	(367,989)	8,831,726
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2020

Freehold buildings	9,199,715	(183,994)	9,015,721
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Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

8. GOODWILL

The carrying amount of goodwill is allocated to a subsidiary GDBGSB, a cash-generating unit.

	The Group	
	2021 RM	2020 RM
Cost	1,285,825	1,285,825
Accumulated impairment losses	(1,285,825)	-
	-	1,285,825
Accumulated impairment losses:-		
At 1 January	-	-
Addition during the financial year	1,285,825	-
At 31 December	1,285,825	-

- (a) During the current financial year, an impairment loss of RM1,285,825 was recognised on GDBGSB in "Other Expenses" line item of the statements of profit or loss and other comprehensive income as its financial performance was deteriorating due to keen competition.
- (b) In the previous financial year, the Group has assessed the recoverable amount of goodwill allocated. The recoverable amount of the cash-generating unit was determined using the value in use approach, and this was derived from the present value of the future cash flows computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amount were as follows:-
- Gross margin ranging from 7.3% to 8.0%; and
 - Pre-tax discount rate of 13.7%
- (i) Budgeted gross margin Average gross margin achieved on past experience and actual operating results increased for expected efficiency improvements and cost saving measures.
- (ii) Discount rate (pre-tax) Reflects specific risks relating to the relevant cash-generating unit.
- (iii) Growth rate Based on the expected projection of the construction services and works segments. There is no growth rate in perpetuity to arrive at terminal value.
- The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating unit and were based on both external sources and internal historical data.
- (c) In the previous financial year, the directors believed that there was no reasonably possible change in the above key assumptions applied that was likely to materially cause the cash-generating unit carrying amount to exceed its recoverable amount.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

9. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2021	2020
	RM	RM
Contract assets relating to construction contracts	144,234,558	112,710,979
Contract liabilities relating to construction contracts	(652,151)	(92,572)
	143,582,407	112,618,407

- (a) The contract assets primarily relate to the Group's right to consideration for construction work completed on construction contracts but not yet billed as at the reporting date. This balance will be billed progressively in the future upon the fulfillment of contractual milestones.

Included in the contract assets are retention sums receivable amounting to RM57,530,613 (2020 - RM53,863,722). The retention sums are to be settled in accordance with the terms of the respective contracts.

- (b) The contract liabilities primarily relate to timing differences between construction works certified by customers and construction costs incurred plus attributable profit.
- (c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	The Group	
	2021	2020
	RM	RM
At 1 January	112,618,407	88,023,142
Revenue recognised in profit or loss during the financial year	424,924,099	362,812,977
Billings to customers during the financial year	(393,960,099)	(338,217,712)
At 31 December	143,582,407	112,618,407

- (d) As at the end of the reporting period, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of long-term contracts is RM1,542,850,798 (2020 - RM2,057,970,632). These remaining performance obligations are expected to be recognised as below:-

	The Group	
	2021	2020
	RM	RM
Within 1 year	836,640,922	844,731,609
Between 1 and 3 years	706,209,876	1,213,239,023
	1,542,850,798	2,057,970,632

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

10. TRADE RECEIVABLES

The Group's normal trade credit terms range from 30 to 60 (2020 - 30 to 60) days. Other credit terms are assessed and approved on a case-by-case basis.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables:-				
Third parties	423,106	109,452	-	-
Advances to subcontractors/ suppliers	10,108,135	7,168,955	-	-
	10,531,241	7,278,407	-	-
Deposits	2,220,940	2,846,915	31,130	31,130
Prepayments	183,284	38,850	-	-
	12,935,465	10,164,172	31,130	31,130

The advance payments to subcontractors/suppliers are unsecured and interest-free. The amount owing will be offset against future works performance/purchases from the subcontractors/suppliers.

12. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2021 RM	2020 RM
Non-trade balances:		
- interest-free	108,835	190,000
- bear interest at 4% (2020 - 4%) per annum	700,000	1,400,000
Dividend receivable	6,509,000	-
	7,317,835	1,590,000

The amount owing is unsecured and receivable on demand. The amount owing is to be settled in cash.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

13. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Money market fund, at fair value	68,904,061	64,251,987	26,826,041	34,078,824

14. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.40% to 1.85% (2020 - 1.50% to 2.90%) per annum. The fixed deposits have a maturity period of 365 (2020 - 365) days.
- (b) The fixed deposits with licensed banks of the Group at the end of the reporting period had been pledged as security for banking facilities granted to the Group.

15. SHARE CAPITAL

	The Group/The Company		2021 RM	2020 RM
	2021 Number Of Shares	2020 Number Of Shares		
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	625,000,000	625,000,000	62,564,078	62,564,078
Bonus issue	312,500,000	-	-	-
At 31 December	937,500,000	625,000,000	62,564,078	62,564,078

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) During the financial year, the Company increased its number of ordinary shares by way of bonus issue of 312,500,000 new ordinary shares of the Company on the basis of one bonus share for every two existing ordinary shares held.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

WARRANTS 2021/2026

A total 250,000,000 bonus warrants were issued by the Company on 25 June 2021 on the basis of two (2) Warrants for every five (5) existing ordinary shares held. Each Warrant entitles the holder the right to subscribed for one (1) new ordinary share of the Company at an exercise price of RM0.60. The Warrants will expire on 24 June 2026.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

15. SHARE CAPITAL (CONT'D)

WARRANTS 2021/2026 (CONT'D)

The salient terms of the above Warrants 2021/2026 are as follows:-

- (i) The Warrants are issued in registered form and constituted by a deed poll executed on 9 June 2021 ("Deed Poll") and as may be supplemented from time to time.
- (ii) The Warrants' tenure is 5 years commencing from and inclusive of the date of issuance and allotment of the Warrants on 25 June 2021. Any Warrants which have not then been exercised will lapse and every Warrant not exercised by then will cease to be valid for any purpose.
- (iii) Each Warrant entitles the registered Warrant holder to subscribe for one (1) new share at the exercise price at any time during the exercise period, subject to the provisions of the Deed Poll.
- (iv) Subject to the provisions of the Deed Poll, the exercise price and/or the number of unexercised Warrants held by each Warrant holder shall be adjusted by the board in consultation with an approved adviser appointed by the Company and certified by the auditors of the Company.
- (v) The Warrants are listed and quoted on the Main Market of Bursa Securities.

16. DEFERRED TAX LIABILITY

	The Group	
	2021 RM	2020 RM
At 1 January	1,483,472	1,879,064
Recognised in Profit or Loss (Note 25)	(395,592)	(395,592)
At 31 December	1,087,880	1,483,472

The deferred tax liability attributable to the temporary differences on plant and equipment.

17. TRADE PAYABLES

		The Group	
	Note	2021 RM	2020 RM
Trade payables	(a)	25,422,602	11,390,795
Retention sums	(b)	35,566,914	28,389,499
		60,989,516	39,780,294

(a) The normal trade credit terms granted to the Group range from 30 to 60 (2020 - 30 to 60) days.

(b) The retention sums are to be settled in accordance with the terms of the respective contracts.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

18. OTHER PAYABLES AND ACCRUALS

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Other payables:-					
Third parties		427,662	151,845	1,590	-
Advances from customers		3,059,177	2,775,735	-	-
Related parties	(a)	399,530	515,529	-	-
		3,886,369	3,443,109	1,590	-
Accruals	(b)	111,259,172	76,758,468	90,291	97,957
		115,145,541	80,201,577	91,881	97,957

(a) The amount owing to related parties is unsecured and repayable on demand. The amount owing is to be settled in cash.

(b) Included in accruals of the Group are accrued costs of construction for projects amounting to RM95,890,450 (2020 - RM63,339,713).

19. PROVISION

	The Group	
	2021 RM	2020 RM
At 1 January	4,656,471	4,734,175
Provision made during the financial year	1,134,208	3,334,393
Provision reversed during the financial year	(750,500)	(3,412,097)
At 31 December	5,040,179	4,656,471

Provision is made in respect of the rectification costs for defect works which are expected to be incurred on the completed projects during the defect liability periods based on respective terms of contracts.

20. REVENUE

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Revenue from Contracts with Customers				
<u>Recognised over time</u>				
Construction contracts	424,924,099	362,812,977	-	-
Revenue from Other Sources				
Dividend income	-	-	13,524,000	12,650,000

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

21. COST OF SALES

	The Group	
	2021 RM	2020 RM
Depreciation of plant and equipment	4,117,725	3,804,741
Short-term leases expenses (Note 28(b))	5,596,080	3,107,754
Project cost, incentives and related expenses	341,777,527	294,042,201
Provision for defect works	1,134,208	3,334,393
Plant and equipment written off	6,619	35,397
Reversal of provision for defect works	(750,500)	(3,412,097)
Staff costs:		
- salaries and other emoluments	23,193,478	18,028,576
- defined contribution plan	2,473,621	1,857,895
	377,548,758	320,798,860

22. OTHER INCOME

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Included are the following items:-				
Gain on disposal of plant and equipment	274	5,941	-	-
Interest income:				
- fixed deposits with licensed banks	383,441	853,378	6,718	14,587
- short-term investments	526,449	1,512,754	293,597	1,051,334
- amount owing by a subsidiary	-	-	96,336	-
Lease income:				
- office	-	-	180,000	180,000
- plant and equipment	37,355	30,389	-	-
Management services income	-	-	1,800,000	1,725,000
Scrap sales	552,918	307,037	-	-

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

23. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Included are the following items:-				
Auditors' remuneration:				
- audit fees	113,000	108,000	33,000	33,000
- other service	5,000	5,000	5,000	5,000
Directors' remuneration (Note 29)	2,019,103	1,850,295	1,481,354	1,436,095
Staff costs (including other key management personnel as disclosed in Note 29):				
- salaries and other emoluments	3,557,685	4,107,745	370,535	369,417
- defined contribution plan	421,877	470,139	43,920	43,920
Short-term lease expenses (Note 28(b))	61,663	90,260	-	-

24. OTHER EXPENSES

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Depreciation of property, plant and equipment	2,602,495	2,602,908	183,995	183,994
Plant and equipment written off	258	24,052	-	-
Impairment of goodwill	1,285,825	-	-	-
Fair value loss on short-term investments	308,868	-	96,380	-
	4,197,446	2,626,960	280,375	183,994

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

25. INCOME TAX EXPENSE

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax:				
- for the current financial year	10,157,589	8,970,711	75,681	62,245
- (Over)/Underprovision in the previous financial year	(241,534)	687,484	8,121	(548)
	9,916,055	9,658,195	83,802	61,697
Deferred tax (Note 16):				
- realisation of deferred taxation on usage of plant and equipment	(395,592)	(395,592)	-	-
	9,520,463	9,262,603	83,802	61,697

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit before taxation	37,311,542	33,787,016	13,210,678	12,925,067
Tax at the statutory tax rate	8,954,771	8,108,884	3,170,563	3,102,016
Tax effects of:-				
Non-taxable income	(477,830)	(973,957)	(3,316,223)	(3,288,320)
Non-deductible expenses	898,656	838,992	221,341	248,549
Deferred tax assets not recognised during the financial year	386,400	601,200	-	-
(Over)/Underprovision of current tax in the previous financial year	(241,534)	687,484	8,121	(548)
Income tax expense for the financial year	9,520,463	9,262,603	83,802	61,697

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2020 - 24%) of the estimated assessable profit for the financial year.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

25. INCOME TAX EXPENSE (CONT'D)

The temporary differences attributable to the deferred tax assets/(liability) which are not recognised in the financial statements are as follows:-

	The Group	
	2021	2020
	RM	RM
<u>Deferred tax assets</u>		
Unused tax losses:		
- expires year of assessment 2028	413,000	413,000
- expires year of assessment 2029	2,313,000	2,313,000
- expires year of assessment 2030	2,621,000	2,621,000
- expires year of assessment 2031	840,000	-
	6,187,000	5,347,000
Unabsorbed capital allowances	3,553,000	3,102,000
Provision for defect works	5,040,000	4,657,000
Other	40,000	39,000
	14,820,000	13,145,000
<u>Deferred tax liability</u>		
Accelerated capital allowances	(5,432,000)	(5,367,000)
	9,388,000	7,778,000

The unused tax losses are allowed to be utilised for 10 (2020 - 7) consecutive years of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

26. EARNINGS PER SHARE

	The Group	
	2021	2020
		(Restated)
Profit after taxation attributable to owners of the Company (RM)	28,622,287	25,688,669
Weighted average number of ordinary shares in issue	937,500,000	937,500,000
Earnings per share (Sen) attributable to owners of the Company:		
- Basic	3.05	2.74
- Diluted	3.05	2.74

The comparative figure for the weighted average number of ordinary shares in issue has been restated to reflect the adjustments arising from bonus issue of new ordinary shares on the basis of 1 bonus share for every 2 existing ordinary share which was completed on 30 June 2021.

The effects of potential ordinary shares arising from the conversion of warrant is anti-dilutive and accordingly, it has been ignored in the calculation of dilutive earnings per share. As a result, the diluted earnings per ordinary share is the same as basic earnings per share.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

27. DIVIDENDS

	The Group/The Company	
	2021	2020
	RM	RM
Second interim single-tier dividend of RM0.01 (2020 - RM0.01) per ordinary share in respect of the previous financial year	6,250,000	6,250,000
First interim single-tier dividend of RM0.007 (2020 - RM0.01) per ordinary share in respect of the current financial year	6,562,500	6,250,000
	12,812,500	12,500,000

Subsequent to the end of the financial year, the Company has declared a second interim single-tier dividend of RM0.007 per ordinary share in respect of the financial year ended 31 December 2021 which was paid on 29 March 2022.

28. CASH FLOW INFORMATION

(a) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash and bank balances	7,976,311	9,107,465	212,057	266,378
Fixed deposits with licensed banks	9,858,908	8,395,529	-	-
Short-term investments	68,904,061	64,251,987	26,826,041	34,078,824
	86,739,280	81,754,981	27,038,098	34,345,202
Less: Fixed deposits pledged to licensed banks (Note 14)	(9,858,908)	(8,395,529)	-	-
	76,880,372	73,359,452	27,038,098	34,345,202

(b) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2021	2020
	RM	RM
Payment of short-term leases:		
- Cost of sales (Note 21)	5,596,080	3,107,754
- Administrative expenses (Note 23)	61,663	90,260
	5,657,743	3,198,014

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

29. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors, non-executive directors and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	225,800	225,800	225,800	225,800
- salaries and other emoluments	1,554,708	1,348,772	1,156,470	1,113,547
- defined contribution plan	125,204	111,720	99,084	96,748
	1,905,712	1,686,292	1,481,354	1,436,095
<u>Director of a subsidiary</u>				
Short-term employee benefits:				
- salaries and other emoluments	105,041	150,703	-	-
- defined contribution plan	8,350	13,300	-	-
	113,391	164,003	-	-
Total directors' remuneration (Note 23)	2,019,103	1,850,295	1,481,354	1,436,095
Other key management personnel:-				
Short-term employee benefits:				
- salaries and other emoluments	1,150,292	1,048,478	367,847	367,847
- defined contribution plan	127,420	119,883	43,920	43,920
Total compensation for other key management personnel (Note 23)	1,277,712	1,168,361	411,767	411,767

The total project incentives and defined contribution plan paid to the executive directors and other key management personnel amounted to RM363,006 (2020 - RM349,164) and RM342,638 (2020 - RM164,232) respectively.

The estimated monetary value of benefits-in-kind provided by the Group to the directors and other key management personnel were RM21,250 (2020 - RM21,250) and RM10,000 (2020 - RM12,500) respectively.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

30. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, holding company, key management personnel and entities within the same group of companies.

(b) Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Dividends received from a subsidiary	-	-	(13,524,000)	(12,650,000)
Management fees received/receivables from subsidiaries	-	-	(1,800,000)	(1,725,000)
Office rental income received/receivables from subsidiaries	-	-	(180,000)	(180,000)
Store rental expenses paid/payable to a related party	45,000	57,000	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the Note 12 to the financial statements.

31. OPERATING SEGMENTS

Segment information has not been prepared as the Group's business is focused only in the businesses of provision of construction services and this forms the focus of the Group's internal reporting systems.

The chief executive officer reviews the business performance of the Group as a whole and management monitors the operating results of its business for the purposes of making decisions on resources allocation and performance assessment.

31.1 BUSINESS SEGMENT AND GEOGRAPHICAL INFORMATION

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business segments and geographical segment is not presented.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

31. OPERATING SEGMENTS (CONT'D)

31.2 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	2021 RM	2020 RM
Customer A	46,280,016	56,941,504
Customer B	96,919,282	39,633,854
Customer C	128,976,267	-
Customer D	107,989,243	66,786,895
Customer E	-	185,844,762

32. CAPITAL COMMITMENTS

	The Group	
	2021 RM	2020 RM
Purchase of plant and equipment	-	2,068,027

33. CONTINGENT LIABILITY

No provisions are recognised on the following matter as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group	
	2021 RM	2020 RM
Secured		
Performance bond and tender bond guarantees extended by subsidiaries to third parties	76,209,880	63,690,207

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

34. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

34.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) **Market Risk**

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

The Group does not have any floating rate receivables and borrowings and hence, is not exposed to interest rate risk.

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Equity Price Risk Sensitivity Analysis

Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have a material impact on the profit after taxation of the Company and hence, no sensitivity analysis is presented.

(b) **Credit Risk**

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and fixed deposits with licensed banks), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from advances to subsidiaries. The Company monitors the results of the subsidiaries regularly and repayments made by the subsidiaries.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 4 (2020 - 3) customers which constituted approximately 92% (2020 - 96%) of its trade receivables at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM76,209,880 (2020 - RM63,690,207), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets

The Group applies the 3-stage general approach to measuring expected credit losses for its trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have a low risk of default as they have a strong capacity to meet their debts. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts. The Group has identified the Gross Domestic Product (GDP) as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The Group	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
2021			
Current (not past due)	31,075,454	-	31,075,454
1 to 30 days past due	18,675,849	-	18,675,849
31 to 60 days past due	12,623,625	-	12,623,625
61 to 90 days past due	5,239,580	-	5,239,580
More than 90 days past due	333,053	-	333,053
Trade receivables	67,947,561	-	67,947,561
Contract assets	144,234,558	-	144,234,558
	212,182,119	-	212,182,119

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The Group	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
2020			
Current (not past due)	25,870,269	-	25,870,269
1 to 30 days past due	3,428,229	-	3,428,229
31 to 60 days past due	139,533	-	139,533
61 to 90 days past due	71,009	-	71,009
More than 90 days past due	3,756,523	-	3,756,523
<hr/>			
Trade receivables	33,265,563	-	33,265,563
Contract assets	112,710,979	-	112,710,979
<hr/>			
	145,976,542	-	145,976,542
<hr/>			

The Company believes that no impairment allowance is necessary in respect of its trade receivables and contract assets because they are companies with positive financial position.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by a related company.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

No expected credit loss is recognised on other receivables and amount owing by a related company as it is negligible.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the amount owing is not recoverable.

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and adequate working capital to meet the Group's obligation as and when they fall due.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2021			
<u>Non-derivative Financial Liabilities</u>			
Trade payables	25,422,602	25,422,602	25,422,602
Other payables and accruals	112,086,364	112,086,364	112,086,364
	137,508,966	137,508,966	137,508,966
2020			
<u>Non-derivative Financial Liabilities</u>			
Trade payables	11,390,795	11,390,795	11,390,795
Other payables and accruals	77,425,842	77,425,842	77,425,842
	88,816,637	88,816,637	88,816,637

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2021			
<u>Non-derivative Financial Liability</u>			
Other payables and accruals	91,881	91,881	91,881
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	76,209,880	76,209,880
	91,881	76,301,761	76,301,761
2020			
<u>Non-derivative Financial Liability</u>			
Other payables and accruals	97,957	97,957	97,957
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	63,690,207	63,690,207
	97,957	63,788,164	63,788,164

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. The debt-to-equity of the Group at the end of the reporting period is not presented as there is no external borrowing.

34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2021		2020	
	The Group RM	The Company RM	The Group RM	The Company RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Short-term investments	68,904,061	26,826,041	64,251,987	34,078,824
<u>Amortised Cost</u>				
Trade receivables	67,947,561	-	33,265,563	-
Other receivables	423,106	-	109,452	-
Amount owing by subsidiaries	-	7,317,835	-	1,590,000
Fixed deposits with licensed banks	9,858,908	-	8,395,529	-
Cash and bank balances	7,976,311	212,057	9,107,465	266,378
	86,205,886	7,529,892	50,878,009	1,856,378
Financial Liability				
<u>Amortised Cost</u>				
Trade payables	25,422,602	-	11,390,795	-
Other payables and accruals	112,086,364	91,881	77,425,842	97,957
	137,508,966	91,881	88,816,637	97,957

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2021		2020	
	The Group RM	The Company RM	The Group RM	The Company RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss by:				
- mandatorily required by MFRS 9	217,581	197,217	1,512,754	1,051,334
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	383,441	103,054	853,378	14,587

34.5 FAIR VALUE INFORMATION

The fair value of the financial asset of the Group and of the Company which is maturing within the next 12 months approximated its carrying amount due to the relatively short-term maturity of the financial instrument or repayable on demand terms. The following table sets out the fair value profile of financial instrument that is carried at fair value at the end of the reporting period:-

	Fair Value Of Financial Instruments Carried At Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
The Group					
2021					
<u>Financial Asset</u>					
Short-term investments	-	68,904,061	-	68,904,061	68,904,061
2020					
<u>Financial Asset</u>					
Short-term investments	-	64,251,987	-	64,251,987	64,251,987
The Company					
2021					
<u>Financial Asset</u>					
Short-term investments	-	26,826,041	-	26,826,041	26,826,041
2020					
<u>Financial Asset</u>					
Short-term investments	-	34,078,824	-	34,078,824	34,078,824

Fair Value of Financial Instruments Carried at Fair Value

The fair value of short-term investments is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into at the reporting date.

Notes to the Financial Statements

For the financial year ended 31 December 2021 (cont'd)

35. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 12 April 2021, the Company announced the following proposals:

- (i) Proposed bonus issue of 312,500,000 new ordinary shares of the Company on the basis of 1 bonus share for every 2 existing ordinary shares held on 23 June 2021 (the "entitlement date"); and
- (ii) Proposed bonus issue of 250,000,000 warrants on the basis of 2 warrants for every 5 existing ordinary shares held on the same entitlement date.

The proposal has been submitted to Bursa Malaysia on 13 April 2021.

On 21 April 2021, Bursa Malaysia had vide its letter approved the proposal with certain conditions.

On 30 June 2021, the listing and quotation of the 312,500,000 new ordinary shares and 250,000,000 Warrants have been successfully completed.

List of Property

As at 31 December 2021

Location of Property	Description and Existing Use	Date of Acquisition	Tenure	Approximate Age of the Building	Approximate Area	Net Book Value as at 31 Dec 2021 RM
A-02-01, F-02-01 & F-02-02 Sekitar 26 Enterprise Persiaran Hulu Selangor Seksyen 26 40400 Shah Alam Selangor Darul Ehsan	3 units of shop offices used as GDB Head Office and subsidiaries offices	10-Jun-19	Freehold	Less than 3 years	Built-up: 1,451 square meter	8,831,726

Analysis of Shareholdings

As at 28 March 2022

Class of equity securities : Ordinary Shares ("Shares")
Total number of issued Shares : 937,500,000 Shares
Voting rights : One (1) vote for every Share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	79	2.08	3,515	0.00
100 - 1,000	316	8.34	149,986	0.02
1,001 - 10,000	1,638	43.21	8,899,599	0.95
10,001 - 100,000	1,455	38.38	46,133,500	4.92
100,001 - less than 5% of issued Shares	301	7.94	225,924,050	24.10
5% and above of issued Shares	2	0.05	656,389,350	70.01
Total	3,791	100.00	937,500,000	100.00

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Cheah Ham Cheia	-	-	458,850,000 ⁽¹⁾	48.94
Alexander Lo Tzone Leong	197,539,350	21.07	-	-
Cheah Jun Kai	2,450,000	0.26	75,000 ⁽²⁾	0.01
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	525,000	0.06	-	-
Datuk Sr Chia Lui Meng	450,000	0.05	-	-
Kow Poh Gek	250,000	0.03	-	-

Notes:

⁽¹⁾ Deemed interested by virtue of his shareholdings in CHC Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

⁽²⁾ Deemed interested by virtue of his wife, Yeo Tze Lin's shareholdings in the Company.

Analysis of Shareholdings As at 28 March 2022 (cont'd)

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
CHC Holdings Sdn. Bhd.	458,850,000	48.94	-	-
Cheah Ham Cheia	-	-	458,850,000 ⁽¹⁾	48.94
Alexander Lo Tzone Leong	197,539,350	21.07	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his shareholdings in CHC Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

30 LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
1	CHC Holdings Sdn. Bhd.	458,850,000	48.94
2	Alexander Lo Tzone Leong	197,539,350	21.07
3	RHB Nominees (Tempatan) Sdn Bhd - OSK Capital Sdn Bhd for Yayasan Islam Terengganu	23,100,000	2.46
4	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund	20,862,000	2.23
5	Maybank Nominees (Tempatan) Sdn Bhd - Affin Hwang Asset Management Berhad for Hong Leong Assurance Berhad (PAR-220082)	18,220,350	1.94
6	Citigroup Nominees (Tempatan) Sdn Bhd - Urusharta Jamaah Sdn. Bhd. (AFFIN 2)	13,077,300	1.39
7	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Manulife Investment Progress Fund (4082)	7,830,500	0.84
8	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (ESPRING ABSR EQ)	5,164,300	0.55
9	Citigroup Nominees (Tempatan) Sdn Bhd - Universal Trustee (Malaysia) Berhad for Principal Islamic Small Cap Opportunities Fund	4,997,650	0.53
10	Looi Bian Cheong	4,752,800	0.51
11	Lim Say Hock	3,130,400	0.33
12	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for See Sek Hock (M01)	3,092,500	0.33
13	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Principal Small Cap Opportunities Fund (240218)	2,771,300	0.30
14	Chang Yock Chai	2,500,000	0.27

Analysis of Shareholdings As at 28 March 2022 (cont'd)

30 LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS (CONT'D)

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
15	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - <i>Deutsche Trustees Malaysia Berhad for Eastspring Investments Islamic Small-Cap Fund</i>	2,492,000	0.27
16	CIMB Group Nominees (Tempatan) Sdn Bhd - <i>Exempt An for Affin Hwang Asset Management Berhad (T)</i>	2,457,450	0.26
17	Cheah Jun Kai	2,450,000	0.26
18	HSBC Nominees (Tempatan) Sdn Bhd - <i>HSBC (M) Trustee Bhd for Manulife Investment Shariah Progress Plus Fund (4082)</i>	2,392,300	0.26
19	Maybank Nominees (Tempatan) Sdn Bhd - <i>Affin Hwang Asset Management Berhad for Progressive Insurance Bhd (240373)</i>	2,313,150	0.25
20	Sow Tiap	2,125,000	0.23
21	Sai Mee Hing	2,100,000	0.22
22	Amanahraya Trustees Berhad - <i>AC Principal Islamic Malaysia Opportunities Fund</i>	1,952,200	0.21
23	Maybank Nominees (Tempatan) Sdn Bhd - <i>Affin Hwang Asset Management Berhad for HLA Shareholders' Non Par Fund (211485)</i>	1,825,050	0.19
24	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - <i>Affin Hwang Asset Management Berhad for Malaysian Timber Council (Operating Fund)</i>	1,649,100	0.18
25	Maybank Nominees (Tempatan) Sdn Bhd - <i>Maybank Trustees Berhad for Manulife Investment Balanced Fund (910170)</i>	1,577,100	0.17
26	Koon Poh Weng	1,500,000	0.16
27	Sin Kheng Lee	1,500,000	0.16
28	Sit Kam Hock	1,451,100	0.15
29	Kenanga Nominees (Tempatan) Sdn Bhd - <i>Rakuten Trade Sdn Bhd for Lee Pei Yee</i>	1,402,400	0.15
30	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - <i>Affin Hwang Asset Management Berhad for Malaysian Timber Council</i>	1,386,750	0.15

Analysis of Warrants Holdings

As at 28 March 2022

Type of Securities	: Warrants (2021/2026) ("Warrants")
No. of Unexercised Warrants	: 250,000,000
Exercise Price	: RM0.60
Exercise Period	: 25 June 2021 to 24 June 2026

DISTRIBUTION SCHEDULE OF WARRANTS HOLDINGS

Size of Holdings	No. of		No. of	
	Warrant Holders	%	Shares	%
Less than 100	212	8.77	10,089	0.01
100 - 1,000	474	19.62	249,383	0.10
1,001 - 10,000	1,112	46.03	4,352,229	1.74
10,001 - 100,000	486	20.12	17,030,120	6.81
100,001 - less than 5% of issued Warrants	130	5.38	53,321,019	21.33
5% and above of issued Warrants	2	0.08	175,037,160	70.01
Total	2,416	100.00	250,000,000	100.00

DIRECTORS' WARRANTS HOLDINGS

(As per the Register of Directors' Warrants Holdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
Alexander Lo Tzone Leong	52,677,160	21.07	-	-
Cheah Jun Kai	800,000	0.32	20,000 ⁽¹⁾	0.01
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	140,000	0.06	-	-
Datuk Sr Chia Lui Meng	120,000	0.05	-	-
Kow Poh Gek	-	-	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his wife, Yeo Tze Lin's Warrants held in the Company.

Analysis of Warrants Holdings As at 28 March 2022 (cont'd)

30 LARGEST WARRANTS HOLDERS AS PER RECORD OF DEPOSITORS

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
1	CHC Holdings Sdn Bhd	122,360,000	48.94
2	Alexander Lo Tzone Leong	52,677,160	21.07
3	RHB Nominees (Tempatan) Sdn Bhd - OSK Capital Sdn Bhd for Yayasan Islam Terengganu	6,160,000	2.46
4	Maybank Nominees (Tempatan) Sdn Bhd - Affin Hwang Asset Management Berhad for Hong Leong Assurance Berhad (PAR-220082)	4,858,760	1.94
5	Citigroup Nominees (Tempatan) Sdn Bhd - Urusharta Jamaah Sdn. Bhd. (AFFIN 2)	2,987,280	1.19
6	Looi Bian Cheong	1,998,400	0.80
7	Tan Sing Keng	1,350,000	0.54
8	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Julian Cheah Wai Meng	1,248,000	0.50
9	Kenanga Nominees (Tempatan) Sdn Bhd - Chia Hooi Luan	1,114,800	0.45
10	Lim Siew Ling	1,084,400	0.43
11	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for How Kim Lian (HOW0113M)	1,000,000	0.40
12	Yeap Koo Liang	1,000,000	0.40
13	Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd for Mah Swee Buoy	986,900	0.39
14	Ter Leong Swe	908,700	0.36
15	Cheah Jun Kai	800,000	0.32
16	Lim Say Hock	730,000	0.29
17	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Kong Yow (8097896)	718,000	0.29
18	Tey Bock Kern	621,100	0.25
19	Ang Loo Leong	600,000	0.24
20	Chia Well Lang	551,000	0.22
21	Sow Tiap	540,000	0.22
22	Low Eng Pio	500,000	0.20
23	Soh Lip Yeow	500,000	0.20

Analysis of Warrants Holdings As at 28 March 2022 (cont'd)

30 LARGEST WARRANTS HOLDERS AS PER RECORD OF DEPOSITORS (CONT'D)

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
24	Yeoh Tek Chei	500,000	0.20
25	Maybank Nominees (Tempatan) Sdn Bhd - <i>Affin Hwang Asset Management Berhad for HLA Shareholders' Non Par Fund (211485)</i>	486,680	0.19
26	Leong Chian Tat	464,400	0.19
27	Low Choon Tow	440,400	0.18
28	Tham Fook Kee	420,000	0.17
29	Koon Poh Weng	400,000	0.16
30	Sin Kheng Lee	400,000	0.16

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting ("9th AGM" or "Meeting") of GDB HOLDINGS BERHAD ("GDB" or "the Company") will be held at Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 9 June 2022 at 10.30 a.m. or at any adjournment thereof, to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS :

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees and benefits of up to RM252,000 for the financial year ending 31 December 2022.
3. To re-elect the following Directors who retire by rotation in accordance with Clause 85 of the Company's Constitution:-
 - i. Mr. Alexander Lo Tzone Leong
 - ii. Mr. Cheah Jun Kai
4. To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting ("AGM") and to authorise the Directors to fix their remuneration.

*PLEASE REFER TO
EXPLANATORY NOTE 1*

ORDINARY RESOLUTION 1

*ORDINARY RESOLUTION 2
ORDINARY RESOLUTION 3*

ORDINARY RESOLUTION 4

AS SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without any modifications, the following resolutions:-

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

ORDINARY RESOLUTION 5

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval from the Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company."

Notice of Annual General Meeting (cont'd)

6. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

SPECIAL RESOLUTION

“THAT the proposed amendments to the Constitution of the Company as set out in the “Appendix A”, be approved and adopted with immediate effect AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company.”

7. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC No.: 201908001272)

Company Secretary

Petaling Jaya, Selangor Darul Ehsan

29 April 2022

Notes:

- a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same right as the member to speak and vote at the Meeting.
- c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised.
- d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 63(b) of the Company’s Constitution to issue a General Meeting Record of Depositors as at 31 May 2022. Only members whose names appear in the General Meeting Record of Depositors as at 31 May 2022 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

Notice of Annual General Meeting (cont'd)

- g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting: -
- (i) In Hard Copy Form
- In the case of an appointment made in hard copy form, the form of proxy must be deposited at the Company's Share Registrars, Boardroom Share Registrars Sdn. Bhd. at **Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.**
- (ii) By Electronic Form
- The form of proxy can be electronically lodged via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Notes on the procedures for electronic lodgement of Form of Proxy via the Boardroom Smart Investor Portal be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar situated at **Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.**
- h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- i) The members are advised to refer to the Administrative Notes for the 9th AGM on the registration process for the Meeting. The Administrative Notes had taken into account the latest measures to-date to deal with the COVID-19 situation announced and/or implemented in Malaysia which affects the holding or conduct of general meetings. The Company will closely monitor the situation and reserve the right to take further measures or short-notice arrangements as and when appropriate in order to minimise any risk to the Meeting. Kindly check Bursa Securities' and the Company's website at <https://www.gdbhb.com.my/> for the latest updates on the status of the Meeting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2021

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of members for the Audited Financial Statements. Hence, Agenda No. 1 will not be put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and Benefits

The estimated Directors' fees and benefits proposed for the financial year ending 31 December 2022 were calculated based on the current Board size and the number of scheduled Board and Committee meetings to be held. This resolution is to facilitate payment of Directors' fees and benefits on a current financial year basis. In the event the proposed amount is insufficient due to more meetings or an enlarged board size, approval will be sought at the next AGM for the shortfall.

Notice of Annual General Meeting (cont'd)

3. Item 3 of the Agenda – Re-election of Directors

Clause 85 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or if their number is not a multiple of three, then the number nearest to one-third (1/3) shall retire by rotation at an AGM of the Company and be eligible for re-election provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Hence, two (2) of six (6) Directors of the Company are to retire in accordance with Clause 85 of the Company's Constitution.

Mr. Alexander Lo Tzone Leong and Mr. Cheah Jun Kai ("Retiring Directors") who were appointed to the Board on 3 August 2016 and 28 February 2013 respectively, will retire and being eligible, have offered themselves for re-election at the 9th AGM in accordance with Clause 85 of the Company's Constitution.

The Board has endorsed the Nomination Committee's recommendation to seek for shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Directors' Profile on page 8 of the Company's Annual Report 2021.

4. Item 5 of the Agenda – General Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 5 proposed under item 5 of the Agenda is a renewal of the general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of Companies Act 2016. This Ordinary Resolution, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund raising activities, 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 at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the mandate granted to the Directors at the last AGM held on 9 June 2021 which will lapse at the conclusion of the Meeting.

5. Item 6 of the Agenda – Proposed Amendments to the Constitution of the Company

The Special Resolution proposed under item 6 of the Agenda in relation to the proposed amendments to the existing Constitution of the Company ("Proposed Amendments"), which are mainly to enhance administrative efficiency.

The proposed amendments to the Constitution of the Company shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

Appendix A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF GDB HOLDINGS BERHAD ("THE COMPANY")

This is the Appendix A referred to in Agenda 6 of the Notice of Ninth Annual General Meeting ("9th AGM") of the Company dated 29 April 2022.

Day, Date and time of the 9th AGM : Thursday, 9 June 2022 at 10:30 a.m.
 Venue of the 9th AGM : Greens III, Sports Wing,
 Tropicana Golf & Country Resort,
 Jalan Kelab Tropicana, Off Jalan Tropicana Utama,
 47410 Petaling Jaya, Selangor Darul Ehsan

Clause No.	Existing Clause	Proposed Clause
61. Meetings of members at two or more venues	The meeting of its Members may be held by fully virtual or hybrid at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and subject to Clause 69, the Chairman shall be present at the main venue of the meeting. For fully virtual general meeting, the broadcast venue shall be the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.	<p>(a) The meeting of its Members may be held by fully virtual or hybrid at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing.</p> <p>(b) For a hybrid general meeting, the main venue of the meeting shall be in Malaysia and subject to Clause 69, the Chairman shall be present at the main venue of the meeting.</p> <p>(c) For a fully virtual general meeting, the broadcast venue or the online meeting platform which located in Malaysia shall be recognised as the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.</p> <p>(d) For a fully virtual general meeting, the main venue of the meeting shall be the broadcast venue which shall be located in Malaysia and the Chairman shall be present at the broadcast venue of the meeting; or the Uniform Resource Locator ("URL") address of the online meeting platform or the physical address of the Registrant shall be in Malaysia and the chairman who is present virtually at the meeting shall be deemed to be present at the main venue of the meeting.</p>

Appendix A (cont'd)

Clause No.	Existing Clause	Proposed Clause
107(b) Meeting of Directors	A member of the Board may participate in a meeting of the Board by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such Director shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the Board.	The meeting of the Directors may be held by fully virtual or hybrid at more than one venue using any technology or method. A member of the Board or any invitees may participate in the meeting by means of a telephone conference, or any other audio, or audio visual, or communication means which allows all persons participating in the meeting to hear and speak with each other and such Director or person shall be regarded for all purposes as personally attended such a meeting and such Director shall be counted in a quorum and be entitled to vote on the resolutions tabled at the meeting.
107(c) Meeting of Directors	Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the Directors attending the meeting PROVIDED that at least one (1) of the Directors present at the meeting was at such place for the duration of that meeting.	- Deleted -
123(a) Participation at Committee Meeting by way of telephone and video conference	Notwithstanding any provisions to the contrary contained in this Constitution, any member of a committee may participate at a committee meeting by means of a telephone conference or any other audio, or audio visual, communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote on the resolution tabled at a meeting of the committee.	Notwithstanding any provisions to the contrary contained in this Constitution, the committee meeting may be held by fully virtual or hybrid at more than one venue using any technology or method. A committee member or any invitees may participate in the meeting by means of a telephone conference, or any other audio, or audio visual, or communication means which allows all persons participating in the meeting to hear and speak with each other and such committee member or person shall be regarded for all purposes as personally attended such a meeting and such committee member shall be counted in a quorum and be entitled to vote on the resolution tabled at the committee meeting.
123(b) Participation at Committee Meeting by way of telephone and video conference	Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the committee members attending the meeting PROVIDED that at least one (1) of the members present at the meeting was at such place for the duration of that meeting.	- Deleted -

Appendix A (cont'd)

Clause No.	Existing Clause	Proposed Clause
135(a) Preparation, and circulation and publication of audited financial statements and reports of directors and auditors thereon	The Directors shall cause to be prepared, sent to every Member and laid before the Company in its annual general meeting, the audited financial statements and the reports of directors and auditors thereon in accordance to the Act. The interval between the close of a financial year of the Company and the issue of such reports shall not exceed four (4) months or such other period as may be allowed by the Act and/or the provisions in the Listing Requirements.	The Directors shall cause to be prepared, sent and circulated to every Member and laid before the Company in its annual general meeting, the audited financial statements and the reports of directors and auditors thereon in accordance to the Act. The interval between the close of a financial year of the Company and the issue of such reports shall not exceed four (4) months or such other period as may be allowed by the Act and/or the provisions in the Listing Requirements.
135(b) Preparation, and circulation and publication of audited financial statements and reports of directors and auditors thereon	A copy of each the audited financial statements and reports of directors and auditors thereon in printed form or in CD-ROM form or in such other form of electronic media or means or any combination thereof as permitted under the Act and the Listing Requirements, shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed by all Members entitled to attend and vote at the meeting), be sent to every Member of, and to every holder of debentures of the Company, the auditors of the Company and every person who is entitled to receive notices of general meeting under the provision of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) and which does not appear on the Record of Depositors or the Register as the case may be, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office.	A copy of each the audited financial statements and reports of directors and auditors thereon in printed form or in CD-ROM form or in such other form of electronic media or means or any combination thereof as permitted under the Act and the Listing Requirements, shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed by all Members entitled to attend and vote at the meeting), be sent or circulated to every Member of the Company , and to every holder of debentures of the Company, the auditors of the Company and every person who is entitled to receive notices of general meeting under the provision of the Act or of this Constitution, provided that this Clause shall not require a copy of these documents to be sent to any person of whose address the Company is not aware (or to the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise) and which does not appear on the Record of Depositors or the Register as the case may be, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Office.

Administrative Notes

For the Ninth Annual General Meeting of GDB Holdings Berhad
("GDB" or "Company") ("9th AGM" or "Meeting")

Day & Date	: Thursday, 9 June 2022
Time	: 10:30 a.m.
Venue	: Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, 47410 Petaling Jaya, Selangor Darul Ehsan

APPOINTMENT OF PROXY

1. A member who is entitled to participate and vote at the Meeting is entitled to appoint more than one (1) proxy to participate and vote in his/her stead. If you are not able to participate in the 9th AGM remotely, you are encouraged to appoint the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form.
2. The Proxy Form must be deposited with the Company's Share Registrars, Boardroom Share Registrars Sdn. Bhd. at **Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan** either personally, by fax at (603) 7890 4670, by electronic mail to BSR.Helpdesk@boardroomlimited.com or by sending it through the post not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof. Alternatively, the Proxy Form can be deposited electronically through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
3. Kindly follow the steps below to register online with Boardroom Smart Investor Portal and to lodge the Proxy Form electronically.

Step 1 – Register Online with Boardroom Smart Investor Portal (for first time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 to lodge your Proxy Form electronically.]

- a. Access website at <https://investor.boardroomlimited.com>
- b. Click <<**Register**>> to sign up as a user, by creating your own user ID and password.
- c. Complete registration and upload a softcopy of your MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format.
- d. Please enter a valid email address and wait for Boardroom's email verification.
- e. Your registration will be verified and approved within one (1) business day and an email notification will be sent to you.

Step 2 – E-Proxy Lodgement

- a. Access the website at <https://investor.boardroomlimited.com>
- b. Login with your user ID and password which you have created in Step 1(b) above.
- c. Select "**GDB HOLDINGS BERHAD (9th) ANNUAL GENERAL MEETING**" from the list of Corporate Meetings and click "**Enter**".

Administrative Notes for the Ninth Annual General Meeting of GDB Holdings Berhad (“GDB” or “Company”) (“9th AGM” or “Meeting”) (cont’d)

- d. Read the Terms & Conditions and confirm the Declaration.
- e. Enter your CDS Account number and the total number of securities held.
- f. Select your proxy – either the Chairman of the Meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies).
- g. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your votes.
- h. Review and confirm your proxy(ies) appointment.
- i. Click submit.
- j. Download or print the eProxy Form acknowledgement.

4. If you wish to participate in the Meeting yourself, please do not submit any Proxy Form for the Meeting. You will not be allowed to participate in the 9th AGM together with the proxy(ies) appointed by you.
5. If you have submitted your Proxy Form prior to the Meeting and subsequently decide to personally participate in the Meeting, please write in to BSR.Helpdesk@boardroomlimited.com to revoke the earlier appointment of your proxy(ies) at least forty-eight (48) hours before the commencement of the Meeting. Upon revocation, your proxy(ies) will not be allowed to participate in the 9th AGM. In such event, kindly advise your proxy(ies) accordingly.

PROCEDURES OF THE MEETING

In the interest of public health including the well-being of our members, members must cooperate with the following precautionary measures put in place by the Company should members or proxies wish to attend the Meeting in person. Your safety and health are the Company’s top priority.

- (a) A member is required to register ahead of the Meeting to allow the Company to make the necessary arrangements in relation to the Meeting, i.e. infrastructure, logistics and meeting venue(s) to accommodate the meeting participants by providing the below details by email to enquiry@gdbhb.com.my :-
 - i) Full name;
 - ii) Identity Card or Passport Number;
 - iii) Contact number (optional – for better co-ordination); and
 - iv) CDS account number

The date of Record of Depositors for the 9th AGM is 31 May 2022. As such, only members whose name appears in the Record of Depositors of the Company as at 31 May 2022 shall be entitled to attend the 9th AGM and to participate, speak and vote thereat.

- (b) Members are encouraged to appoint the Chairman of the Meeting to act as a proxy to attend and vote at the Meeting on their behalf by submitting the proxy form with predetermined voting instructions.
- (c) Members or proxies must sanitise their hands and to wear a face mask throughout the Meeting if they are attending the Meeting in person. Please note that no face mask will be provided at the Meeting venue.

Administrative Notes for the Ninth Annual General Meeting of GDB Holdings Berhad (“GDB” or “Company”) (“9th AGM” or “Meeting”) (cont’d)

- (d) Members or proxies are advised to observe/maintain social distancing of at least 1 meter from each other throughout the Meeting.
- (e) Members or proxies are advised to arrive early at the Meeting venue given the above-mentioned precautionary measures which may cause a delay in the registration process.
- (f) **NO door gift** will be provided to the members/proxies.
- (g) The Company will closely monitor the situation and reserve the right to take further measures or short-notice arrangements as and when appropriate in order to minimise any risk to the Meeting.
- (h) **Recording/Photography**

By participating in this 9th AGM, you agree that no part of the 9th AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronic, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the right to take appropriate legal actions against anyone who violates this rule.

In view of the constantly evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of the Meeting at short notice. Kindly check Bursa Malaysia Securities Berhad’s and Company’s website at <https://www.gdbhb.com.my/> for the latest updates on the status of the Meeting.

ENQUIRY

If you have any questions regarding the Meeting, please contact the following persons during office hours on Monday to Friday from 9.00 a.m. to 5.30 p.m. (except public holidays) prior to the Meeting: -

For Registration matters:	For Proxy Form matters:
Name : Julie Tan	Name : Isaac Gan-Selvam or Mohamed Sophiee
Telephone No. : 603-5103 8162 (Ext. 137)	Tel : 603-7890 4720 or 603-7890 4716
Email : Julie.tan@gdbsb.com	Helpdesk No. : 603-7890 4700
	Fax : 603-7890 4670
	Email : isaac.gan-selvam@boardroomlimited.com
	mohamed.sophiee@boardroomlimited.com
	BSR.Helpdesk@boardroomlimited.com

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GDB HOLDINGS BERHAD
REGISTRATION NO.: 201301006623 (1036466-U)
(Incorporated in Malaysia)

Proxy Form

I/We* _____ NRIC/Company No.* _____
(full name in capital letters)

of _____

(full address/ email address/ contact no)

being (a) member(s) of GDB HOLDINGS BERHAD [201301006623 (1036466-U)] ("the Company") hereby appoint _____

_____ NRIC No. _____
(full name in capital letters)

of _____
(full address)

Contact No.: _____ Email address: _____

or failing him/her*, _____ NRIC No. _____
(full name in capital letters)

of _____
(full address)

Contact No.: _____ Email address: _____

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Ninth Annual General Meeting ("9th AGM" or "Meeting") of the Company to be held at Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 9 June 2022 at 10.30 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and benefits of up to RM252,000 for the financial year ending 31 December 2022.		
2.	To re-elect Mr. Alexander Lo Tzone Leong as Director who retires by rotation in accordance with Clause 85 of the Company's Constitution.		
3.	To re-elect Mr. Cheah Jun Kai as Director who retires by rotation in accordance with Clause 85 of the Company's Constitution.		
4.	To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
5.	To approve the general authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
No.	Special Resolution	For	Against
6.	To approve the proposed amendments to the Constitution of the Company.		

*delete whichever not applicable

Dated this _____ day of _____ 2022

Signature of Member(s) / Common Seal

CDS Account No.	No. of Shares Held

Percentage of shareholdings to be represented by the proxies:		
	No. of shares	%
Proxy 1		
Proxy 2		
TOTAL		100

Fold this flap for sealing

Notes:

- a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same right as the member to speak and vote at the Meeting.
- c) The instrument appointing a proxy or attorney shall be in writing signed by the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
- d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 31 May 2022. Only members whose names appear in the General Meeting Record of Depositors as at 31 May 2022 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

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AFFIX
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The Share Registrar

GDB HOLDINGS BERHAD

c/o Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

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- g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting: -
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the form of proxy must be deposited at the Company's Share Registrars, Boardroom Share Registrars Sdn. Bhd. at **Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.**
 - (ii) By Electronic Form
The form of proxy can be electronically lodged via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Notes on the procedures for electronic lodgement of Form of Proxy via the Boardroom Smart Investor Portal be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority shall be deposited at the office of the Share Registrar situated at **Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.**
- h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- i) The members are advised to refer to the Administrative Notes for the 9th AGM on the registration process for the Meeting. The Administrative Notes had taken into account the latest measures to-date to deal with the COVID-19 situation announced and/or implemented in Malaysia which affects the holding or conduct of general meetings. The Company will closely monitor the situation and reserve the right to take further measures or short-notice arrangements as and when appropriate in order to minimise any risk to the Meeting. Kindly check Bursa Malaysia Securities Berhad's and the Company's website at <https://www.gdbhb.com.my/> for the latest updates on the status of the Meeting.

GDB HOLDINGS BERHAD

REGISTRATION NO.: 201301006623 (1036466-U)

A-02-01, F-02-01 & F-02-02, Sekitar 26 Enterprise
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