

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0198
COMPANY NAME : GDB HOLDINGS BERHAD
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") acknowledges that its key responsibilities include establishing the Company and its subsidiaries' ("Group") objectives, deliberating and directing the strategic plans and policies and the strategic allocation of the Group's resources to align with the overall objectives of the Group. The primary focus of the Board mainly comprises of formulation of strategies, overseeing the proper conduct of the Group, monitoring of financial performance, evaluation and management of principal risks faced by the Group, implementation and review of risk management and internal control system, as well as succession planning.</p> <p>In discharging duties and roles effectively, the Board is guided by the Board Charter, which sets out the principles and guidelines that are to be applied by the Board.</p> <p>The Group is led and managed by an effective and experienced Board comprising members with a wide range of experience and qualifications. The Board assumes, amongst others, the following responsibilities:-</p> <ul style="list-style-type: none">• Overseeing and evaluating the conduct, governance and sustainability of the businesses of the Group.• Reviewing and adopting the overall strategic direction, business plans, annual budgets of the Group, including major capital commitments.• Establishing key performance indicators and to ensure that Senior Management has the necessary skills and experience for the orderly succession of Board and Senior Management.• Reviewing and approving of new ventures, major acquisitions and disposal of undertakings and properties.

	<ul style="list-style-type: none"> • Identifying principal risks and ensuring implementation of appropriate systems to manage and monitor significant financial and non-financial risks. • Reviewing the adequacy and integrity of the Group’s internal control systems, risk management and management information systems. • Overseeing the development and implementation of the shareholder communications policy for the Company. <p>To ensure the effective discharge of its function and responsibilities, the Board delegates some of the authorities and discretions to the Group Managing Director (“GMD”), Group Executive Director (“GED”), Executive Director (“ED”) and Key Senior Management of the operating units within the Group (collectively known as “the Management”) as well as its properly constituted Board Committees, namely Audit Committee (“AC”), Nomination Committee (“NC”), Remuneration Committee (“RC”) and Risk Management Committee (“RMC”) which are within their respective Terms of Reference.</p> <p>In order to inculcate good values and ethical standards, the Board has also established a Code of Ethics and Conduct which serves as an internal frame of reference for the Directors and employees of the Group in the conduct of their daily activities. The Code of Ethics and Conduct is incorporated in the Board Charter of the Company.</p> <p>The Board acknowledges the importance of the following:-</p> <ul style="list-style-type: none"> • Maintaining a sound system of internal control and a robust risk management practice for good corporate governance with the objective of safeguarding the shareholder’s investment and the Group’s assets. • Formation of a healthy corporate governance culture that hinges on the sound management of economic, environmental, social risks and opportunities. • The need for effective investor relations and communications with shareholders is to provide them with all relevant information affecting the Company, which can be accessed on the Company’s website at www.gdbhb.com.my.
<p>Explanation for departure</p>	<p>:</p>

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board, Tan Sri Dato' Ir. Hj. Zaini Bin Omar is responsible for the leadership, effectiveness, conduct and governance of the Board. The roles and responsibilities of the Chairman of the Board have been clearly specified in the Board Charter.</p> <p>The responsibilities of the Chairman, amongst others, are as follows:</p> <ul style="list-style-type: none"> i. To provide leadership to the Board. ii. To oversee the effective discharge of the Board's supervisory role. iii. To facilitate the effective contribution of all Directors. iv. To conduct and chair Board meetings and general meetings of the Company. v. To manage communications and effectiveness at Board level and effective supervision over the Management. vi. To ensure that quality information to facilitate decision making is delivered to the Board on a timely manner. vii. To ensure Board Meetings and general meetings are conducted/held in compliance with good conduct and best practices. viii. To promote constructive and respectful relations between Board members and between the Board and the Management. ix. To jointly represent the Company together with the GMD to external groups such as shareholders, creditors, consumer groups, local governments.
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman and GMD have always been held by different individuals. There is a clear division of responsibility between the two roles to ensure that there is an appropriate balance of power and authority, such that no one individual has unfettered decision making powers.</p> <p>Currently, Tan Sri Dato' Ir. Hj. Zaini Bin Omar is our Independent Non-Executive Chairman who ensures the integrity and effectiveness of the governance process of the Board while the position of GMD is held by Mr. Cheah Ham Cheia who focuses on the business, organisational effectiveness and day-to-day management of the Group and actively reports, clarifies and communicates matters to the Board.</p> <p>The respective duties and responsibilities of the Chairman and GMD are as set out in the Board Charter.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: The Chairman of the Board, Tan Sri Dato' Ir. Hj. Zaini Bin Omar is also a member of AC, NC and RC. All these Board Committees are supported by another two (2) Independent Non-Executive Directors, namely Datuk Sr Chia Lui Meng and Mdm. Kow Poh Gek.
	: Nevertheless, Tan Sri Dato' Ir. Hj. Zaini Bin Omar does not chair these Board Committees. All matters before recommending to the Board are thoroughly deliberated at the Board Committees' levels which involved the participation of the other two Independent Directors. All recommendations by the Board Committees to the Board have been arrived at unanimously and this would have eliminated the risk of self-review.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group is currently outsourcing the corporate secretarial function to Cospec Management Services Sdn. Bhd. ("CMS").</p> <p>The Board is supported by an experienced and competent Company Secretary who is qualified to act under Section 235(2) of the Companies Act 2016 and is a member of the Malaysian Association of Companies Secretaries (MACS). She possesses over 28 years of experience in corporate secretarial practices.</p> <p>The Board acknowledges that the Company Secretary plays an important role and will ensure that the Company Secretary fulfils the functions for which she has been appointed.</p> <p>The Company Secretary had on 18 May 2021 organised a briefing for the Board on the updated Malaysian Code on Corporate Governance 2021 ("MCCG") to keep the Board abreast of the latest development on the governance matters and provision under Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").</p> <p>During the financial year under review, the Board and Board Committees' meetings were properly convened, and accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.</p> <p>The Company Secretary and her team have been able to competently provide sound advice to the Board on matters relating to the powers, roles and responsibilities of Directors, compliance with corporate law, Listing Requirements of Bursa Securities, MCCG, Company's Constitution and Board Charter.</p> <p>Overall, the Board is satisfied with the service and support rendered by our Company Secretary to the Board in the discharge of her functions.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>To facilitate the Directors' time planning, the annual Board and Board Committees' meetings calendar was prepared in advance for each new calendar year by the Company Secretary. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the Annual General Meeting ("AGM"). The closed periods for dealings in securities by Directors and Principal Officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.</p> <p>Except in the case of an emergency, the notices of meetings and meeting papers are generally circulated to the Board members at least five (5) working days prior to the dates of meetings. This is to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from the Management or to consult independent advisers (if necessary) and to make an informed decision at each Board meeting.</p> <p>The Chairman of the Board takes responsibility for ensuring that the Board members receive relevant, accurate, and clear information on a timely basis in respect of the Group's financial and operational performance to enable the Board to make sound decisions and provide the necessary advice. In this respect, the Company Secretary will assist the Chairman of the Board in ensuring that the process of disseminating such information is effective and reliable. Furthermore, in order to provide an adequate and thorough discussion of the respective matters within a reasonable and sufficient time, the Chairman decides on the agenda and accordingly structure and prioritise the respective matters based on their relevancy and importance.</p> <p>The deliberations and conclusions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings. The draft minutes is circulated for the Board and Committee Chairman's review within a reasonable timeframe after the meeting. The minutes of meeting accurately captured the deliberations and decisions of the Board and/or the Board Committees, including whether any Director abstains from voting or deliberating on a particular matter.</p> <p>All the records of proceedings and resolutions passed are kept at the registered office of the Company.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has formalised and adopted a Board Charter. The Board Charter was adopted on 16 March 2018 and it was last reviewed, revised and approved by the Board on 19 August 2021 made pursuant to the MCCG.</p> <p>The Board Charter is intended to identify the role, structure and processes related to key governance activities of the Board. It also serves as a reference point for Board activities. It is designed to provide guidance and clarity for Directors and Management with regard to the roles of the Board and its Committees, the role of the GMD, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices.</p> <p>The Board Charter would be reviewed as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities and reflect the latest compliance requirements as a result of changes in the regulatory framework.</p> <p>The Board Charter is available on the Company's website, www.gdbhb.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges that working with a strong sense of integrity is essential to achieve the Group's business goal in an open, honest, ethical and principled manner.</p> <p>The Board has adopted a Code of Ethics and Conduct which is incorporated in the Board Charter of the Company.</p> <p>All Directors and employees of the Group must endeavour to observe the Code of Ethics and Conduct which provides guidance as to the ethical conduct to be complied to uphold the principles of honesty and integrity as well as to ensure a high standard of ethical and professional conduct is upheld in the performance of their duties and responsibilities.</p> <p>The Code of Ethics and Conduct sets out the principles on dealing with conflicts of interest, bribery and corruption, insider trading, confidentiality and protection of the Group's assets, fair dealing and equality in employment, health and safety and compliance with laws.</p> <p>The Board will review the Code of Ethics and Conduct from time to time to ensure that it continues to remain relevant and appropriate.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the whistle blowing as an important mechanism in the prevention and detection of improper conduct, harassment or corruption in the conduct of the Group's businesses and operations.</p> <p>The Board had on 19 August 2021 reviewed, revised the Whistle Blowing Policy and adopted new Whistle Blowing Standard Operating Procedures ("SOP") 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.</p> <p>The Board will review and update the Whistle Blowing Policy as and when necessary to ensure that it remains relevant to the Group's changing business circumstances and/or comply with the applicable laws and regulations.</p> <p>The Whistle Blowing Policy is available on the Company's website at www.gdbhb.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	: Applied
Explanation on application of the practice	<p>: The Board together with the Management takes responsibility for the governance of sustainability in the Company, including setting the Company’s sustainability strategies, priorities and targets. Performance against these clearly set out targets are communicated to the Company’s internal and external stakeholders.</p> <p>As part of the efforts in promoting and building sustainability momentum within the Group, the Management had identified the following actions:</p> <ul style="list-style-type: none"> • attaining economic contributions through sound business practices, operational innovation, and value creation; • adopting green solutions in the operations to support a greener world; and • promoting employee welfare, and diversity as well as a safe and rewarding work environment. <p>To further strengthen the sustainability initiatives, the Senior Management communicates the Company’s sustainability direction to Operational Management (“OM”). OM comprises appointed representatives of various divisions/departments, who are responsible to identify, manage and analyse sustainability categories. The OM executes and implements the initiatives and reports their operational activities in a variety of ways, including monthly reports, project progress reports, safety and health reports and etc.</p>
Explanation for departure	:

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is cognisant of the fact that the Company’s internal and external stakeholders should receive an unfiltered and complete view of the Company’s sustainability strategies, priorities, targets and overall performance. This information should be comprehensive and include information on which stakeholders would be able to assess the Company’s sustainability risks and opportunities.</p> <p>As with preceding years, the Company has produced a Sustainability Statement that forms part of the Annual Report, pursuant to the Main Market Listing Requirements and the accompanying Sustainability Reporting Guide as well as Toolkits by Bursa Securities. The report aims to provide stakeholders with a tangible appreciation of the economic, environmental and social determinants that are being embedded within the Company’s operations.</p> <p>Whilst the Company currently does not obtain external assurance specific on its Sustainability Statement, regular audits and/or verifications are conducted by external parties on its operating sites, various policies, processes, and programmes as mentioned in the Sustainability Statement. In addition, in the preparation of this Statement, the Management has undertaken a validation process to verify the accuracy and integrity of the data reported.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group’s Risk Management Framework governed by RMC sets out the approach to the identification, assessment, management, monitoring and reporting of risks. The RMC sets risk appetite and regularly reviews performance against the risk tolerance limits and reports to the Board for consideration and approval.</p> <p>The Board ensures an appropriate tone from the top with clear management accountability reinforced with the Group’s code of conduct, influences the behaviour of employees throughout the Group and drives a consistent consideration of risk as a natural part of decision making.</p> <p>The Board has carried out a robust assessment of the key risks faced by the Group, including those that would threaten its business model, future performance, solvency and liquidity. The Management Committee was established to oversee various functions within the Group and ensure effective and efficient implementation of the policies and framework of the Group.</p> <p>The Management has put in place actions to mitigate risks and controls to maintain risk exposures within acceptable levels defined by the risk tolerance limit approved by the Board. Regular discussion of the Group specific trends, changes in the business environment and claim processes enable the Group to adapt to the market effectively and manage the Group risks.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board and the Senior Management have performed their respective roles in addressing material sustainability risks and opportunities.</p> <p>The performance evaluation of the Board in addressing the Group’s strategic and business plans which promote sustainability materials matters was evaluated through the annual Board’s effectiveness evaluation for the FYE 2021.</p> <p>Whereas for the Senior Management team, it is part of their key performance indicators which are reviewed annually.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director’s performance and contribution to the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board acknowledges the importance of reviewing its composition periodically to ensure that the Board comprises the right talent in terms of skills and experience to effectively discharge the Board’s roles and responsibilities.</p> <p>The NC annually reviews the performance of all Directors including those seeking for re-election based on competency, commitment, contribution, performance, independence (for Independent Directors) and their ability to act in the best interest of the Company as a whole.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board currently has six (6) members comprising one (1) GMD, one (1) GED, one (1) ED and three (3) Independent Non-Executive Directors. Hence, the Board is in compliance with Paragraph 15.02 of the Listing Requirements of Bursa Securities which requires at least two (2) Directors or one-third (1/3) of the Board members are Independent Directors.</p> <p>The Board composition is also in line with this Practice 5.2 of the MCCG of having at least half of the Board comprising Independent Non-Executive Directors.</p> <p>Such composition is able to provide independent and objective judgement to facilitate a balanced leadership in the Company as well as providing an effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensure high standards of conduct and integrity are maintained.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	There are no independent directors serving the Board beyond 9 years.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximise the effectiveness of the Board.</p> <p>In any appointment, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge have been considered to maintain a diversified Board and Senior Management team, which will help to grow and contribute to better governance within the Group.</p> <p>The NC is responsible to lead the process for the nomination of new Board appointments and making the necessary recommendations to the Board. In this respect, the role of the NC is detailed in its Terms of Reference, which is accessible on the Company's website at www.gdbhb.com.my.</p> <p>In making its recommendations to the Board, the NC considers and assesses the suitability of a new appointment based on objective criteria, including:</p> <ul style="list-style-type: none">• Qualification;• Required competencies, skills, expertise and experience;• Specialist knowledge or technical skills;• Professionalism and integrity; and• time commitment to the Company based on the number of directorships held <p>Likewise, the Directors are also required to notify the Chairman of the Board before accepting any new directorship and to indicate the time expected to be spent on the new appointment. The Directors must not hold more than five directorships in listed companies to enable Directors to have sufficient time to focus and fulfil their roles and responsibilities effectively.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The primary responsibility on screening, evaluating and nominating new Board member(s) for appointment is delegated to the NC.</p> <p>In respect of the appointment of Directors, the Company practices a clear and transparent nomination process. Searches for potential candidates generally take into account recommendations from the Directors and various other sources like industry acquaintance, contacts in related industries, consultants, professional associations, as well as independent search firms, and etc to gain access to a wide pool of potential candidates besides tapping on the recommendations from existing Board members, Management or major shareholders. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.</p> <p>In reviewing and recommending to the Board any new Director appointments, the NC considers:</p> <ul style="list-style-type: none">(i) the candidate's track record, experience and capabilities or such other factors including age and gender, as may be determined by the NC to be relevant and which would contribute to the Board's collective skills;(ii) any competing time commitments if the candidate has multiple listed company board representations and/or other principal commitments;(iii) the candidate's independence, in the case of the appointment of an independent director; and(iv) the composition requirements for the Board and Board Committees after matching the candidate's skills set to the requirement of the relevant Committees (if the candidate is proposed to be appointed to any of the Committees).

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The performance of retiring Directors recommended for re-election at the 8th AGM have been assessed through the NC annual evaluation (including the independence of Independent Non-Executive Director) and recommended to the Board for approval.</p> <p>The profiles of the Directors who were due for retirement and offered themselves for re-election, which included the nature of interest with the Company, whichever applicable, were set out in the Annual Report 2020 of the Company.</p> <p>Whilst for the retiring Directors for the forthcoming 9th AGM, a statement by the Board and NC being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the forthcoming 9th AGM was stated in the notes accompanying the Notice of 9th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>Mdm. Kow Poh Gek, is the Independent Non-Executive Director and she is the chairperson of the NC.</p> <p>Under the leadership of Mdm. Kow Poh Gek, NC has undertaken the following activities during the FYE 2021:-</p> <ul style="list-style-type: none">• Reviewed the overall Board's and Board Committees' effectiveness;• Reviewed the performance of the AC;• Reviewed the performance of each Director;• Reviewed the independence of the Independent Directors; and• Reviewed and make a recommendation to the Board for the re-election of the Directors who are subject to retirement at the 8th AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board comprises of six (6) Directors, out of whom one (1) are women, representing only 16.7% female representation at the Board level.</p> <p>The Board recognises that this diversity acts as a source for fresh perspectives which ultimately benefits the overall deliberations taking place in the boardroom. Although the Company has not reached the 30% women representation target at the Board level, the Board decisions are made objectively in the best interests of the Group taking into account diverse perspectives and insights.</p> <p>The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximize the effectiveness of the Board.</p> <p>The Board will take into consideration of more female Directors within the Board as a long-term goal.</p> <p>As stipulated in the MCCG, the Board is also encouraged to review the gender diversity at the Senior Management level. To this end, the Company's Senior Management team is comprised of females in crucial positions such as the Chief Financial Officer and Senior Manager for Human Resources and Administration.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	:	Choose an item.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company’s policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises the value of developing and increasing the number of women on the Board and Senior Management roles in the Company and hence the Company had on 19 August 2021 reviewed and updated the Gender Diversity Policy to improve its gender diversity at the Board and Senior Management level.</p> <p>The Company will continue to promote diversity in its widest possible sense and the Board and NC remain committed to ensuring that the Company’s policies and practices support this approach with a view to harnessing the potential of its workforce and driving the success of the business.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>					
Application	: Applied				
Explanation on application of the practice	: <p>The Company has in place a formal process for assessment of the effectiveness of the Board and the Board Committees as a whole and the contribution by each Director, including the independence of the Independent Non-Executive Director to the effectiveness of the Board and Committees, making reference to the guides available and the good corporate governance compliance.</p> <p>The assessment of the Board and Board Committees are performed on a Board review whilst assessment of the individual Directors is performed on a peer review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NC meeting and thereafter the NC's Chairman will report the results and deliberation to the Board.</p> <p>The annual assessment criteria of the Board and Board Committees and individual Directors were last reviewed and updated on 19 August 2021 which to stay aligned with the MCCG practices. The areas covered in the aforesaid annual assessment criteria are as follows:-</p> <table border="1"> <thead> <tr> <th>Evaluation</th> <th>Assessment Criteria</th> </tr> </thead> <tbody> <tr> <td>Board and Board Committees as a whole</td> <td> <ul style="list-style-type: none"> • Role of the Chairman and Group Managing Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information & advice </td> </tr> </tbody> </table>	Evaluation	Assessment Criteria	Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Group Managing Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information & advice
Evaluation	Assessment Criteria				
Board and Board Committees as a whole	<ul style="list-style-type: none"> • Role of the Chairman and Group Managing Director • Board balance, size and composition • Board structure and procedures • Relationship of the Board to Management • Quality and supply of information to the Board/Board's Committees • Access to information & advice 				

		<ul style="list-style-type: none"> • Accountability for financial reporting, internal control and sustainability risk and opportunities • Relation with Auditors / Shareholders / Investors • Use of Board Committees • Directors' training
	AC	<ul style="list-style-type: none"> • Composition and quality • Oversight of the financial reporting process, including internal controls • Understanding the business, including risk and control environment • Access to information & advice • Oversight of audit functions • Compliance with corporate governance • External Auditors • Staying abreast on issues • Report and recommendations
	Executive Directors	<ul style="list-style-type: none"> • Financial • Strategic and sustainability • Conformance & compliance • Business acumen / increasing shareholders' wealth • Succession planning • Personal input to the role
	Non-Executive Director	<ul style="list-style-type: none"> • Attendance at Board and Board Committees' meetings • Adequate preparation for Board and/or Board Committees' meetings • Regular contribution to Board/Board Committee meetings • Personal input to the role
<p>In respect of the annual performance evaluation for the FYE 2021, it was concluded that :-</p> <p>(a) the Board and Board Committees discharged their duties and responsibilities effectively; and</p> <p>(b) each Director continued to perform effectively and demonstrated commitment to his/her role.</p> <p>The Board is satisfied with the current evaluation process. The Board will continue to review the Board's evaluation process as and when necessary to ensure it remains valuable feedback mechanism for improving the Board effectiveness.</p>		

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had, through the RC, established formal and transparent Remuneration Policy to attract and retain Directors and Key Senior Management of the Company. The Remuneration Policy is available on the Company's website at www.gdbhb.com.my.</p> <p>In determining the level and make-up of the Director's remuneration, the RC is guided by the Remuneration Policy to consider, among others, the following:-</p> <p><u>For Executive Role</u></p> <ul style="list-style-type: none"> • The Individual level of expertise, knowledge and experience; • The individual performance and achievements of the Company / Group; • Comparable market rate within the industry; and • Other benefits based on the Company/Group's human resource policy in the context of market practices from time to time <p><u>For Non-Executive Role</u></p> <ul style="list-style-type: none"> • On par with the rest of the market; • Reflect the qualifications and contribution required; • The extent of the duty and responsibilities; • The number of Board meetings and Board Committees' meetings; and • Reasonable fixed meeting allowance or other benefits incurred during the course of performing his/her duties as Director of the Company
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The RC consists wholly of Independent Non-Executive Directors and is governed by its Terms of Reference, which is available on the Company's website, www.gdbhb.com.my.</p> <p>In the FYE 2021, the RC carried out an annual review of the Directors' remuneration, whereupon recommendations were submitted to the Board for approval. Such annual review is to ensure that the remuneration package of the Directors remains sufficiently attractive to retain the Directors of such calibre to provide the necessary skills and experience and commensurate with their responsibilities to ensure the effective management and operations of the Group to achieve the Group's long-term objectives.</p> <p>The level of remuneration for Non-Executive Directors generally reflects the effort, time spent and level of responsibilities undertaken. They are paid a basic fee as ordinary remuneration, a sum based on their respective responsibilities in Board Committees, meeting allowance and reimbursement for reasonable expenses incurred in the course of their duties to ensure the remuneration and incentives for Independent Directors are not in conflict with their obligations to deliver objectivity and independent judgement on matters discussed at Board and Board Committees meetings.</p> <p>For Executive Directors, the components of their remuneration are structured so as to link reward to corporate and individual performance. The current remuneration package of Executive Directors includes a monthly salary and benefits-in-kind and emoluments such as company car, driver, travel allowance and other components.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' remuneration for the FYE 2021 for each individual Director with a breakdown into fees, salaries and bonus, benefits-in-kind and other emoluments are set out in the table below.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Dato' Ir. Hj. Zaini Bin Omar	Independent Director	78.0	2.8	-	-	-	-	80.8	78.0	2.8	-	-	-	-	80.8
2	Cheah Ham Cheia	Executive Director	-	-	493.5	-	-	19.7	513.2	-	48.0	493.5	105.8	-	170.7	818.0
3	Alexander Lo Tzone Leong	Executive Director	-	-	516.0	-	-	62.8	578.8	-	-	516.0	145.3	21.3	317.0	999.6
4	Cheah Jun Kai	Executive Director	-	-	145.2	-	-	18.3	163.5	-	16.2	145.2	37.1	-	48.1	246.6
5	Datuk Sr Chia Lui Meng	Independent Director	66.0	3.5	-	-	-	-	69.5	66.0	3.5	-	-	-	-	69.5
6	Kow Poh Gek	Independent Director	72.0	3.5	-	-	-	-	75.5	72.0	3.5	-	-	-	-	75.5
7	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
8	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure										
Explanation on application of the practice	:											
Explanation for departure	:	<p>Due to confidentiality and sensitivity of the remuneration package of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on named basis in the bands of RM50,000.</p> <p>The Board is of the view that the disclosure of the Senior Management's remuneration components would not be in the best interest of the Company given the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues. The Board is of the opinion that the disclosure of Senior Management's aggregated remuneration on unnamed basis in the bands of RM50,000 is adequate, as follows:-</p> <table border="1"> <thead> <tr> <th>Remuneration Band</th> <th>Number of Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM100,000 to RM150,000</td> <td>1</td> </tr> <tr> <td>RM200,001 to RM250,000</td> <td>1</td> </tr> <tr> <td>RM400,001 to RM450,000</td> <td>2</td> </tr> <tr> <td>RM500,001 to RM550,000</td> <td>1</td> </tr> </tbody> </table>	Remuneration Band	Number of Senior Management	RM100,000 to RM150,000	1	RM200,001 to RM250,000	1	RM400,001 to RM450,000	2	RM500,001 to RM550,000	1
Remuneration Band	Number of Senior Management											
RM100,000 to RM150,000	1											
RM200,001 to RM250,000	1											
RM400,001 to RM450,000	2											
RM500,001 to RM550,000	1											
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>												
Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.										
Timeframe	:	Choose an item.										

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The AC is chaired by Mdm. Kow Poh Gek, who is an Independent Non-Executive Director, whereas the Board is chaired by Tan Sri Dato' Ir. Hj. Zaini Bin Omar. This separation of positions is to ensure that the Board's review of the AC's findings and recommendations are not impaired.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises the importance of the independence of its External Auditors and that no possible conflict of interest whatsoever should arise.</p> <p>Hence, the Terms of Reference of AC had on 19 August 2021 was reviewed and updated to lengthen the cooling off period from two (2) to three (3) years with effect from 1 January 2022.</p> <p>For the FYE 2021, none of the AC members were former audit partners of the Company.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had on 16 March 2018 established the External Auditors Assessment Policy ("the Policy") together with an annual performance evaluation form. The Policy outlines the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the External Auditors.</p> <p>The AC had carried out annual performance assessment of the External Auditors and the Executive Directors and the Chief Financial Officer were invited to join the assessment.</p> <p>The annual evaluation form provides a checklist for the AC to carry out a formal review of the independence, effectiveness and efficiency of the External Auditors of the Company.</p> <p>The AC reviews the nature and extent of non-audit services rendered by the External Auditors during the financial year and concluded that the provision of these services did not compromise their independence and objectivity. In addition, the AC received written confirmation from the External Auditors that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>The Board, upon the recommendation of the AC, had recommended the re-appointment of the External Auditors for the financial year ending 31 December 2022 for shareholders' approval at the forthcoming 9th AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All the members of the AC are Independent Non-Executive Directors and as such, there is a strong and independent element to provide effective oversight for it to function effectively and exercise objective judgement independently.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC members possess the necessary skills and knowledge to discharge their duties in accordance with the Terms of Reference of the AC. The AC Chairman and all of its members are financially literate and they are able to understand matters under the purview of the AC including the financial reporting process.</p> <p>The AC members are able to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation during deliberations.</p> <p>In addition, during the AC meetings, the AC members were also briefed by the External Auditors on the development or changes in the applicable Malaysian Financial Reporting Standards, International Financing Reporting Standards and the relevant accounting requirements under the Companies Act 2016.</p> <p>All AC members have undertaken ongoing training and development to keep abreast of the latest developments and changes to the regulatory environment and ensure that they are equipped with the relevant knowledge and skills in discharging their duties effectively.</p> <p>The details on training programmes, seminars and forums attended by AC members in the FYE 2021 are disclosed in the Annual Report 2021.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has in place a structured risk management and internal control framework to identify, evaluate, control, monitor and report the principal business risks faced by the Group on an on-going basis.</p> <p>The Board acknowledges its responsibilities in the risk governance and oversight functions by the RMC which reviews the effectiveness of risk management framework and overall risk exposure to the Group. The RMC was formed to assist the Board in maintaining a sound system of internal controls in line with the step-up practice set out in the MCCG.</p> <p>Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The RMC is responsible to perform a periodic review, assessment and update of the Risk Register during the RMC meetings. The RMC is required to identify major business and compliance risks concerning their respective business units, oversees and ensures integration of risk management into their business processes to safeguard the interest of the Group.</p> <p>The identified risks are assessed and rated from low, moderate, high to significant depending upon the severity of consequence and the likelihood of its occurrence and financial impact on the Group's cash flow and profit. Independent Internal Auditors were also requested by the RMC to conduct an independent review on whether the Management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of the key risks of the Group; whether appropriate action is taken by the Management to mitigate the key risks; and to ensure the Group maintains an effective system of governance, risk management and internal control supporting its achievement and strategic objectives.</p> <p>The Board through AC reviewed the Group' internal control function based on the audit reviews carried out by the outsourced Internal Auditors.</p> <p>Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	The RMC comprises a majority of Independent Non-Executive Directors and its scope and function are set out in the Terms of Reference which is available on the Company's website at www.gdbhb.com.my .

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC recognises that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness and adequacy of the Group's internal control system.</p> <p>The Company's internal audit function has been outsourced to an independent professional firm, Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling" or "Internal Auditors") to assist the AC in discharging its duties and responsibilities in respect of reviewing and assessing the adequacy and effectiveness of the Group's risk management and internal control systems. The Internal Auditors reports directly to the AC, which in turn reports to the Board.</p> <p>In performing its duties, the Internal Auditors has free and unfettered access to information and to meet with any of the department heads or persons in charge.</p> <p>The internal audit function of the Group is effective and remains independent all the time. The internal audit function is set out in the Statement of Risk Management and Internal Control and AC Report and is disclosed in the Annual Report 2021.</p> <p>The Internal Auditors carried out the internal audit function based on the internal audit plan approved by the AC. The audit findings together with Management's response and proposed action plans have been reviewed by AC at its scheduled meetings. In addition, follow up reviews were also conducted to ensure that the recommendations for improvement have been implemented by Management on a timely basis.</p> <p>The Internal Auditors communicate regularly and report directly to the AC on their activities based on the approved Annual Internal Audit Plan to ensure their independent status within the Group.</p> <p>The Internal Auditors are also invited to attend the meetings of the AC and Board, whenever required.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Internal Audit function is outsourced to Sterling which is independent of the operations and activities of the Group. The engagement team from Sterling is free from any relationship or conflict of interest, which could impair their objectivity and independence.</p> <p>The number of audit staff deployed by Sterling for each internal audit review ranges from 3 to 4 Internal Auditors per visit. Sterling is a corporate member of the Institute of Internal Auditors Malaysia (IIAM). Different lead Internal Auditors are assigned to conduct each internal audit review, depending on the scope of the review.</p> <p>The Internal Auditors use the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system.</p> <p>The internal audit function is carried out in accordance to the International Professional Practices Framework set by the Institute of Internal Auditors to ensure that internal audit staff are professionally guided and trained to develop the appropriate competencies to perform their duties during the internal audit review.</p> <p>The AC was satisfied with the competency, experience and resources of the internal audit function for discharging their roles and responsibilities.</p> <p>Further details of the internal audit activities are disclosed in the AC Report and Statement on Risk Management and Internal Control of the Annual Report 2021.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of being transparent and accountable to the Company's stakeholders and acknowledges that continuous communication between the Company and stakeholders would facilitate mutual understanding of each other's objectives and expectations. As such, the Board consistently ensures prompt and timely dissemination of information to the shareholders and the investors, for them to make informed investment decisions.</p> <p>The Company has adopted the Corporate Disclosure Policy, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to our shareholders and the investing public.</p> <p>In ensuring effective, transparent and regular communication with its stakeholders, the following communication channels are primarily used by the Company to disseminate information to our shareholders and the investing public on a timely basis:</p> <ul style="list-style-type: none">• The Company's website at www.gdbhb.com.my provides corporate information of the Company and is accessible to the public. The Investor Relations function enhances the communication with its stakeholders and provides a channel for the stakeholders and general public to direct their enquiries and concerns to the Company;• Press releases, general announcements, customer and investor events which provide up-to-date information about the Group and its businesses;• Quarterly announcements and material disclosures to Bursa Securities, which are available on Bursa Securities' website at www.bursamalaysia.com and on the Company's website at www.gdbhb.com.my ;• General meeting which serves as another key avenue of communication with its shareholders of the Company where they

	<p>may raise questions and concerns or seek clarifications on the Company's business and reports from the Company Directors; and</p> <ul style="list-style-type: none"> Annual reports and circulars to shareholders to maintain an active dialogue with shareholders with the intention of giving shareholders as much as possible, a clear and complete picture of the Company's performance and position, corporate development, sustainability progress and the value created by the Group. 	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Notice of the 8th AGM of the Company held on 9 June 2021 was sent to the shareholders on 30 April 2021, which is more than 28 days prior to the date of the 8th AGM. This has given sufficient time to shareholders to review the Annual Report and consider the resolutions for any questions they might wish to raise in the AGM.</p> <p>The notice for convening the forthcoming 9th AGM of the Company will be sent to the shareholders at least twenty-eight (28) days before the date of AGM this year as well.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>Given concerns surrounding the outbreak of COVID-19, the guidance issued by the Securities Commission Malaysia and the standard operating procedure regarding physical distancing issued by the Ministry of Health, the Company has conducted its 8th AGM by way of a virtual meeting through live streaming and online remote voting using the Remote Participation and Voting Facilities (“RPV”).</p> <p>All Directors and Chairmen of the Board Committees were present to provide a response to questions posted by shareholders. The Senior Management and External Auditors were also in attendance to respond to the shareholders' queries.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The 8th AGM and Extraordinary General Meeting (“EGM”) of the Company on 9 June 2021 were held on a fully virtual basis and entirely via RPV.</p> <p>This allows the shareholders to participate in the 8th AGM and EGM while at the same time, following the health guidance issued by the Government of Malaysia of not having a mass gathering and practicing social distancing to curb the spread of COVID-19. The conduct of meetings by way of fully virtual is also strongly encouraged by the Securities Commission Malaysia.</p> <p><u>Remote shareholders’ participation in General Meetings</u> Shareholders are able to attend, speak (including posing questions to the Company/Board of Directors) and vote remotely at the 8th AGM and EGM without being physically present at the meeting venue. Shareholders may also appoint proxies to participate on his/her behalf by submitting the duly executed proxy form to the Company’s Share Registrar in hard copy or by electronic means.</p> <p><u>Voting in absentia</u> For shareholders who are unable to attend the meetings remotely, they may exercise their voting rights by appointing the Chairman of the meeting as his/her proxy with pre-determined proxy form.</p> <p>Shareholders will be allowed to cast their vote via an online platform at the time of the meeting until a time when the Chairman of the meeting announces the completion of the voting session.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>The Chairman ensures that the general meetings cater an important opportunity for effective communication with, and constructive feedback from the shareholders.</p> <p>Shareholders were encouraged to submit their questions before the 8th AGM and EGM at https://boardroomlimited.my or post the questions using the query box facility during the 8th AGM and EGM. In addition, upon commencement of the 8th AGM and EGM, the Chairman duly advised the shareholders that they were allowed and encouraged to submit their questions or queries in the query box of RPV throughout the 8th AGM and EGM.</p> <p>The Company facilitates and encourages shareholder participation at its 8th AGM and EGM. These meetings provide an update for shareholders on its performance and offer an opportunity for shareholders to ask questions and vote. The GMD read out and answered the relevant questions received.</p> <p>All the Directors, Senior Management and External Auditors also attended the 8th AGM and EGM to respond to questions posted by shareholders.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
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Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: The Board has engaged the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. ("BSR") for Registration and Electronic Poling Services. BSR has a vast amount of experience in conducting a fully virtual meeting. Moreover, efficiency is guaranteed as BSR holds up to date records of the Company shareholders The detailed procedures to participate in the meeting remotely were provided to the shareholders in the Administrative Details of the 8th AGM & EGM sent through email and by ordinary post and the same were also published on the Company's website. BSR has in place a meeting platform that allows shareholders to participate online, using a smartphone, tablet or computer as well as viewing live webcast of the meeting. As mentioned above, real time submission of typed texts is also available to encourage interactive participation from the shareholders. The high number of questions answered during the meeting had evidenced successful virtual 8th AGM and EGM with active participation by the shareholders.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:

Timeframe	:		
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Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: The minutes of the 8th AGM was not circulated to the shareholders, however, the Summary of Key Matters discussed at the 8th AGM is made available to the shareholders on the Company's website at https://www.gdbhb.com.my/investor-relations/financial-information-reports/key-matters-discussed-at-the-agms/ .
	Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	: Please explain the measure(s) the company has taken or intend to take to adopt the practice.
Timeframe	: Choose an item.

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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