



GDB HOLDINGS BERHAD

REGISTRATION NO.: 201301006623 (1036466-U)



ANNUAL REPORT 2022

ABOUT US

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

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

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

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

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

GDB Geotechnics also holds a Grade G7 License from CIDB.



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VISION

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

MISSION

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Cheah Ham Cheia
(Group Managing Director)

Alexander Lo Tzone Leong
(Group Executive Director)

Cheah Jun Kai
(Executive Director)

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

Kow Poh Gek
(Independent Non-Executive Director)

AUDIT COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

AUDITORS

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

PRINCIPAL BANKERS

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

SHARE REGISTRAR

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

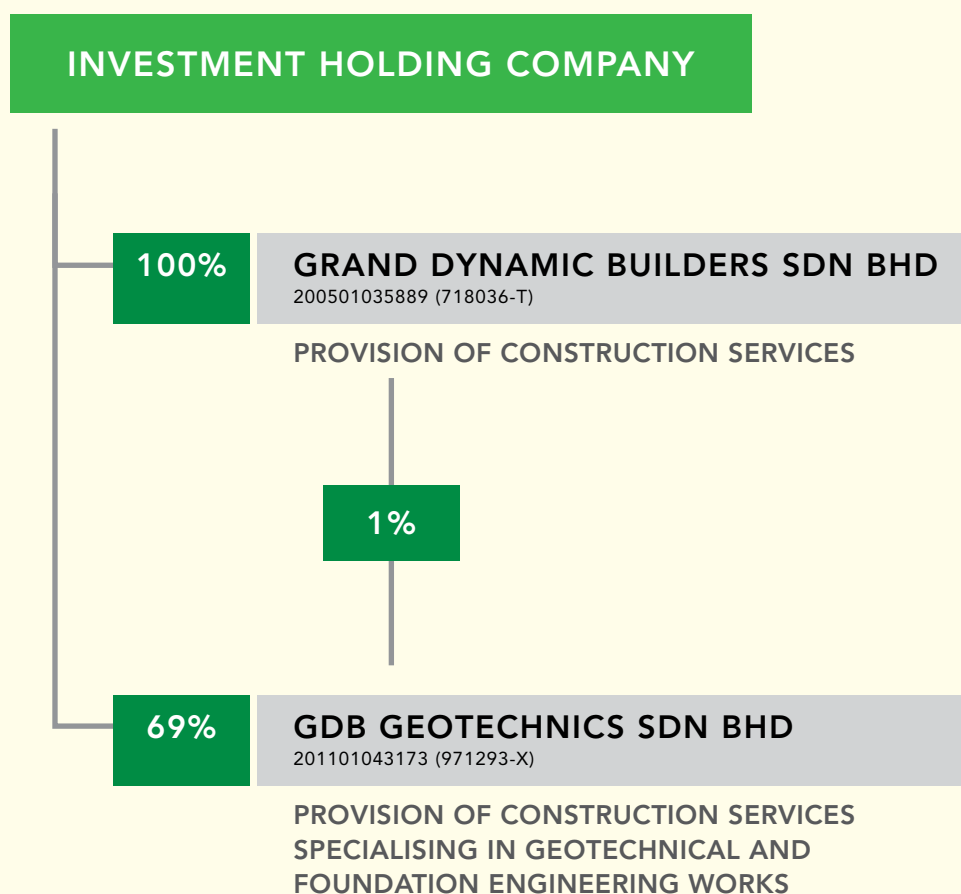
STOCK EXCHANGE LISTING

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

CORPORATE STRUCTURE



GDB HOLDINGS BERHAD
201301006623 (1036466-U)

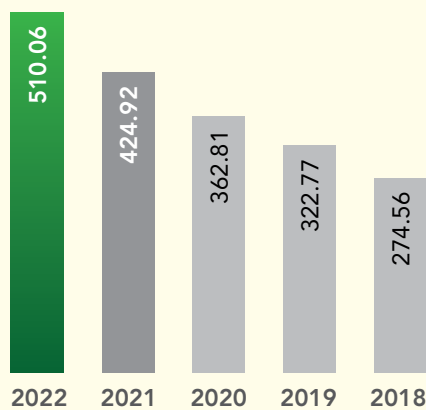


GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS

	2022	2021	2020	2019	2018
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	510,055	424,924	362,813	322,767	274,559
Profit Before Taxation	21,796	37,312	33,787	37,723	36,949
Profit After Taxation and Non-Controlling Interest	17,198	28,622	25,689	29,132	27,890
Total Assets	368,652	338,031	264,606	230,725	212,751
Total Liabilities	207,733	186,789	129,243	107,386	108,630
Shareholders' Fund	160,387	149,751	133,941	120,753	104,121
Market Capitalisation	220,313	412,500	584,375	384,375	143,750
	Sen	Sen	Sen	Sen	Sen
Basic Earning Per Share	1.83	3.05	2.74	3.11	2.97
Net Assets Per Share	17.11	15.97	14.29	12.88	11.11
	%	%	%	%	%
Dividend Yield	0.00	3.18	2.14	3.25	8.70
Dividend Payout	0.00	45.86	48.66	42.91	44.82

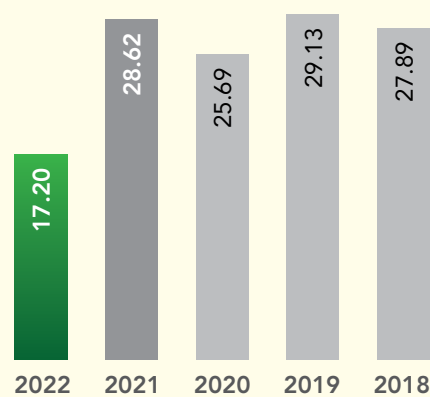
REVENUE

RM510.06 MILLION (2021: RM424.92 MILLION)



PATNCI

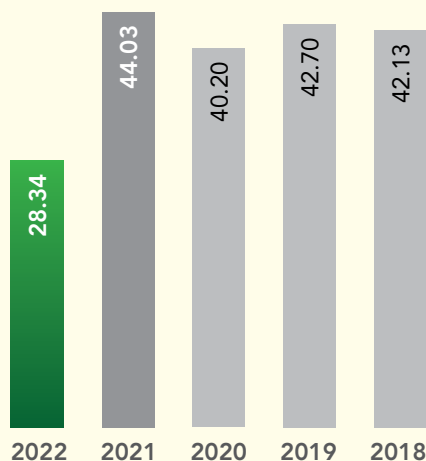
RM17.20 MILLION (2021: RM28.62 MILLION)



GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS (CONT'D)

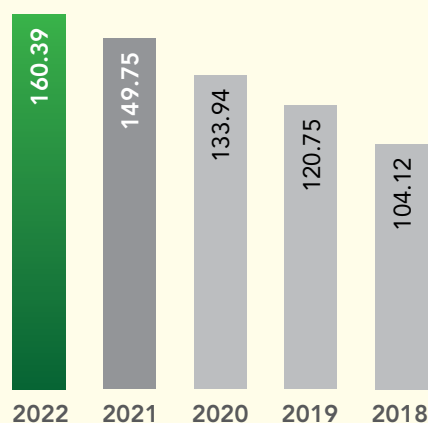
EBITDA

RM28.34 MILLION (2021: RM44.03 MILLION)



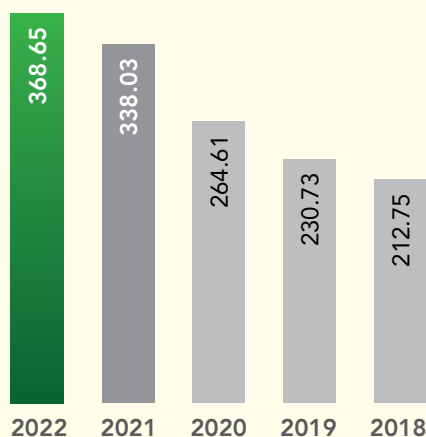
OWNERS' EQUITY

RM160.39 MILLION (2021: RM149.75 MILLION)



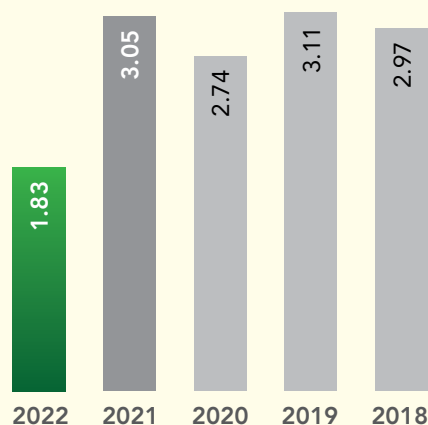
TOTAL ASSETS

RM368.65 MILLION (2021: RM338.03 MILLION)



EARNINGS PER SHARE

1.83 SEN (2021: RM3.05 SEN)



PROFILE OF DIRECTORS



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

Tan Sri Dato' Ir. Hj. Zaini bin Omar, male, a Malaysian, aged 74, is our Independent Non-Executive Chairman and was appointed to our Board on 18 September 2017. He is also a member of the Audit Committee, Remuneration Committee, Nomination Committee, and Risk Management Committee.

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

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

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

He attended all seven (7) Board of Directors' Meetings held during the financial year ended 31 December 2022.

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

PROFILE OF DIRECTORS (CONT'D)



CHEAH HAM CHEIA
Group Managing Director

Mr. Cheah Ham Cheia, male, a Malaysian, aged 67, is our Group Managing Director. He is also a substantial shareholder of the Group. He was appointed to our Board on 28 February 2013 and was re-designated to his current position in October 2019. He is responsible for the overall guidance on our business direction and manages the strategic development of our Group. He is a member of the Risk Management Committee.

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

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

He attended all seven (7) Board of Directors' Meetings held during the financial year ended 31 December 2022.

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

PROFILE OF DIRECTORS (CONT'D)



ALEXANDER LO TZONE LEONG
Group Executive Director

Mr. Alexander Lo Tzone Leong, male, a Malaysian, aged 51, is our Group Executive Director. He is also a substantial shareholder of the Group. He was appointed to our Board on 3 August 2016 as our Executive Director and subsequently re-designated to his current position in October 2019. He is responsible for assisting our Group Managing Director in the overall management and operation of our Group as well as overseeing the overall operations of our construction projects. He is a member of the Risk Management Committee and also a Fellow of the Chartered Institute of Building ("FCIOB").

Mr Lo graduated with a Certificate in Technology (Building) from Kolej Tunku Abdul Rahman, Malaysia in May 1992. In November 2022, he was awarded the Master of Business Administration in Construction Management by Wawasan Open University. He has spent more than 29 years in the construction industry and has served in various capacities, including Chief Operating Officer of Putra Perdana Construction Sdn Bhd where he was responsible for all daily operations of the company.

He was involved in several reputable projects, including Bangsar Shopping Centre, the Government Administrative Offices in Putrajaya ("Parcel D"), Pavilion Kuala Lumpur,

Felda Tower Platinum Park, The Intermark in Kuala Lumpur, Menara PJH in Putrajaya, and the Ara Green Wellness & Healthcare City in Kuala Lumpur.

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

He attended all seven (7) Board of Directors' Meetings held during the financial year ended 31 December 2022.

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

PROFILE OF DIRECTORS (CONT'D)



CHEAH JUN KAI
Executive Director

Mr. Cheah Jun Kai, male, a Malaysian, aged 36, is our Executive Director and the Assistant General Manager for the Finance, Risk Management, Information Technology and Business Development divisions. He was appointed to our Board on 28 February 2013.

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

He attended all seven (7) Board of Directors' Meetings held during the financial year ended 31 December 2022.

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

PROFILE OF DIRECTORS (CONT'D)



DATUK SR. CHIA LUI MENG
Independent Non-Executive Director

Datuk Sr. Chia Lui Meng, male, a Malaysian, aged 68, is our Independent Non-Executive Director. He was appointed to our Board on 18 September 2017. He is the Chairman of the Remuneration Committee and the Risk Management Committee, as well as a member of the Audit Committee and the Nomination Committee.

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

He has 44 years of experience in the property development and construction industry, and has worked in both the public and private sectors. He has held multiple positions until his retirement in year 2016, including Group Chief Executive Officer of United Malayan Land Berhad where he was responsible for the overall administration of the company, Chief Operating Officer of VIHAJICO Vietnam and was involved in the development of the 1,200 acres

ECOPARK township in Hanoi, Vietnam, Group Director of Naza TTDI Sdn Bhd, CEO of Malton Berhad and is currently the National Council Member of the Real Estate and Housing Developers' Association Malaysia ("REHDA") and participated in the Committee of Legislation and Legal Disputes Committee.

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

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

He attended all seven (7) Board of Directors' Meetings held during the financial year ended 31 December 2022.

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

PROFILE OF DIRECTORS (CONT'D)



KOW POH GEK

Independent Non-Executive Director

Mdm. Kow Poh Gek, female, a Malaysian, aged 66, is our Independent Non-Executive Director. She was appointed to our Board on 14 December 2017. She is also the Chairperson of the Audit Committee and the Nomination Committee, as well as a member of the Remuneration Committee and the Risk Management Committee.

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

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

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

She attended all seven (7) Board of Directors' Meetings held during the financial year ended 31 December 2022.

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

KEY MANAGEMENT PROFILE

TOH FONG ENG

Chief Financial Officer

Mdm. Toh Fong Eng, female, a Malaysian, aged 61, is our Chief Financial Officer. She is responsible for the overall corporate finance functions of the Group and oversees the accounting, taxation and treasury functions as well as the statutory compliance and reporting of our Group since May 2017.

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

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

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

LIM LEE LING

Senior Manager for Human Resource and Administration

Mdm. Lim Lee Ling, female, a Malaysian, aged 53, is our Senior Manager for Human Resource and Administration. She is responsible for our Group's overall human resource and office administrative matters since she joined the Group in May 2013.

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

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

YAP WEI TONG

General Manager - Projects

Mr. Yap Wei Tong, male, a Malaysian, aged 49, is our General Manager – Projects/Head of Project. He assists our Group Executive Director in managing the construction division and was the Head of Project for several of our Group's projects since he joined the Group in May 2014.

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

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

KEY MANAGEMENT PROFILE (CONT'D)

WONG CHIN TEE

General Manager - Tenders and Contracts

Mr. Wong Chin Tee, male, a Malaysian, aged 58, is our General Manager for Tenders and Contracts. He oversees and manages the Group's project costs, tendering of projects, and leads the Tender & Contract Department since he joined the Group in August 2013.

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

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

GOH ENG NGAI

Executive Director for GDB Geotechnics Sdn Bhd

Mr. Goh Eng Ngai, male, a Malaysian, aged 62, Executive Director for GDB Geotechnics Sdn Bhd ("GDB Geotechnics"), joined our Group following the GDB's acquisition of GDB Geotechnics since October 2019. He is responsible for the overall guidance on the GDB Geotechnics's strategic direction and tendering activities as well as overseeing the overall operations of our piling and substructure projects.

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

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

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

CHAIRMAN'S STATEMENT

Dear shareholders,

Even as all economic sectors are gearing towards resuming normalcy in 2022 following the country's transition from COVID-19 pandemic to endemic phase, the recovery pace of the construction sector remained at a sedentary pace due to persistent complications from the supply chain disruption. Challenges included rising costs of key building materials such as steel and cement, and the mismatch in labour demand and supply after the reopening of international borders.

Still, I am heartened that GDB Holdings Berhad ("GDB" or "the Group") upheld our responsibility to make significant advancements in our construction projects, which led us to successfully hand over two undertakings to clients ahead of project completion schedule in the year under review.

At the same time, we maintained our competitiveness, as evidenced by securing our first design-and-build contract of a high-end Logistic Hub for a new customer of high repute. Moreover, GDB remained in the black amidst the rising-cost environment.

Thus, on behalf of the Board of Directors of GDB, do allow me to present to you the Group's annual report and audited financial statements for the financial year ended 31 December 2022 ("FYE 2022").

2022 ECONOMIC REVIEW

The global economic landscape in 2022 was dictated by major negative forces such as rising interest rates, escalating tensions between Russia and Ukraine, and the surging of COVID-19 cases in China. The confluence of these factors resulted in Global Gross Domestic Product ("GDP") Growth declining to 3.2% from 6.0% in 2021.

However, the local economy bucked this dampened pace by posting a tremendous recovery of 8.7% in 2022, far exceeding the 3.1% growth recorded in 2021 as the country was buoyed by the return of confidence from consumers, businesses and investors. Rebounding private spending and investment, reduced unemployment and strengthening of the Ringgit lent support to this commendable feat.



CHAIRMAN'S STATEMENT (CONT'D)

CORPORATE DEVELOPMENTS

Status of the 8 Conlay Project

Grand Dynamic Builders Sdn Bhd ("GDBSB"), a wholly-owned subsidiary of the Company had served a works suspension notice to Damai City Sdn. Bhd. ("DCSB") on 16 August 2022, followed by a Writ of Summons and Statement of Claim at the High Court of Malaya at Kuala Lumpur on 6 October 2022 for a total outstanding sum of RM120.7 million against KSK Land Sdn Bhd ("KSK"), who had in the capacity of DCSB's holding company, executed a Corporate Guarantee dated 5 August 2022 in favour of GDBSB for the payment obligation of DCSB under the Contracts.

On 9 January 2023, the Group announced the upliftment of suspension of works pursuant to Clause 30.7 of the PAM Contract for the 8 Conlay Project to resume façade works only on Tower A following the receipt of partial payment towards the outstanding sums from DCSB pursuant to the terms of the 4 January 2023 Agreement and its supplementary correspondences ("January Agreement") while the other works in Tower A as well as the other works of the Project are further suspended pursuant to Clause 21.4 of the PAM Contract. The remobilisation and recommencement of construction works for the full scope of works under the 8 Conlay Project are subject to full settlement of the outstanding sums payable to GDBSB by DCSB.

On 24 March 2023, GDBSB remobilised and recommenced construction works in Tower A after receiving further partial payments towards the outstanding sums from DCSB pursuant to the terms of the January Agreement. The other Sections of Works remain suspended under Clause 21.4 of the PAM Contract.

GDBSB has, before the High Court of Malaya Kuala Lumpur on 21 March 2023 recorded a withdrawal of the legal suit against KSK with liberty to file afresh. In the event that KSK fails, refuses, and/or neglects to comply with any demand made by GDBSB against KSK based on the Corporate Guarantee dated 5 August 2022 thereafter, GDBSB has the right to take legal action against KSK.

DCSB has failed, refused, and/or neglected to pay the outstanding sums under Instalment Payment No 5A & 5B on 4 April 2023 as stipulated in the January Agreement ("Payment Date"). 'Without prejudice' discussions and negotiations had been carried out prior to and after the Payment Date with the aim to resolve the matter amicably but both parties were unable to reach a settlement consensus.

On 19 April 2023, GDBSB received a copy of the Notice of Determination from DCSB to determine the 8 Conlay Contract. The Board of Directors ("BOD") of the Group considers the Notice of Determination by DCSB to be wrongful based on the advice by the solicitors. On the same day, GDBSB exercised its rights to immediately determine the Contracts and has served a Notice of Determination to DCSB pursuant to Clause 26.2 of the PAM Contract and January Agreement.

GDBSB will be taking the necessary steps under the Contracts with legal advice by our solicitors for the recovery of sums due and payable arising from the Contracts and other claims payable under the Agreements and Contracts by DCSB to GDBSB. Furthermore, GDBSB will pursue with the advice by solicitors, all its rights and remedies under the terms of the Agreements and Contracts.

The determination of the Contracts is expected to have material impact on the GDB's earnings, net assets and net asset per share. GDB is not able to provide any disclosure on the impact as it is currently under assessment. The determination is also expected to have material impact on the business and operations of the Group with the 8 Conlay Project being the Group's largest contract in the order book prior to the determination.

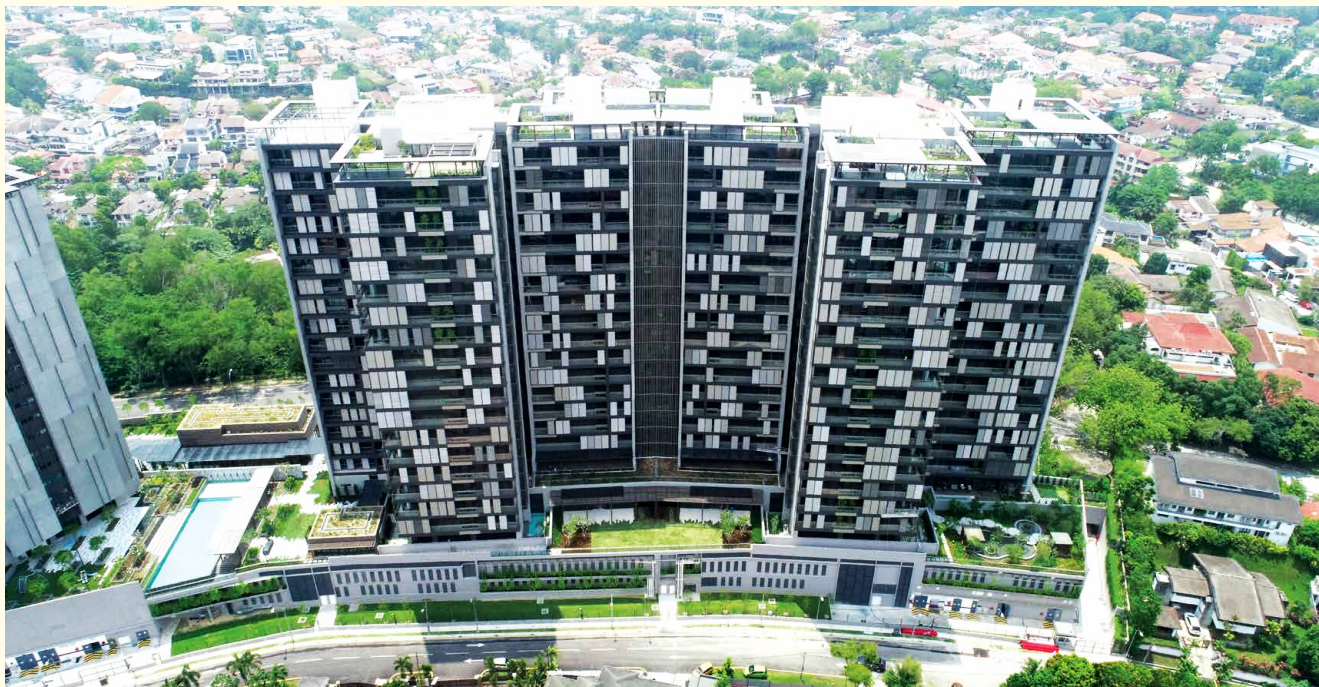
The BOD having taken into consideration all aspects of the determination by GDBSB and is of the opinion that the Notice of Determination is in the best interest of the Group.

Extension of Timeframe for the Utilisation of Proceeds Raised from the Initial Public Offering ("IPO")

On 13 March 2023, GDB announced that the Board had resolved to extend the timeframe for utilisation of the remaining IPO Proceeds of RM8.0 million earmarked for the acquisition of land for storage of construction machinery and equipment for a further timeframe of 36 months up to 26 March 2026.

Whilst GDB had endeavoured its own efforts and sought property agents to identify suitable land within Selangor to store its construction machinery and equipment, the Group had yet been able to identify a suitable site to meet the requirements in terms of logistic, pricing and land size. The additional timeframe is required for securing a proper and suitable piece of land.

CHAIRMAN'S STATEMENT (CONT'D)



2023 OUTLOOK AND APPRECIATION

With central banks worldwide raising interest rates to curb the inflationary pressures amidst a low growth environment, the year 2023 is expected to be more challenging than the previous years. Correspondingly, IMF anticipated a lower global GDP growth of 2.7% in 2023 versus 3.2% in 2022.

Domestically, the Ministry of Finance anticipates for Malaysia's GDP to expand between 4% to 5% in 2023, driven by strong fundamentals, diversified economic structure, robust domestic demand and continued policy support that would cushion the adverse effects of higher cost of living and tightening monetary policy.

The construction sector in Malaysia is projected to chart 4.7% growth in 2023, on the back of higher private investments particularly for industrial, commercial and residential buildings. Furthermore, the recent approvals of employment quotas for approximately 350,000 foreign workers for the construction sector by the Ministry of Human Resources will help support the growth of construction industry.

All things considered, GDB expects a challenging outlook of its prospects for the financial year ending 31 December 2023.

In closing, I wish to express my sincerest gratitude to the Board of Directors, key senior management and employees for their invaluable contributions to the Group. The hard work and dedication of our outstanding team were not only instrumental to our achievements for 2022, but also crucial in laying a firm foundation for our future growth and success.

I would also like to extend my deepest gratitude to our business partners, associates, suppliers, customers, and valued shareholders for journeying with the Group despite the challenging year. I look forward to the continuing cooperation and support from our stakeholders in the future.

Thank you.

Sincerely,

TAN SRI DATO' IR. HJ. ZAINI BIN OMAR
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

Dear valued shareholders,

In spite of the tumultuous headwinds, GDB Holdings Berhad ("GDB" or "the Group") continued to be resilient in our operations: making notable progress in our construction works and remaining profitable in the year under review.

I hereby present to you our Group's performance for the financial year ended 31 December 2022 ("FYE 2022").

BUSINESS OVERVIEW

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

The Group has two subsidiaries, wholly owned Grand Dynamic Builders Sdn Bhd ("GDBSB") and 70% stake in GDB Geotechnics Sdn Bhd ("GDB Geotechnics").

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

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

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

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

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

These technologies and practices include:

- **Building Information Modelling (BIM)**, which provides "virtual reality" insight throughout the building construction stages. This allows for early clash detection and analysis, which enhances efficiency in implementing large-scale projects and reduces completion time.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



- **Industrialised Building System (IBS)**, which is a construction process that utilises techniques, products, components or building system which involves prefabricated components and on-site installation. IBS include panel and box systems, steel formwork and steel framework systems, prefabricated timber framing systems as well as block work systems.
- **The Green 5S system** which develops and enhances the practices of Structurise, Systematise, Sanitise, Standardise and Self-discipline with the goal of improving the safety, quality, and environmental aspects of our projects.

GDB Geotechnics provides bored piling and foundation services. Similar to GDBSB, it also holds a Grade 7 License from CIDB Malaysia.

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

OPERATIONS OVERVIEW

- **New Contract Win**

On 19 December 2022, GDBSB accepted a Letter of Award from SDPLOG 1 (Industrial Asset I) Sdn. Bhd. (formerly known as Sime Darby Property (Industrial Asset I) Sdn. Bhd.) to design and build a Logistics Hub located at Kawasan Perindustrian Bandar Bukit Raja 2, Klang for RM247.0 million.

GDBSB's scope as the main contractor includes the design and construction of piling and substructure works, as well as superstructure, architectural, mechanical and electrical works. GDBSB will build a two-storey ramp up warehouse with mezzanine level at each floor, a staff cafeteria facility, a show gallery, security guardhouses, refuse chamber and electrical substation.

The 21-month contract which commenced on 29 December 2022 is targeted for completion on 28 September 2024.

- **Successful Project Completion**

In spite of the industry-wide labour shortage and rising raw material costs, GDB upheld its commitment in delivering projects to our customers in a timely manner with best efforts. In year 2022, GDB handed over two projects to Customers both ahead of contractual completion dates.

The Group's successful completion of Hyatt Centric Kota Kinabalu on 30 August 2022, 8 days ahead of the scheduled completion date is our first hotel undertaking in East Malaysia which features a 22-storey 5-Star hotel with 222 guestrooms.

Subsequently, GDB delivered Perla Ara Sentral on 30 September 2022, 13 days ahead of the scheduled completion date. The construction works encompasses two blocks of 18-storey residential serviced apartments on an 8-storey podium consisting of a 7-storey car park.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

- **Suspension of Works**

On 16 August 2022, GDBSB had served a suspension notice to the project owner of 8 Conlay Project, Damai City Sdn. Bhd ("DCSB"), a wholly-owned subsidiary of KSK Land Sdn Bhd ("KSK").

On 9 January 2023, GDBSB had lifted the suspension of works pursuant to Clause 30.7 of the PAM Contract to resume façade works only on Tower A after receiving partial payment towards the outstanding sums from DCSB pursuant to the terms of the 4 January 2023 Agreement and its supplementary correspondences ("January Agreement"). However the rest of Tower A works and other Sections of Works for the Project remain under suspension pursuant to Clause 21.4 of the PAM Contract.

On 24 March 2023, GDBSB remobilised and recommenced for the full scope of construction works of Tower A on account of receipt of further partial payments towards the outstanding sums from DCSB pursuant to the terms of the January Agreement however the other Sections of Works continue to remain suspended under Clause 21.4 of the PAM Contract.

- **Material Litigation**

On 6 October 2022, GDBSB filed a Writ of Summons and Statement of Claim at the High Court of Malaya at Kuala Lumpur against KSK Land Sdn Bhd ("KSK") in connection with the Corporate Guarantee made by KSK in favour of GDBSB for a total outstanding sum of RM120.7 million which was due and owing by DCSB to GDBSB at that time.

The Writ of Summons and Statement of Claim filed against KSK was subsequently withdrawn on 21 March 2023 with the liberty of filing afresh in the event KSK fails, refuses and/or neglects to comply with any demand made by GDBSB against KSK based on the Corporate Guarantee made by KSK in favour of GDBSB for the 8 Conlay Project.

- **Determination of Contract**

DCSB had failed, refused, and/or neglected to pay the outstanding sums under Instalment Payments No 5A and 5B on 4 April 2023 as stipulated in the January Agreement ("Payment Date"). 'Without prejudice' discussions and negotiations had been carried out prior to and after the Payment Date with the aim to resolve the matter amicably but unable to reach settlement consensus.

On 19 April 2023 GDBSB received a copy of the Notice of Determination from DCSB to determine the 8 Conlay Contract. The Board of Directors ("BOD") of GDB considers the Notice of Determination to be wrongful based on the advice by the solicitors.

On the same day, GDBSB exercised its right to immediately determine the 8 Conlay Project and had served a Notice of Determination dated 19 April 2023 to DCSB pursuant to Clause 26.2 of the PAM Contract and January Agreement.

GDBSB will, with the advice of solicitors, taking the necessary steps under the Contracts for the recoverability of sums due and payable arising from the Contracts which is due and payable by DCSB to GDBSB.

GDBSB will also with the advice by solicitors, pursue all its rights and remedies for any other claims payable under the terms of the Agreements and Contracts.

The BOD having taken into consideration all aspects of the determination by GDBSB and is of the opinion that the Notice of Determination is in the best interest of the Group.

- **Financial Effects of the Determination**

The determination by GDBSB is expected to have material impact on GDB's earnings, net assets and net asset per share. GDB is not able to provide any disclosure on the impact as it is currently under assessment. The determination is also expected to have material impact on the business and operations of the Group as the 8 Conlay Project was the largest contract in the Group's order book prior to the determination.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

• Outstanding Order Book

After taking into account the Determination of the 8 Conlay Project on 19 April 2023, the Group's outstanding order book as at 31 December 2022 stood at RM389 million.

The notable projects that made up our order book include the construction works for Park Regent at Desa ParkCity and the newly secured design-and-build contract for a logistic hub in the Bandar Bukit Raja 2 Industrial Park in Klang.

FINANCIAL OVERVIEW

Against challenging headwinds, GDB's resolute focus in advancing the progress of our construction works came to fruition with a 20.0% increase in revenue to RM510.1 million in FYE 2022 from RM424.9 million a year ago.

However, the higher input costs including labour and construction materials, higher project preliminaries and staff costs due to prolonged contract durations resulting from COVID-19 lockdowns and movement restrictions adversely impacted margins. The suspension of works for the 8 Conlay Project starting 16 August 2022 has also hampered performance. This has resulted in a 41.6% decrease in profit before tax to RM21.8 million in FYE 2022 from RM37.3 million a year ago.

In line with the foregoing factors, profit after tax and non-controlling interests declined 39.9% to RM17.2 million from RM28.6 million in the previous year.

The Group's net cash position dropped from RM76.9 million a year ago to RM29.0 million.

Total assets rose 9.1% to RM368.7 million as compared to RM338.0 million in FYE 2021, mainly attributable to higher trade receivables in line with higher topline revenue.

Correspondingly, total liabilities increased by 11.2% to RM207.7 million from RM186.8 million previously, driven by higher trade payables that was in tandem with the rise in construction activities for ongoing projects.

GDB recorded a 12.2% growth in retained profits to RM97.8 million as at 31 December 2022 from RM87.2 million a year ago, which contributed to a 7.1% rise in GDB's total equity attributable to owners of the Company to RM160.4 million in FYE 2022 from RM149.8 million in the previous year.

Overall, GDB's financial performance albeit lowered but remains positive in FYE 2022.

DIVIDEND

The Group adjourned the declaration of dividends in respect of FYE 2022 in order to bolster our working capital and conserve cash against the challenging operating environment going forward.

GDB will remain diligent on the Group's Growth Strategies in these challenging times and will strive to return to paying dividends as soon as possible.

Afterall, we remain committed to our long-term goal of creating meaningful value for all our loyal shareholders.

GROWTH STRATEGIES

The ongoing recovery of the construction industry lends credence to better prospects going forward, supported by the reopening of all economic sectors, the easing of labour crunch and the increased demand for industrial buildings in Malaysia.

Going forward, the Group strives to capture the vast opportunities by applying the following growth strategies:

➤ To actively tender for new contracts

GDB will continue to engage in an active tendering process, particularly in the residential, commercial, mixed, industrial and other construction projects in Klang Valley in line with our core expertise. Furthermore, the Group will bid vigilantly by taking into consideration the higher input costs.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



➤ To diversify into other building segments, including hospitals

Subsequent to our first hotel undertaking in the year 2020, the Group had further proven the transferability of our construction expertise by securing a design-and-build contract for a logistics hub in year 2022.

Inspired by our previous successes of winning contracts across different building segments, we will endeavour to continue diversifying our project portfolio to include the construction of hospitals, which is aligned with the rising demand for healthcare services in the country post pandemic.

➤ To expand into the civil and infrastructure construction segment

The Group intends to continue exploring opportunities to expand into the civil and infrastructure construction segment, and will provide updates as and when there are significant developments.

RISKS

We are cognisant of the challenging operating environment going forward and are constantly monitoring underlying risks that could have an adverse impact on our performance.

The Group's key risks, together with its mitigation measures are presented as follows:

➤ Decrease in New Launches of Residential Buildings

The moderate pace of growth in Malaysia, higher construction costs may lead developers to reconsider plans for new property launches. This will affect our pipeline of tenders as customers may choose to adopt a soft-launch approach or breakdown a single-large project into smaller undertakings instead.

In order to mitigate against this risk, the Group had diversified our tender portfolio to include other crucial segments such as commercial, mixed development, hospital and industrial projects.

➤ Greater Competition in the Construction Industry

The increasingly challenging external headwinds may force industry players to engage in aggressive tender pricing to defend their market share, which may create an unhealthy competitive environment and may lead to lower prices and margins.

Our competitive edge lies in our brand name which is synonymous with our stellar track record of delivering premium high-rise buildings with quality. We are optimistic that there are potential clients that will conduct a holistic tender evaluation process which takes into consideration such other factors as brand name and historical track record of delivering quality works which may give us an upper hand compared to our competition.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



➤ Higher Construction Materials and Labour Costs

Supply chain disruptions resulting from the pandemic and exacerbated by the geopolitical conflict led to consistently-elevated steel bar and cement prices for the past two years.

Meanwhile, the mismatch in foreign labour demand and supply caused an industry-wide labour shortage and higher labour costs.

However, we are pleased to report that the ongoing fluctuation in steel bar prices is within a narrower band, and that the labour shortage has been eased with new workers incoming in towards end-2022. This enables the Group to submit bids more accurately.

The Group will continue to monitor the fluctuations in raw materials prices and implement the necessary prudent measures to safeguard finances and sustain business operations.

APPRECIATION

I would like to extend my sincerest gratitude to our Board of Directors, senior management and employees, for playing an imperative role to our business sustainability despite the challenging backdrop.

I would also like to convey my sincere thanks to our business partners, associates, suppliers, customers and shareholders for their utmost support during this challenging year. We treasure your confidence in us and we are looking forward to your continued support in the future.

Sincerely,

CHEAH HAM CHEIA
Group Managing Director

SUSTAINABILITY STATEMENT

We at GDB Holdings Berhad ("GDB"), and its subsidiaries ("the Group"), are resolute to protect the environment and to create a long-lasting shared value with our stakeholders by integrating solid sustainability measures into our business and operations. Sustainability measures encompass all aspects of ethical business practices that we follow to address relevant Economic, Environment, Social and Governance ("EESG") issues responsibly and profitably. We view every project as an opportunity to build a better future for our clients, partners, employees and communities where we operate.

Global sustainability trends and industry trends have evolved, and we must adapt our operations accordingly to be more beneficial to the environment and society. Therefore, we have made significant investments and leveraged our expertise to reinforce our environmental commitments and to work towards a greener future for the planet.

We have established our Sustainability Policy, which outlines the measures and strategies we will undertake to fulfil our commitments and to be kept informed of any emerging sustainability issues.

ABOUT THIS STATEMENT

This Sustainability Statement is our means of disclosing our sustainability practices because we value accountability and transparency. In FYE 2022, we further expanded our sustainability journey by making it an overarching goal in our business. We start this journey by presenting our initiatives and actions towards sustainable development.

Scope and Boundary:

This statement covers the Group's entire operations, including subsidiaries directly controlled by the Group and held through a majority stake.

Reporting Guidelines:

- Malaysian Code on Corporate Governance ("MCCG") 2021
- Bursa Malaysia Sustainability Reporting Guide 3rd Edition

Reporting Period:

Historical information gathered from previous years was included to provide context to the data and display actionable patterns.

Reporting Cycle: Coinciding with our financial year-end

Engage With Us: Send us your feedback at enquiry@gdbhb.com.my

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE

We have created a sustainability governance structure to facilitate the implementation of our sustainability strategies across our business in a structured manner. This framework specifies the processes for setting goals, reporting progress and strengthening relations with our external stakeholders. It states the clear lines of accountability and responsibility so that every level of the Group, from the workers at the construction sites up to the members of the Board is cognisant of their roles in delivering sustainability, EESG and corporate responsibility.



Ethics and Governance

We have established the Group's Code of Ethics and Conduct, which states the ethical principles that must be followed by directors and employees in all business activities of the Group.

We have also established an Anti-Bribery and Corruption Policy, which emphasises our zero-tolerance approach to all forms of bribery and corruption at all levels of our organisation. Our Whistle Blowing Policy provides all our employees and stakeholders with an avenue where they can securely and confidentially report incidents of improper conduct and non-compliance with the Group's Code of Ethics and Conduct and policies.

Our continuous cooperation with our stakeholders ensures that our business activities are always conducted with the highest ethical standards. Since its establishment, we have not received any reports of improper conduct.

Sustainability Risk Management

We have adopted a risk management framework in our corporate governance structure to ensure that our business review process can accurately identify EESG risks and recognise opportunities. This process involves detecting, evaluating, mitigating and monitoring EESG risks that are relevant to our business activities.

In addition, we have implemented a comprehensive Quality, Environmental, Safety & Health Management System (QESHMS) to promote quality, environmental protection and workplace safety and health. Also, part of this review are regulatory and standards compliance assessments for ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY

In FYE 2022, we performed our first materiality assessment to determine the significant impacts on our business and operations and to identify the areas where we are creating or diminishing sustainability values. Consequently, we were able to map out the sustainability matters that can enhance our business resilience and performance. The materiality assessment was conducted as follows:

The Process



To ascertain the sustainability issues that are relevant to the Group, we adopted the following materiality assessment process:

1. Listed all the stakeholder groups and sustainability issues and ranked them according to their importance.
2. Collected insight from all stakeholder group representatives about the sustainability matters and their areas of interest.
3. Plotted the sustainability themes on a matrix to illustrate their importance with respect to one another.
4. The result of the analysis was reviewed by the management and subsequently submitted to the BOD for validation and approval.
5. The approval from the BOD indicates a clear unified tone from the company's leadership and guarantees that the material sustainability matters will be addressed in a group-wide scale.

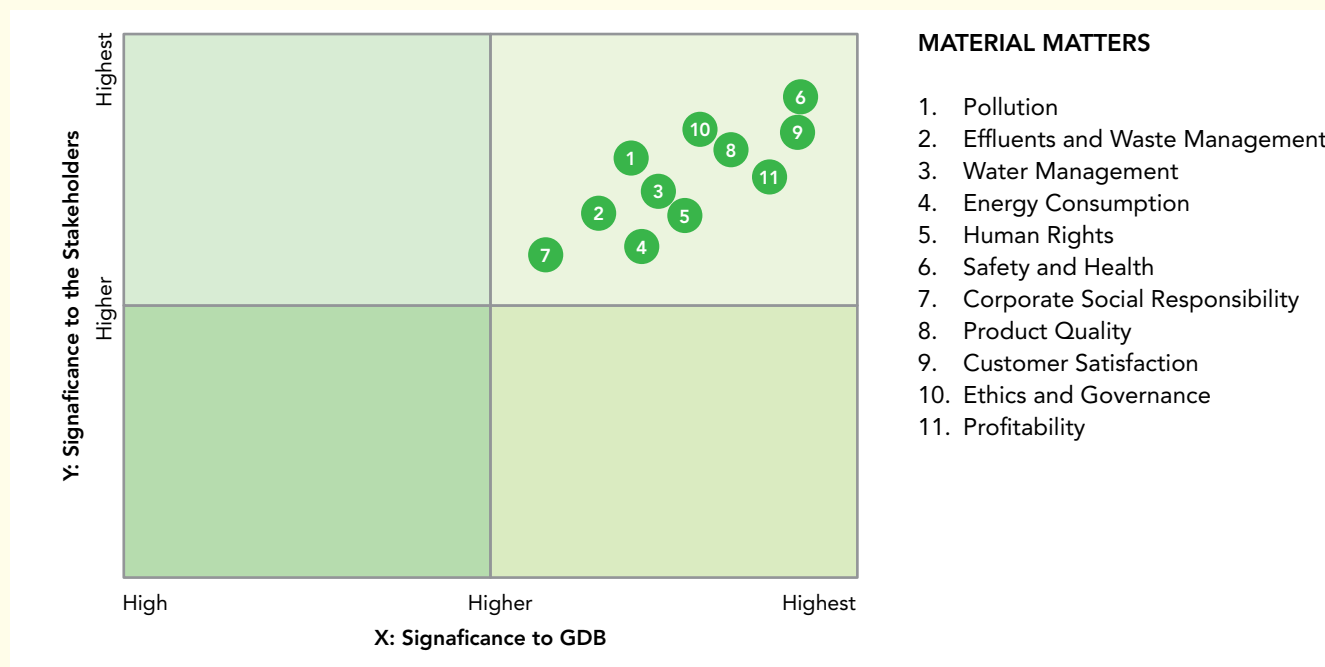
Materiality Matrix

The materiality matrix below shows the perceived significance of all EESG impacts to the Group and the stakeholder groups. The most important themes are mapped on the upper right-hand quadrant.

The top material issues are Safety and Health, Customer Satisfaction, Profitability, Product Quality and Ethics and Governance. Safety and Health is imperative due to the hazardous nature of our business. Meanwhile, Customer Satisfaction, Profitability and Product Quality directly and indirectly impacts the economic value generated for our stakeholders. Ethics and Governance pertains to how we manage our business in an ethical, transparent and responsible way such that all our stakeholders are treated equally and fairly.

Environmental issues are situated closely together in the middle of the matrix. Our business segment belongs to the construction sector which involves providing building and foundation construction and engineering. We strive to reduce the environmental impacts of our supply chain and our operations that we are able to control.

SUSTAINABILITY STATEMENT (CONT'D)



STAKEHOLDER ENGAGEMENT

We maintain constant communication with our stakeholders via different modes of engagement throughout the year. Meaningful collaborations with them enable us to anticipate their needs and respond promptly. We know that our long-term success hugely depends on the value we deliver to all our stakeholders.

The table below presents the list of our stakeholders, our communication channels, their concerns and our corresponding actions.

Stakeholders	Concerns	Communication Channels and Activities
Shareholders	<ul style="list-style-type: none"> - Profitability and Growth - Transparent and Timely Communications - Ethics and Governance 	<ul style="list-style-type: none"> - Annual General Meetings and Extraordinary General Meetings - Timely Financial Disclosure and Regulatory Filings - Timely Media Releases and Website Updates on Corporate Developments - Good Corporate Governance and Compliance Structure
Customers	<ul style="list-style-type: none"> - Quality - Timely Delivery - EESG 	<ul style="list-style-type: none"> - ISO 9001 and ISO 45001 Certification and Compliance Audit - Technological Advancements - Standardisation and Continuous Improvements - Customer / Client Feedback

SUSTAINABILITY STATEMENT (CONT'D)

Stakeholders	Concerns	Communication Channels and Activities
Employees / BOD	<ul style="list-style-type: none"> - Benefits and Remuneration - Career Progression - Communication - Safety and Health 	<ul style="list-style-type: none"> - Salary and Benefits Benchmarking and Performance Reviews - Incentive Programme - Training and Succession Planning - Policy Updates and Communications - ISO 45001 Certification and Compliance Audit - QESHMS
Contractors / Suppliers / Consultants	<ul style="list-style-type: none"> - Safety and Health - Timely Payment - Ethics and Governance 	<ul style="list-style-type: none"> - ISO 45001 Certification and Compliance Audit - QESHMS - Fair and Transparent Payment and Procurement Processes
Authorities / Regulators / Certification Bodies	<ul style="list-style-type: none"> - Regulatory and Statutory Compliance 	<ul style="list-style-type: none"> - Renewal of Permits and Licenses - Enhancement of Policy and Procedures for Regulatory and Statutory Compliance - Zero Non-compliance Targets - Internal Audit Reports
Analysts / Media / Investors Relation	<ul style="list-style-type: none"> - Quality Information and Feedback - Transparent and Timely Communications 	<ul style="list-style-type: none"> - Press and Investor Conferences and Media Appearances - Timely Media Releases and Website Updates on Corporate Developments - Provision of Sufficient and Accurate Information - Responding to Surveys
Financial Institutions	<ul style="list-style-type: none"> - Economic Performance and Profitability - Business Strategies - Ethics and Governance 	<ul style="list-style-type: none"> - Meetings and Conferences - Annual Reviews - Good Corporate Governance and Compliance Structure
Community	<ul style="list-style-type: none"> - Environmental Impact of Construction Activities - Safety and Health - Human Rights - Contributions to the Local Community 	<ul style="list-style-type: none"> - Environmental Protection Measures - ISO 14001 and ISO 45001 Certification and Compliance Audit - Human Rights Policy Followed by Actions and Monitoring - Local Sourcing and Hiring - Corporate Social Responsibility Activities

SUSTAINABILITY STATEMENT (CONT'D)

SHARED ECONOMIC VALUE

Similar to other major industries, the construction sector is also a significant contributor to economic growth and development, as well as innovation and technological advances. In every project, we build the skills of our employees to create good quality and resilient products that improve people's lives and provide long-term benefits for generations to come. In doing so, we create a shared value that significantly contributes to the national and local economy. Additionally, our Hong Kong and SIRIM 5S certification and awards for our projects have garnered international repute for the Group's projects in the country.

Our direct economic impacts include salaries paid to our employees, revenues and profits, dividends to shareholders and taxes. The indirect economic impacts pertain to our capabilities, cutting-edge technologies, upskilling of our employees and supply chain growth.

FYE 2022 Economic Impacts

The construction industry benefits the community by providing jobs and wages. This boosts local spending, as the employees/workers are expected to spend their earnings for their needs on other local businesses. Taxes collected from the construction industry also help fund public works and services for the betterment of the local economy. Business owners and investors also benefit from the profits and dividends, which could be used for further reinvestments or spending in other local businesses.

REVENUE: RM510.06 MILLION	PAT ATTRIBUTABLE TO OWNERS OF THE GROUP: RM17.20 MILLION	CORPORATE TAX: RM5.56 MILLION	NUMBER OF EMPLOYEES: 337
SHAREHOLDERS' FUND RM160.4 MILLION (2021: RM149.8 MILLION)	AMOUNT OF SERVICES PROVIDED TO LOCAL CONTRACTORS/SUPPLIERS/ SERVICE PROVIDERS: RM458 MILLION		INVESTMENTS IN EQUIPMENT AND MACHINERY: RM1.1 MILLION

SUSTAINABILITY STATEMENT (CONT'D)

QUALITY, ENVIRONMENTAL, SAFETY AND HEALTH ("QESH")

We have established a QESH Policy, which outlines our procedures for protecting the environment, safeguarding the safety and health of our stakeholders and ensuring that we deliver excellent products and services. We aim to preserve our environment and improve our performance in order to generate a shared value from our EESG strategy.

At GDB, we know that our actions have immediate impacts on human and environmental conditions. We believe that we can attain long-term success by integrating sustainability in our business practices.

QESH CERTIFICATIONS

International Management Systems

As a testament to our QESH commitments, we have obtained ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications. We have consolidated all these principles, systems, processes and standards into one integrated management system, QESHMS. It streamlines our Quality Management, Environmental Management and Safety and Health Management Systems, thereby saving us time and increasing our efficiency. As a result, we are able to focus on a wide range of crucial areas.



In addition, GDB projects have attained QCLASSIC, CONQUAS, BuildQAS and SHASSIC certifications. We have also completed and been certified for the Construction Green 5S programme as part of our commitment to quality, environmental, safety and health and productivity.



ESH COMMITTEE

The Company ESH Committee is headed by the Group Executive Director, who is assisted by the Senior ESH Manager. Company ESH Committee members include the General Manager, Heads of Project ("HOPs"), Project Manager, ESH Officer and other Heads of Department ("HODs") such as Logistic, Store and Quality Assurance.

The Project ESH Committee is headed by the HOP, who is assisted by the Project ESH Team. The Site ESH Committee consists of sub-contractors, representatives from the Company's site management, site employees and site workers.

COMPANY ESH
COMMITTEE



PROJECT ESH
COMMITTEE

SUSTAINABILITY STATEMENT (CONT'D)

QESH Targets and Achievements in Year 2021

Listed below is our performance against our targets. These are presented during the Management Review Board ("MRB") meeting every year in the month of June.

Category	Targets	Performance	Comments
Quality	90% of sub-contractors to achieve Grade C and above on performance evaluation	Achieved 96.7%	Notices of performance evaluation have been issued to the sub-contractors who scored below Grade C
	60% of employees to achieve Grade B and above in their annual performance appraisal	Achieved Grade B and above 89.71%.	Performance appraisal were carried out for 282 employees
	80% of the planned annual training programmes are implemented	Achieved 92.33%	183 employees have attended trainings and have evaluated that majority of the trainings were good
Safety and Health	Zero Full Stop Work Order; At most 3 times of Partial Stop Work Orders from authorities	Not Achieved	Not achieved due to COVID-19 cases and the presence of a larvae breeding ground at project sites
	Delivery of all building projects with SHASSIC score at least 90%	Achieved	Two projects achieved SHASSIC score of 90.78% and 97.93%
	Zero major loss time injury	Achieved	No cases have been reported
	Zero fatality at each project site	Achieved	No cases have been reported
Environment	100% compliance with environmental legal and other requirements	Achieved	One project has failed in water quality and noise level monitoring, however the project has rectified and implemented remedial actions. The said project site was then certified "passed" during subsequent re-inspection
	Average score of 80% for internal environmental inspections for project sites and head office annually	Achieved	The scores of all project sites range from the lowest score of 97.06% to the highest score of 99.60%

SUSTAINABILITY STATEMENT (CONT'D)

QESH MANAGEMENT REVIEW BOARD

We have established MRB to review the suitability, adequacy and effectiveness of the implemented QESHMS. The review specifically focuses on the following agendas:

- Follow up on the status of actions from previous MRB meetings;
- Changes in external and internal issues that are relevant to the QESHMS;
- Strategic direction of the organisation and expectations of the stakeholders;
- Evaluation of potential opportunities for continuous improvements; and
- Performance against targets together with the evaluation on the effectiveness of the QESHMS.

QESH RISK MANAGEMENT

The Group's QESH risk management is a cyclic process that consists of five (5) steps. In Risk Identification, potential risks are identified and categorised into QESH. Their respective risks and opportunities are also determined. In Risk Assessment, the likelihood of occurrence and impact of each QESH risk is ascertained – the greater the impact, the higher the priority. Action Plans refer to the monitoring and mitigating measures that are implemented. The different departments across the Group take actions to identify, analyse and respond to risks with clear timelines.

Environmental Aspect and Impact Register ("EAIR") and Hazard Identification, Risk Assessment and Risk Control ("HIRARC") are the Group's primary strategies for planning and managing risks relating to Environment and Safety and Health ("ESH"). We have carried out risk assessments at the workplace to detect substandard actions and working conditions and have taken the necessary corrective actions.

In summary, we use the QESH risk management system to identify potentially harmful risks and their impacts, select the most cost-effective solution, monitor the results and maintain steady improvement.



SUSTAINABILITY STATEMENT (CONT'D)

AWARENESS AND TRAINING

Prior to work commencement, all on site workers are mandated to attend an ESH induction course. Our ESH officers and supervisors organise on site ESH meetings, such as daily and weekly toolbox briefings, monthly ESH committee meetings, on the job trainings, emergency drills, HIRARC, Standard Operating Procedure ("SOP") briefings and policy or procedure updates. In addition, special training sessions are conducted by external experts. Participants will gain certifications in some of the off-site training programmes.

TOOLBOX BRIEFING AGENDA

Safety and Health Matters

1. Trade work safe operation procedure / HIRARC requirement.
2. Daily housekeeping after work.
3. Provide fall protection to prevent fall of person or material.
4. Compliances to Covid-19 SOP.
5. Accident/Incident reporting procedure.
6. Emergency response plan and guideline.
7. Personal protective equipment compliances.
8. Electrical safety.
9. Safety compliance during working at height.
10. Security matters - electrical tool declaration and gate pass procedure.
11. Welfare facilities and it's maintenance.

Environmental Matters

1. Promote 3R
2. Use spill tray to prevent spillage.
3. Maintain good housekeeping at working area.
4. Dust control from rubbish dumping activity.

Enumerated below are the external training programmes for Environment, Safety and Health.

FYE 2022 ENVIRONMENT, SAFETY AND HEALTH TRAINING (for Contractors and Employees)

Subject	Description	Number of Hours	Number of Participants	Total Number of Hours Attended	Category
Workshop on Climate Change for the Construction Sector	Measuring & Managing GHG Emissions – Scope 1, 2 and Selected Scope 3	16	1	16	ENV
GBI Facilitator Webinar	Covers all aspects of the GBI (Green Building Index) certification process	24	3	72	ENV
Innovative Techniques in Industrial Environmental Pollution Control Training	Innovative Techniques in Industrial Environmental Pollution Control Training	8	1	8	ENV

SUSTAINABILITY STATEMENT (CONT'D)

FYE 2022 ENVIRONMENT, SAFETY AND HEALTH TRAINING (for Contractors and Employees)					
Subject	Description	Number of Hours	Number of Participants	Total Number of Hours Attended	Category
The Cooler Earth 2022: Sustainability Summit	The summit focused on the significant systemic, business and lifestyle changes urgently needed for humanity to transition to a more livable future, and how this can be done in a way that "leaves no one behind"	16	1	16	ENV
Basic Occupational First Aid, CPR and AED Training Programme	Emergency procedure that can be carried out immediately if there is any injury or sickness happen at workplace	8	29	232	S&H
Forklift Safety and Competency Training	Become familiar and adept with the methods and techniques for safe and competent forklift truck operators	8	18	144	S&H
Impact of New OSH (Amendment) Act 2022 and Its Regulation to Industries	Impacts of the OSH amendment to industries	8	4	32	S&H
Fire Fighting Safety Course	Fire fighting awareness	4	3	12	S&H
OSHE Sustainability During Pandemic & Endemic	Environmental aspects and impacts during pandemic and endemic; Generative change in sustaining OSH implementation during pandemic and endemic	16	5	80	ESH
Seminar Guidelines on Management of Occupational Noise-Related hearing Disorders	Seminar on facilitating participants in fulfilling the relevant requirements in a comprehensive and integrated approach	16	1	16	ESH

SUSTAINABILITY STATEMENT (CONT'D)

FYE 2022 ENVIRONMENT, SAFETY AND HEALTH TRAINING (for Contractors and Employees)					
Subject	Description	Number of Hours	Number of Participants	Total Number of Hours Attended	Category
I5SO-SIRIM CG5S Training and Certification	Coaching on how to improve quality, environmental, safety and health, productivity and speed as well as how to reduce cost through CG5S practice. 5S is jointly promote by SIRIM and I5SO	16	37	592	ESH
TOTAL		140	103	1,220	

ENVIRONMENT

We are committed to protect and preserve the environment at all our project sites for the long-term benefit of our employees and the surrounding communities. Our ISO 14001:2015 certification, Environmental Policy and QESHMS practices outline our commitments towards our environmental goals.

Climate Change

Our contributions to reducing and avoiding climate change's effects are rooted on ISO 14001:2015 standards. We strive to reduce our environmental impacts by efficiently using resources and fossil fuels, recycling materials and minimising the emission of toxic substances throughout their life cycle.

Life Cycle Perspective

There has been growing awareness about waste reduction. Thus, we have evaluated the environmental burdens associated with our products, processes and activities. For this purpose, we have formulated a life cycle perspective table to get a clear picture of our actions, the environmental aspect and impact and the solutions we have implemented to reduce the environmental burdens posed by our business and operations.

Activity	Environmental Aspect	Solutions
Raw material acquisition	Consumption of resources	Use of products with recyclable content and minimise the use of virgin materials
	Air pollutant emissions	Low VOC paint, coating, carpet flooring and sealant
Transportation/ Delivery	Air pollutant emissions	Local purchasing
Construction	Resource consumption and waste generation	Reduce, Reuse and Recycle (3R)
End of life treatment/ Final disposal	Waste disposal	Recycle and reuse of scrap iron, timber waste, etc

SUSTAINABILITY STATEMENT (CONT'D)

Pollution

Construction activities unavoidably generate various contaminants that cause pollution, thereby harming employees and nearby residents. We have adopted several measures for mitigating air, water, noise and soil pollution.

Air Quality

Air quality is regularly monitored at all our sites. Site access zones are paved with concrete or hardcore materials to reduce dust emissions. Internal rubbish chutes are located on every floor, which can be accessed by using a lift shaft to minimise dust dispersion. We use low-VOC paint and eco-friendly adhesives and ensure that the exhaust gas emitted by our vehicles and machinery is within acceptable levels.



*Air Quality Monitoring by
using High Volume Sampler*



Rubbish Chute

WASTE, EFFLUENT AND RESOURCE MANAGEMENT

Conserving natural resources is one of our main strategies for managing the environmental impacts of our activities.

Segregation and Recycling

We practise the 3R of waste management at all our project sites. This starts with proper waste segregation. For each waste category, a specific storage area is designated with clear labelling. Scheduled and hazardous waste are clearly marked to avoid contamination. Workers are assigned to conduct daily housekeeping.

To reduce the disposal of waste in landfills, we identify waste that can be transformed into reusable products. Those that cannot be reused are sent for recycling. Reusable materials include concrete waste that could be cast to lintel, concrete blocks and barriers and wheel stopper.



Used timber pallets as a wall divider



Chairs made of used drums



Concrete road barrier from concrete waste



Lintel



Wheel Stopper



Bicycle Rack

SUSTAINABILITY STATEMENT (CONT'D)

Effluents

In addition, we have installed earth drains, silt traps, water treatment tanks and sedimentation ponds to ensure that the quality of the water discharged to public drains is compliant with the standards prescribed by national water authorities.

Eco-Friendly Material Management

Some of our projects are Green Building Index (GBI) certified. For these projects, we practise Eco-Friendly Material Management for our material purchasing process. This consists of conducting material tracking, in which we require our suppliers to indicate the recycled content and reuse value of the raw materials. We also consider the distance between the project sites and the material source, as well as the local purchasing options. All these purchasing factors boost local community development and the eco-friendliness of our activities. For example, we have purchased a wire mesh composed of 87.84% recycled material from a local supplier, thereby making it a GBI scoring material.

WATER MANAGEMENT

We use a water filtration system to treat muddy water prior to discharge from the site to the external drain. We have also engaged the services of a consultant to conduct periodic water quality surveys in critical locations at all our sites. All parameters applicable to our operations, such as Biological Oxygen Demand, Chemical Oxygen Demand, suspended solids and others, are tested. The parameters and the results are then compared to Malaysia's National Water Quality Standards.



Collection of water sampling

ENERGY CONSUMPTION

Our energy consumption varies depending on the number of our ongoing projects. We utilise energy prudently and use only the amount necessary.

As revealed by our life cycle analysis, we endeavour to purchase products that are sold, manufactured or harvested near our project sites to save energy from logistics. We also inculcate energy conservation awareness amongst the staff and site workers, particularly during the staff and toolbox meetings.

SAFETY AND HEALTH

Safety and Health ("S&H") is one of our top priorities at GDB, as demonstrated by our commitment to ISO 45001:2018 and our projects' SHASSIC certifications. We have established a safe work method statement that complies with all the relevant legal and statutory requirements. These are also presented in detail in the HIRARC Safe Work Method Statement. We conduct S&H meetings with staff and sub-contractors' representatives throughout the construction period to ensure that all aspects of our S&H measures are adequately incorporated. We believe that emphasising the S&H of our employees, workers and the workplace translates into a happier and healthier workforce which promotes better work performance and productivity.

SUSTAINABILITY STATEMENT (CONT'D)

Safe Working Practices and Monitoring

We perform S&H monitoring to identify any safety weaknesses, find their cause and formulate potential solutions to address them. Given that our business activities primarily deal with the construction of high-rise buildings, we have furnished our on site employees with a manual on S&H Roles and Responsibilities.

We also organise monthly ESH committee meetings which are attended by the subcontractor's project manager and heads. The discussed topics during these meetings include ESG statistical updates on manpower, accidents / incidents including near misses that occurred at the site, ESH observations and audit findings. An inspection checklist is also regularly filled to verify the status of ESH conditions at the workplace, welfare facilities, fire and emergency equipment, first aid boxes, scaffoldings, plant and machinery, equipment and others.

To further protect our employees and workers against risk of injuries, we have adopted additional safe working practices. This will eliminate the risk of fall by providing the fall prevention system on floor openings, hard barricade systems for all edge protection up to topmost working floor, demarcation of safe access, electrical safety and others.

ENVIRONMENTAL SAFETY AND HEALTH PERFORMANCE

The tables below depict our ESH performance for the past three years.

SAFETY AND HEALTH STATISTICS (Coverage: All Contractors and Employees)									
Year	Fatalities	^{N1} LTIR	^{N2} IFR	Severity Rate	Man Hours/Year	Total workdays Lost	Number of Occupational Non-Compliance	^{N3} Environmental Non-Compliance	^{N3} OHS Non-Compliance
2022	0	0	0	0	5,663,220	0	0	0	2
2021	0	0	0	0	5,868,300	0	0	0	5
2020	0	0	0	0	3,108,676	0	0	0	11

^{N1} Lost Time Injury Rate (LTIR) : Number of occurrence of injuries which prevents any person from performing normal work and leads to permanent or temporary incapacity to work

^{N2} Injury Frequency Rate (IFR) : $\frac{\text{Number or Lost Time Injury} \times 100,000}{\text{Total Man Hours Worked}}$

^{N3} Non-Compliance : Number of regulatory non-compliance or fine from the Authorities

Year	ENERGY CONSUMPTION				WATER CONSUMPTION
	Electricity (kWh)	Diesel (litre)	Petrol (litre)	Natural Gas (m3)	Public Utility (m3)
2022	2,642,019	441,486	154,958	2,050	119,644
2021	2,668,420	377,115	123,309	3,469	142,890
2020	1,464,938	346,920	127,631	2,792	95,795

There is no water withdrawn or disposed to and from the subsurface and surface water, as these water sources are out of proximity to our projects. Our projects are also not considered water-stressed sites.

SUSTAINABILITY STATEMENT (CONT'D)

RAW MATERIAL INPUT					
Year	Timber (tons)	Plywood (pieces)	Steel Bar (tons)	Wire Mesh (m2)	Aggregates (tons)
2022	356	17,444	6,273	209,234	9,487
2021	263	21,339	8,911	495,702	9,198
2020	307	20,217	9,513	294,951	5,445

WASTE GENERATION				
Year	^{N1} Effluent Discharge (m3)	^{N2} Hazardous Waste (tons)	^{N3} Non- Recycled Waste (tons)	^{N4} Waste Recycled (tons)
2022	14,054	0.29	9,043	2,960
2021	8,062	1.40	6,614	1,623
2020	4,008	0.32	5,397	1,598

^{N1} Septic tank waste, sent for treatment and disposal

^{N2} Also known as scheduled waste, sent for treatment and disposal

^{N3} General waste destined for landfill

^{N4} Sent for recycling (metal, paper, timber and others)

RESPONSIBLE PRACTISES

Fair Dealing and Integrity

All business transactions of GDB are conducted ethically and fairly. We implement an organisation-wide system that prohibits all types of unfair dealings. Our standard purchasing procedures state the basic firm principles we follow when dealing with suppliers. In addition, our suppliers must abide by our Code of Ethics and Conduct and our Anti Bribery and Corruption Policy. Suppliers are provided with copies of our policies, which they must read, understand and acknowledge by affixing their signatures.

Environmental and Social Requirements

Prior to their accreditation to our supply chain, prospective contractors are informed of and shall comply with our QESHMS and ISO requirements. Our suppliers are also informed of our statutory and regulatory machinery and safety requirements to eliminate hazards and reduce safety and health risks. Suppliers of materials that require storage must provide safety data sheets and coordinate with the site ESH officer regarding environmental requirements.

SUSTAINABILITY STATEMENT (CONT'D)

Compliance

We engage a third-party Internal Auditor to assess and analyse our Group's business practices to ensure that they adhere to the Group's policies and procedures as well as the government's legislation and regulations.

Our QESH department is responsible for the implementation of the Group's QESHMS. The QESH department conducts inspections in accordance with the QESHMS, which includes quality, environmental, safety and health assessments throughout the construction period for all our project sites. The QESH department follows a set of stringent procedures that include the setup of detailed monitoring, controlling and inspection work sequence, periodic internal quality, environmental, safety and health audits and assessment practices. Sub-contractors that are found to be non-compliant with the QESHMS implementations will be issued a non-compliance report, fined or blacklisted, depending on the severity of the offence.

We also participate in QCLASSIC, CONQUAS, BuildQAS and SHASSIC assessments for our projects to further endorse our workmanship quality and safety based on the construction industry approved standards.

CUSTOMER

In all our projects and at every stage of construction, we uphold the following Mission:

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

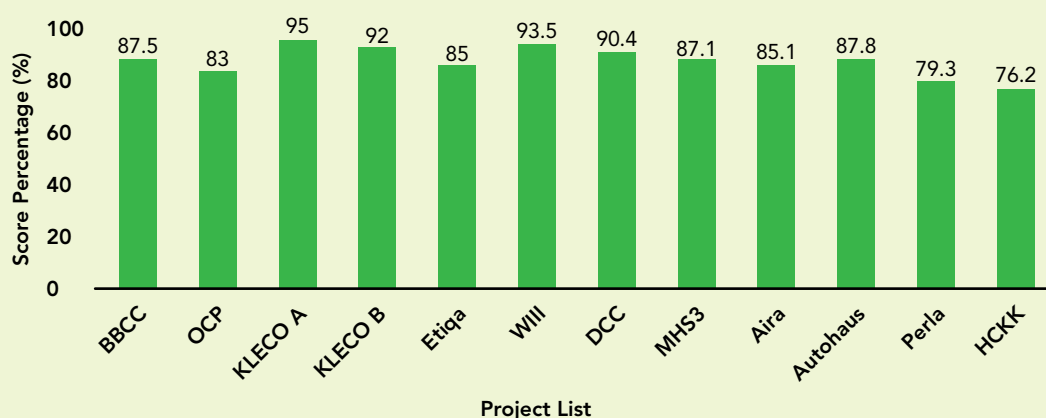
Consistent with our Mission, the Group is committed to meet our customers' needs and requirements as mutually agreed, fulfilling legal, statutory and EESG requirements. The construction sector is a very demanding industry. Any infraction can delay delivery and cause financial and reputational damages to our customers. As such, we make sure that we are always ready to face any kind of regulatory and customer audits by making sure all of our certifications and permits are always up to date. We also ensure that our international and national management systems comply with newly introduced procedures and standards, if any.

SUSTAINABILITY STATEMENT (CONT'D)

Client Satisfaction

Our client satisfaction target is to achieve a minimum of 85% and above in client surveys on each completed project. As shown below, we have achieved an average of 86.2% on all our projects. Looking forward to serving our clients better, we have reviewed our clients' comments and survey criteria with particular attention to the sites that did not achieve our target.

CLIENT SATISFACTION SURVEY FOR COMPLETED PROJECTS



EMPLOYEES

We recognise the important role of human capital in realising our success. Our people are pivotal and integral not only to our growth but also to promote our sustainability agenda. Thus, GDB has taken a concerted effort to attract, retain and develop worthwhile and deserving talents. Moreover, our employees' safety and health and well-being remain a non-negotiable priority. We also strive to promote a culture of excellence and meritocracy at GDB.

At GDB, we believe that implementing robust sustainability standards enable us, in partnership with our employees, to bolster the resilience of our business against the pressures of societal demands. We proudly report that in FYE 2022, there were no employee rights issues or labour legal infractions at GDB.

Diversity and Inclusivity

We aim to uphold a culture of progressiveness where the human rights of every individual is respected and protected. We embrace diversity, inclusivity and equality at the workplace. We follow fair recruitment and promotion processes based on merit and provide equitable opportunities without discrimination in terms of race, religion, gender, age, marital status, disability, ethnicity and nationality.

SUSTAINABILITY STATEMENT (CONT'D)

Human Capital Development

At GDB, we assist our employees to reach their full potential by exposing them to on-the-job learning cum coaching through technical and skills training, workshops and seminars. As part of our performance appraisal programme, we identify the training and development needs of our people to identify how they can improve by setting annual training plans.

TRAINING FYE 2022		
Training	Number of Hours	Number of Participants
Environmental, Safety and Health	1,220	103
Career Development	112	13
Finance, Operations, Administration and others	174	46

Our Workforce

The table below shows the composition of our workforce. As at 31 December 2022, GDB has a workforce of 337 employees in total, of which 77% are male and 23% are female. At the management level, 74% of the managers are male and 26% are female. The gender composition is reflective of the generally male dominant construction industry. The number of contractual employees varies depending on the Group's projects.

EMPLOYMENT TYPE FYE 2022	
Contractual	222
Permanent	115
Total	337

AGE CATEGORY FYE 2022	
Age Bracket	Number of Employees
20-30	121
31-40	108
41-50	52
51 and above	56
Total	337

ETHNIC COMPOSITION FYE 2022	
Ethnicity	Number of Employees
Malay	128
Chinese	132
Indian	5
Foreign Workers	69
Others	3
Total	337

SUSTAINABILITY STATEMENT (CONT'D)

WORKFORCE BY EMPLOYMENT LEVEL	FYE 2022	FYE 2021	FYE 2020
Executive and Senior Management	9	10	8
Management	46	49	48
Professionals	129	162	144
Professional Support	31	51	37
Administration	22	27	25
Operations	100	34	38
Total	337	333	300

MANAGEMENT FEMALE REPRESENTATION						
Year	FYE 2022		FYE 2021		FYE 2020	
Gender	Male	Female	Male	Female	Male	Female
Managers	20	7	26	7	24	8
Executive	46	17	64	26	53	21

EMPLOYEE RETENTION By GENDER						
Year	FYE 2022		FYE 2021		FYE 2020	
Gender	Male	Female	Male	Female	Male	Female
Number of Employees	260	77	242	91	222	78
Employee Turnover	82	25	51	16	22	6
Number of New Hires	22	6	53	20	77	24
Number of Resignations	82	25	51	16	32	6

SUSTAINABILITY STATEMENT (CONT'D)

COMMUNITY

ESH at the Construction Site

Construction sites unavoidably contain inherent hazards, such as dust, noise, soil erosion, waste, traffic congestion, flood, stagnant water and pedestrian accidents. At the start of every project, we first assess the potential impacts of our construction activities on the communities and then introduce strategies that will promote environmental protection and protect the safety and health of the surrounding communities.

Human Rights

Human rights are undeniably essential to sustainable development and are therefore ingrained in our Sustainability Policy. Our Policy enumerates the rights of every employee. We monitor the hiring of foreign workers and ensure that it complies with the relevant immigration laws. We ensure foreign workers are provided with accommodations that comply with the Workers' Minimum Standards of Housing, Accommodations and Amenities (Amendment) Act 2019 and are paid in accordance with the required minimum wage and that their safety and health are protected. We also adhere to the laws against child labour that are prescribed in the Children and Young Persons (Employment) Act 1966.

Charitable Donations

FYE 2022 DONATIONS	
Purpose	Amount (RM)
Donation for flood victims	18,177.00
Donation for Charity work of Lin San Association KL	7,240.00
Kasih Hospice Charity Golf	5,000.00
PDRM Upgrade works of Police Station	5,150.00
Total	35,567.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of GDB Holdings Berhad ("Company") is pleased to present this statement to provide shareholders and investors with an overview of the corporate governance practices of the Company during the financial year ended 31 December 2022 ("FYE 2022"). The statement is also presented in compliance with Paragraph 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

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

Principle A - Board leadership and effectiveness

Principle B - Effective audit and risk management

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

This CG Statement is augmented with a Corporate Governance Report ("CG Report") which provides a detailed articulation on the application of the Company and its subsidiaries' ("the Group") corporate governance practices as set out in the MCCG throughout the FYE 2022. This CG Report is available on the Company's corporate website at www.gdbhb.com.my, as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1.1 Board and Board Committees

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

1.2 Chairman of the Board

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

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

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

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

1.3 Chairman and GMD

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

1.4 Qualified and Competent Company Secretary

The Board is supported by a competent and qualified Company Secretary who is a member of the Malaysian Association of Companies Secretaries and she is holding a professional certificate as a qualified Company Secretary under Section 235(2) of the Companies Act 2016 ("Act"). She possesses over 29 years of experience in corporate secretarial practices.

The Company Secretary plays an important role in facilitating overall compliance with the Act, Listing Requirements of Bursa Securities and other relevant laws and regulations. The Company Secretary also assists the Board and Board Committees to function effectively and in accordance with their terms of reference and best practices and ensure adherence to the existing Board policies and procedures. In order to discharge the roles effectively, the Company Secretary has been continuously attending the necessary training programmes, conferences, seminars and/or forums so as to keep herself abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to her profession and enable her to provide the necessary advisory role to the Board.

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

1.5 Access to Information and Advice

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

1.6 Board Charter

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

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

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

The Board Charter is published on the Company's website at www.gdbhb.com.my.

1.7 Code of Ethics and Conduct

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

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

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

1.8 Whistle Blowing Policy

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

The ABC Policy will be reviewed at least once in every three (3) years and in accordance with the needs of the Company. The ABC Policy is published on the Company's website, www.gdbhb.com.my.

1.10 Directors' Fit and Proper Policy

In line with the new Paragraph 15.01A of the Listing Requirements of Bursa Securities, the Board had on 18 May 2022 adopted the Directors' Fit and Proper Policy which serves as a guide to the NC, RC and the Board in their review and assessment of the potential candidates for appointment to the Board of the Group as well as the retiring Directors who are seeking re-election at the annual general meeting.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is published on the Company's website at www.gdbhb.com.my.

The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NC, RC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors of the Group.

1.11 Sustainability Governance

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

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

As fiduciary to the Company's shareholders, the Board is committed to upholding exemplary corporate governance practices that prioritize ethics, integrity and corporate responsibility. The Board also ensures that both internal and external stakeholders are well-informed about the sustainability strategies, priorities, targets as well as overall performance. The Sustainability Statement included in this Annual Report provides a detailed articulation of these efforts.

The Board has conducted a review of the relevant amendments, and after considering the assessment of the Board's understanding of sustainability issues critical to the Company's performance, the amendments were revised and approved as part of the annual performance evaluation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PART II – COMPOSITION OF THE BOARD

2.1 Board Composition

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

The Board members have diverse backgrounds and experiences in various fields. Collectively, they bring a wide range of skills, experience and knowledge to manage the Group's business. The profiles of these Directors are provided on pages 7 to 12 in this Annual Report.

2.2 Tenure of Independent Directors

The Board acknowledges the recent amendments to the Listing Requirements by Bursa Securities on 19 January 2022. According to the new regulations, the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of twelve (12) years effective on or after 1 June 2023. Furthermore, if the Board intends to retain an Independent Non-Executive Director who has served the Board a cumulative term of more than nine (9) years, it must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting as recommended by the MCGG.

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

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

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

2.3 New Appointment to the Board

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

2.4 Board Diversity and Senior Management Team

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

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

In view of the gained attention of boardroom diversity as an important element of a well functioned organisation, the Board had adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board and Senior Management level.

Currently, there is one (1) female Director on the Board, namely, Madam Kow Poh Gek.

2.5 Board Committees

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

2.6 NC

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

The NC has written Terms of Reference dealing with its authority and duties which include the selection and assessment of directors. The Terms of Reference of the NC had incorporated the relevant practices recommended under the MCCG. The Terms of Reference of the NC is available on the Company's website at www.gdbhb.com.my.

During the FYE 2022, the following is the summary of activities undertaken by the NC:-

- a. Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he/she could devote sufficient time to the role.
- b. Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.
- c. Reviewed and assessed the independence of the Independent Directors of the Company.
- d. Reviewed and assessed the performance of the AC.
- e. Reviewed and recommended to the Board for consideration, the re-election of the Directors who were due to retire at the Annual General Meeting ("AGM").

2.7 Board Appointment and Re-appointment Process

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

The NC has established a formal assessment criterion to evaluate the effectiveness of the Board and Board Committees as a whole and the contribution of individual Directors. The Board, through the annual review by the NC on the size and composition of the Board, will determine whether the Board has the appropriate size and diversity, including independent elements, to align with the Company's objectives and strategic goals.

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

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

2.9 Attendance of Board and Board Committees' Meetings

The Board meets at least once in every quarter on a scheduled basis and additional meetings are to be convened as and when deemed necessary by the Board. All the Directors fulfilled the requirements of the Listing Requirements of Bursa Securities of having attended at least 50% of the Board meetings held by the Company for the FYE 2022.

The attendance records of the Directors at Board and Board Committees' meetings for the FYE 2022 are set out as follows:-

Meeting Attendance	Board	AC	NC	RC	RMC
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	7/7	5/5	1/1	1/1	2/2
Cheah Ham Cheia	7/7	N/A	N/A	N/A	2/2
Alexander Lo Tzone Leong	7/7	N/A	N/A	N/A	2/2
Cheah Jun Kai	7/7	N/A	N/A	N/A	N/A
Datuk Sr. Chia Lui Meng	7/7	5/5	1/1	1/1	2/2
Kow Poh Gek	7/7	5/5	1/1	1/1	2/2

2.10 Directors' Training

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Relevant guidelines on statutory and regulatory requirements were circulated to the Board from time to time for Board reference. During the FYE 2022, the Directors have attended the following training programmes in compliance with Paragraph 15.08 of the Listing Requirements of Bursa Securities:-

Name of Directors	Training /seminar attended
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	<ul style="list-style-type: none"> • Amendments to the Listing Requirements in of Bursa Securities in relation to Enhanced Sustainability Reporting Framework • Amendments to the Listing Requirements of Bursa Securities in relation to Director Appointment, Independence and Other Amendments • Advocacy Session on Corporate Disclosure
Datuk Sr. Chia Lui Meng	<ul style="list-style-type: none"> • Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework • Amendments to the Listing Requirements of Bursa Securities in relation to Director Appointment, Independence and Other Amendments • Construction Industry Payment & Adjudication Act (CIPAA) 2012
Kow Poh Gek	<ul style="list-style-type: none"> • Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework • Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees • PLC Transformation (PLCT) Programme - Guidebook 3 Highlights • International Directors Summit • PLC Transformation (PLCT) Programme - Guidebook 2 Highlights • Assessment of the Board, Board Committees & Individual Directors • Governance in Groups • Amendments to the Listing Requirements of Bursa Securities in relation to Director Appointment, Independence and Other Amendments
Cheah Ham Cheia	<ul style="list-style-type: none"> • Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework • Amendments to the Listing Requirements of Bursa Securities in relation to Director Appointment, Independence and Other Amendments
Alexander Lo Tzone Leong	<ul style="list-style-type: none"> • Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework • Amendments to the Listing Requirements of Bursa Securities relating to Director Appointment, Independence and Other Amendments • The Expert Witness – Lone Ranger or Hired Gun? • What happens after Covid Act 829 expired?
Cheah Jun Kai	<ul style="list-style-type: none"> • Amendments to the Listing Requirements of Bursa Securities in relation to Enhanced Sustainability Reporting Framework • Amendments to the Listing Requirements of Bursa Securities in relation to Director Appointment, Independence and Other Amendments

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

In order to effectively carry out their roles and duties, the Directors are committed to participating in professional development programs as necessary. This ongoing commitment to professional development ensures that Directors stay up-to-date with best practices and emerging trends in their respective areas of expertise. The Company encourages and supports the Directors' participation in such programs, recognizing the importance of maintaining a skilled and knowledgeable Board.

PART III – REMUNERATION

3.1 Remuneration Policy

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

The Remuneration Policy aims to:

- a. Determine the level of remuneration of Directors and/or Senior Management;
- b. Attract, retain and reward high performing, experienced and qualified Directors and/or Senior Management by providing remuneration which commensurate with their responsibilities and contributions, and be competitive with the industry; and
- c. Encourage value creation for the Company by aligning the interests of Directors with the long-term interests of shareholders.

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

I) Executive Directors and/or Senior Management

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

II) Independent Non-Executive Directors

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

The Board, through the RC, will periodically review the criteria used to recommend the remuneration packages of Directors and/or Senior Management ensuring alignment with current market practices and needs.

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

Directors are required to abstain from any deliberations or voting related to their own remuneration packages.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

3.2 Remuneration of Directors

The breakdowns of the remuneration of each Director of the Company and the Group for the FYE 2022 are as follows:-

The Company

Name of Directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits-in Kind RM'000	Other emoluments [#] RM'000	Total RM'000
Tan Sri Dato' Ir. Hj. Zaini							
Bin Omar	84	5	-	-	-	-	89
Cheah Ham Cheia	-	-	588	-	-	24	612
Alexander Lo Tzone Leong	-	-	540	-	-	66	606
Cheah Jun Kai	-	-	174	-	-	22	196
Datuk Sr. Chia Lui Meng	72	5	-	-	-	-	77
Kow Poh Gek	78	5	-	-	-	-	83
TOTAL	234	15	1,302	-	-	112	1,663

The Group

Name of Directors	Fees RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits-in Kind RM'000	Other emoluments [#] RM'000	Total RM'000
Tan Sri Dato' Ir. Hj. Zaini							
Bin Omar	84	5	-	-	-	-	89
Cheah Ham Cheia	-	-	588	-	-	249	837
Alexander Lo Tzone Leong	-	-	540	113	21	340	1,014
Cheah Jun Kai	-	-	174	29	-	77	280
Datuk Sr. Chia Lui Meng	72	5	-	-	-	-	77
Kow Poh Gek	78	5	-	-	-	-	83
TOTAL	234	15	1,302	142	21	666	2,380

Note:-

[#] Other emoluments include end of service employment, project completion reward, petrol card and etc.

3.3 Remuneration of Senior Management

The Board has determined that disclosing the Senior Management's remuneration components on a named basis would not be in the best interest of the Company. Doing so may have a negative impact on the Company's ability to attract and retain talent within the competitive construction industry.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Board also took into consideration of sensitivity and security of the remuneration package of Senior Management and therefore opted not to disclose on a named basis the remuneration or in bands of RM50,000.00. Instead, the Board is of the view that disclosing the Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the Senior Management of the Group for the FYE 2022 are as follows:-

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

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE

4.1 Effective and Independent AC

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

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

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

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

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

4.2 External Auditors

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control Framework

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

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

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

Further details of the internal audit functions are set out in the Statement on Risk Management and Internal Control of this Annual Report on pages 64 to 69 in this Annual Report.

5.2 RMC

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The process for identifying, evaluating and managing risks has been in place throughout the FYE 2022. The internal control system is designed to manage and mitigate, rather than eliminate, the risk of failure to achieve business objectives. The internal control system can only provide reasonable assurance, rather than absolute assurance, against material misstatement or loss.

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

PART I – COMMUNICATION WITH STAKEHOLDERS

6.1 Continuous Communication with Stakeholders

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

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

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

6.2 Corporate Disclosure Policy

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PART II – CONDUCT OF GENERAL MEETING

7.1 Conduct of General Meetings

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

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

Members of the Board and Key Senior Management of the Company as well as the External Auditors of the Company are available to respond to shareholders' questions during the meetings. During the proceedings of the Ninth AGM convened on 9 June 2022, the Chairman ensured that the shareholders are given the opportunity to comment or raise issues and questions pertaining to issues on the agenda, in the annual report, Group's strategy and business developments. All questions raised by the shareholders were answered and addressed accordingly.

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

7.2 Effective Communication and Proactive Engagement

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

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

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

STATEMENT BY THE BOARD ON CG STATEMENT

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

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

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of GDB Holdings Berhad ("GDB" or "Company") presents the Audit Committee ("AC") Report which provide insights on how the AC discharged its functions and duties for the Group in the financial year ended 31 December 2022 ("FYE 2022").

1. OBJECTIVES

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

2. COMPOSITION

The AC comprises three (3) members as follows:-

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

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

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

3. TERMS OF REFERENCE

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

4. ATTENDANCE OF MEETINGS

During the FYE 2022, the AC had held five (5) meetings and attendance of meetings for each of the AC members is as follows:

Name	Meetings Attended
Mdm. Kow Poh Gek, Chairperson	5 of 5
Tan Sri Dato' Ir. Hj. Zaini Bin Omar, Member	5 of 5
Datuk Sr. Chia Lui Meng, Member	5 of 5

AUDIT COMMITTEE REPORT (CONT'D)

4. ATTENDANCE OF MEETINGS (CONT'D)

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

As part of the AC's efforts to ensure the effectiveness of the Group's internal controls, and to obtain necessary professional advice for the discharging of the AC duties, Sterling Business Alignment Consulting Sdn Bhd ("SBAC") is engaged as the Internal Auditors to undertake an independent review of the system of internal control. SBAC is tasked to present and report their findings directly to the AC.

5. SUMMARY OF ACTIVITIES DURING THE FYE 2022

The works carried out by the AC, amongst others, included the review and deliberation of the following prior presenting its recommendations to the Board for consideration, approval and adoption:

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

AUDIT COMMITTEE REPORT (CONT'D)

5. SUMMARY OF ACTIVITIES DURING THE FYE 2022 (CONT'D)

- i. Appropriate measures are taken to identify corporate liability risks including bribery risks, corruption risks and compliance risks. Also, the review of the whistleblowing and anti-bribery and anti-corruption findings of the Group was reported quarterly to the AC.
- j. Evaluation of the performance of the Internal Auditors based on criteria, among others, include calibre and quality of the engagement team, the degree of its audit governance and independence, as well as effectiveness and efficiency of their internal audit reviews; and
- k. Annual self-appraised performance of the AC and submission of the evaluation forms to the Nomination Committee for assessment.

6. INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to a professional services firm that provide an independent assessment and to assist the AC in evaluating the adequacy and effectiveness of the governance and internal control system of the Group, and present significant audit findings and to provide recommendations for continuous improvement of the system.

The cost incurred on the outsourced internal audit functions for FYE 2022 by the Group amounted to RM40,000.

The internal audit function has undertaken independent and systematic audit reviews in accordance with the annual internal audit plan approved by the Board on 25 February 2022, covers key functional areas and business activities of the Group emphasising on best practices and encompasses all business risks with core focus as well as provide reasonable assurance that the following aspects continue to operate satisfactorily and effectively:

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

The internal audit reviews are conducted on a functional area basis aiming to provide a valuable platform to evaluate processes in providing assurance that all areas of concern, findings and recommendations are being addressed, follow-up audit reviews will be conducted to assess if appropriate actions have been put in place and/or enhanced where deemed appropriate by the Management.

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

7. RELATIONSHIP WITH AUDITORS

The Board ensures a transparent and appropriate relationship with both External and Internal Auditors through the AC. The AC maintains direct communication channels with the auditors and may hold discussions without the presence of Executive Directors and Management whenever deemed necessary. Both External and Internal Auditors have direct reporting lines to the AC, providing them with unrestricted access to report their findings and concerns. This ensures that issues are addressed independently, objectively, and impartially, without any undue influence from Management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") of GDB Holdings Berhad ("the Company") is pleased to present its Statement on Risk Management and Internal Control ("Statement") for the financial year ended 31 December 2022 ("FYE 2022"), which outlines the nature and scope of risk management and internal control within the Company and its subsidiaries ("Group") and also covers the Group's operations. This Statement is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad and is guided by the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers.

1. BOARD'S RESPONSIBILITY

The Board is responsible for establishing and maintaining a sound risk management and internal control framework with the aim of safeguarding the shareholders' interest and the Group's assets, as explicit in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

The Board recognises its responsibility to regularly review the adequacy and effectiveness of the framework and controls are put in place in dealing with risks during the year under review. However, in view of the limitations inherent in any process and risks which cannot be eliminated completely, the Group has in place a system of internal control and risk management designed to mitigate rather than totally eliminate the risks that may impede the Group from achieving its business objectives. Therefore, it can only provide a reasonable but not an absolute assurance against material misstatements or losses or the occurrence of any unforeseen circumstances such as error, fraud and irregularities.

In discharging its responsibilities, the Board is supported by the Risk Management Committee ("RMC") and the Audit Committee ("AC") to oversee the Group's risk management framework and internal controls systems. The RMC provides oversight, direction and guidance on the Group's risk management structure, process and support system. RMC review and assess the adequacy of risk management policies and framework for identifying, measuring and controlling risks over its business and operations particularly in respect of key risks which the Group faces on a regular basis in the conduct of its business. Whilst the AC oversees the system of internal controls ensuring its adequacy, integrity and effectiveness, and also ensuring compliance with laws and regulations.

During the year under review, both the AC and RMC are supported by the independent review of Sterling Business Alignment Consulting Sdn Bhd ("SBAC"), the outsourced consulting firm engaged by the Group to assist in reviewing and assessing the Group's risk management framework and internal controls system. SBAC provides independent assurance that the Group's internal control processes are operating effectively, also assists in reviewing and assessing the adequacy of risk management policies, and framework for identifying, measuring and controlling risks over its business and operations in respect of key risks which the Group faces on a regular basis in the conduct of its business.

2. RISK MANAGEMENT

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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

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

The Group maintains a risk register, which comprises a list of identified key risk areas critical to the Group and the corresponding risk mitigating measures in the following aspects:

(a) Legal and Regulatory Risk

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

This includes compliance with the requirements of the following which are included in the risk register among others for monitoring:

- (i) Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act on corporate liability for corruption and anti-bribery & whistle-blowing measures;
- (ii) MCCG 2021;
- (iii) Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019;
- (iv) Accreditation and certification of a construction site supervisor and skilled construction worker by CIDB; and
- (v) Validity of work permits of foreign workers working at construction sites.

(b) Political, Legislative and Economic Risk

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

(c) Financial Risk

Financial risk in respect of liquidity risk and credit risk management processes which enable the Group effectively and efficiently manages its financial resources and meeting its financial obligations and liquidity requirements in the following risk areas:

- (i) Monitoring and maintaining minimum liquidity requirements to ensure the Group can meet its immediate operating expenses;
- (ii) Assess its cash reserves and credit facilities available for utilisation and maintained to meet contingency payments and opportunity of new contracts; and
- (iii) The Group's trade receivables' ageing profile is closely monitored as part of the Group's credit risk exposure management practice.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

(d) Business Risk

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

It is imperative for the Group to maintain at a high level of competence, readiness and preparedness to recover and restore within a reasonable timeframe to sustain and continue the essential business activities in event of disruption.

(e) Operational Risk

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

(f) Security Risk

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

(g) Environmental, Safety and Health Risk

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

The threat of COVID-19 pandemic in early 2020 was effectively managed and contained through risk assessments and mitigation measures. Standard operating procedures are regularly reviewed in accordance with the legislative requirements and best practices.

(h) Human Capital Risk

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

GDB staff retention strategy involves recognising and rewarding based on merits. Action plans to address employees' development required are considered and implemented in a timely manner.

(i) Investment Risk

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

3. INTERNAL AUDIT FUNCTION

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

In performing its audit engagements, SBAC refers to the internal control framework and guidelines issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). COSO is an internationally recognised organisation providing guidance on internal control and enterprise risk management.

During the FYE 2022, SBAC has undertaken independent audit assignments on business units and projects of the Group in accordance with the annual audit plan 2022 approved by the Board on 25 February 2022 which the scope of coverage is set-out in the table below.

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

For the FYE 2022, four (4) internal audit reports together with quarterly follow-up status reports on previous audit findings raised but not yet closed were tabled to AC by SBAC:

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Scope of Coverage / Audited Areas
1st Quarter (January – March 2022)	May 2022	Grand Dynamic Builders Sdn Bhd	Project Management and Contract Management Follow up Status Review on previously reported outstanding issues
2nd Quarter (April – June 2022)	August 2022	GDB Holdings Berhad and its subsidiaries	Management Information System Follow up Status Review on previously reported outstanding issues
3rd Quarter (July – September 2022)	November 2022	GDB Geotechnics Sdn Bhd	Finance and Accounts Procurement Tender and Contract Management Follow up Status Review on previously reported outstanding issues

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Audited Areas
4th Quarter (October – December 2022)	February 2023	GDB Holdings Berhad and its subsidiaries	Corporate Governance Review including Anti-bribery Management System Gap Assessment Review Follow up Status Review on previously reported outstanding issues

The cost incurred in outsourcing the internal audit function and the review of risk management for the FYE 2022 was RM46,000 (2021: RM46,000).

4. OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

5. ASSURANCE FROM MANAGEMENT

Based on the reporting by the Management which provides insights from the review and any changes made to its risk management framework and internal control as well as the reporting by the Internal Auditors of their audit review which covers the Management's actions and explanations towards their identified audit findings and concerned areas, the Board is of the view, and to the best of its knowledge, satisfied that the Group's risk management framework and system of internal control are in place and is operating adequately and effectively in all material aspects during the financial year under review. Nonetheless, the Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The Board is also taking into consideration the written assurance from the Group Managing Director and Chief Financial Officer stating that, to the best of their knowledge, the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on internationally recognised risk management framework adopted by the Group.

6. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for FYE 2022. The review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report issued by Malaysian Institute of Accountants.

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

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

7. CONCLUSION

The Board is of the view that the Group's risk management and internal control systems are in place for the year under review, overall is rated as satisfactory, adequate and effective to safeguard the Group's assets, as well as shareholders' investments, the interests of all stakeholders which covers customers, employees, authorities. There has been no internal control failure nor any material losses or weaknesses identified that have directly impacted or resulted in any material loss to the Group.

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

ADDITIONAL COMPLIANCE INFORMATION

The information set out below are disclosed in compliance with the Listing Requirements of Bursa Securities:-

1. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The Group did not seek any mandate on RRPT from its shareholders. The RRPT of revenue and trading in nature incurred by the Group for the FYE 2022 did not exceed the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Securities.

2. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interest of the Directors or major shareholders, either still subsisting at the end of the FYE 2022 or entered into since the end of the previous financial year.

3. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to the External Auditors by the Company and Group for the FYE 2022 are as follows:

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

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

During FYE 2022, the Company did not utilise the remaining IPO Proceeds of RM8.0 million which have been earmarked for the acquisition of land for storage of construction machinery and equipment.

Subsequently, the Company had on 13 March 2023 resolved to extend the timeframe for the utilisation of the remaining IPO Proceeds of RM8.0 million earmarked for the acquisition of land for storage of construction machinery and equipment for a further thirty-six (36) months period until 26 March 2026.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

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

The details of the variation, extension of timeframe and status of utilisation of the IPO proceeds are set out below:

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

Notes:

- ^(a) The actual listing expenses are lower than the estimated amount hence, the excess of RM0.67 million was used for working capital purposes.
- ^(b) RM6.845 million of the RM8.670 million budgeted for the purchase of new construction machinery and equipment has been re-allocated as payment to suppliers and subcontractors.
- ^(c) RM0.68 million as budgeted for the payment of salaries for new employees (for infrastructure project team) to be based at the head office has been re-allocated as payment to suppliers and subcontractors.
- ^(d) Timeframe for utilisation of the RM8.0 million is by 26 March 2026.

DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

The Board are responsible to ensure that the financial statements are prepared with reasonable accuracy from the accounting records of the Group and of the Company so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2022, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Board has:

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

The Board is responsible for:

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



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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM	The Company RM
Profit/(Loss) after taxation for the financial year	16,239,227	(6,351,347)
Attributable to:-		
Owners of the Company	17,198,714	(6,351,347)
Non-controlling interest	(959,487)	-
	16,239,227	(6,351,347)

DIVIDENDS

Dividends paid or declared by the Company since 31 December 2021 are as follows:-

	RM
Ordinary Share	
<u>In respect of the financial year ended 31 December 2021</u>	
A second interim single-tier dividend of RM0.007 per ordinary share, paid on 29 March 2022	6,562,500

The directors do not recommend the payment of any dividends for the current financial year.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT (CONT'D)

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

WARRANTS 2021/2026

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

The Warrants are constituted by a Deed Poll dated 9 June 2021 executed by the Company. Each Warrant entitles the registered holder during the exercise period to subscribe for one new ordinary share at the exercise price of RM0.60 per Warrant, subject to adjustment in accordance with the provisions of the Deed Poll. The Warrants not exercised at the date of the maturity will thereafter lapse and cease to be valid for any purpose.

Issue Date	Expiry Date	At 1.1.2022	Granted	Exercised	At 31.12.2022
25.06.2021	24.06.2026	250,000,000	-	-	250,000,000

BAD AND DOUBTFUL DEBTS

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

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

DIRECTORS' REPORT (CONT'D)

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

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

DIRECTORS' REPORT (CONT'D)

DIRECTORS

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

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

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

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

DIRECTORS' INTERESTS

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

	<----- Number Of Ordinary Shares ----->			
	At 1.1.2022	Bought	Sold	At 31.12.2022
The Company				
<i>Direct Interests</i>				
Alexander Lo Tzone Leong	197,539,350	-	-	197,539,350
Cheah Jun Kai	2,450,000	-	-	2,450,000
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	525,000	-	-	525,000
Datuk Sr. Chia Lui Meng	450,000	-	-	450,000
Kow Poh Gek	250,000	-	-	250,000
<i>Indirect Interests</i>				
Cheah Ham Cheia*	458,850,000	-	-	458,850,000
Cheah Jun Kai^	75,000	-	-	75,000
The Holding Company				
<i>Direct Interests</i>				
Cheah Ham Cheia	2,250,000	-	-	2,250,000
Cheah Jun Kai	250,000	-	-	250,000

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

	<----- Number of Warrants ----->			
	At 1.1.2022	Bought	Sold	At 31.12.2022
The Company				
<i>Direct Interests</i>				
Alexander Lo Tzone Leong	52,677,160	-	-	52,677,160
Cheah Jun Kai	800,000	-	-	800,000
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	140,000	-	-	140,000
Datuk Sr. Chia Lui Meng	120,000	-	-	120,000
<i>Indirect Interests</i>				
Cheah Jun Kai [^]	20,000	-	-	20,000

Notes:-

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

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

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interest as disclosed in Note 31 to the financial statements.

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

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	234,000	234,000
Salaries, bonuses and other benefits	1,543,745	1,320,119
Defined contribution benefits	126,180	109,200
	1,903,925	1,663,319

INDEMNITY AND INSURANCE COST

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

SUBSIDIARIES

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND OCCURRING AFTER THE REPORTING PERIOD

The significant event during the financial year and occurring after the reporting period is disclosed in Note 35 to the financial statements.

HOLDING COMPANY

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

DIRECTORS' REPORT (CONT'D)

AUDITORS

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

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	113,000	33,000
Non-audit fees	5,000	5,000
	118,000	38,000

Signed in accordance with Board of Directors' Meeting held on 27 April 2023

Cheah Ham Cheia

Alexander Lo Tzone Leong

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Cheah Ham Cheia and Alexander Lo Tzone Leong, being two of the directors of GDB Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 86 to 137 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2022 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 27 April 2023

Cheah Ham Cheia

Alexander Lo Tzone Leong

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Toh Fong Eng, MIA Membership Number: 16576, being the officer primarily responsible for the financial management of GDB Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 86 to 137 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Toh Fong Eng
at Kuala Lumpur
in the Federal Territory
on this 27 April 2023

Toh Fong Eng

Before me

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GDB HOLDINGS BERHAD

(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 201301006623 (1036466-U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of GDB Holdings Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2022, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 86 to 137.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

Recoverability of amount owing by Damai City Sdn. Bhd. ("DCSB") in relation to the 8 Conlay Project Refer to Notes 9, 10 and 35 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>The balance of trade receivables and contract assets owing by DCSB as at the reporting date amounted to approximately RM139.7 million and RM52.5 million respectively.</p> <p>On 19 April 2023, Grand Dynamic Builders Sdn. Bhd. ("GDBSB") a wholly-owned subsidiary of the Company has received a Notice of Determination from DCSB to determine the Letter of Award dated 9 November 2020 for the development of the 8 Conlay Project.</p>	<p>Our procedures included, amongst others: -</p> <ul style="list-style-type: none">• Verified billings to architect's certificate;• Verified contract assets to architect's certificate issued subsequent to year end;• Obtained confirmation on trade receivable balance;• Checked collection subsequent to year end;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GDB HOLDINGS BERHAD (CONT'D)

(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 201301006623 (1036466-U)

Key Audit Matters (Cont'd)

Recoverability of amount owing by Damai City Sdn. Bhd. ("DCSB") in relation to the 8 Conlay Project (Cont'd) Refer to Notes 9, 10 and 35 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>On the same day, GDBSB exercised its rights to immediately determine the contract for the 8 Conlay Project by serving a Notice of Determination to DCSB.</p> <p>The Group will pursue all appropriate options to recover the outstanding sums which is owed and payable by DCSB. The directors are of the opinion that the trade receivables and contract assets are recoverable and accordingly, no impairment loss is made in the financial statements.</p> <p>We focused on this area as the amounts are significant and the impairment assessment on trade receivables and contract assets involved significant management judgement.</p>	<p>Our procedures included, amongst others (Cont'd): -</p> <ul style="list-style-type: none"> Reviewed contractual terms in the Letter of Award and other agreements signed; Enquired management of action plans to recover outstanding amounts; Examined financial information of DCSB; Examined other evidence including customers' correspondences; and Assessed adequacy of disclosures in the financial statements.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GDB HOLDINGS BERHAD (CONT'D)

(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 201301006623 (1036466-U)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GDB HOLDINGS BERHAD (CONT'D) (INCORPORATED IN MALAYSIA) REGISTRATION NO: 201301006623 (1036466-U)

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

OTHER MATTERS

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

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

Kuala Lumpur

27 April 2023

Lee Kok Wai
02760/06/2024 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2022

		The Group		The Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	21,703,157	28,003,157
Property, plant and equipment	7	20,734,498	26,174,164	8,647,732	8,831,726
		20,734,498	26,174,164	30,350,889	36,834,883
CURRENT ASSETS					
Contract assets	9	117,427,164	144,234,558	-	-
Trade receivables	10	165,368,588	67,947,561	-	-
Other receivables, deposits and prepayments	11	18,854,461	12,935,465	31,130	31,130
Amount owing by subsidiaries	12	-	-	2,274,344	7,317,835
Current tax assets		-	-	76,314	-
Short-term investments	13	20,844,206	68,904,061	20,844,206	26,826,041
Fixed deposits with licensed banks	14	17,223,130	9,858,908	4,622,854	-
Cash and bank balances		8,200,041	7,976,311	104,211	212,057
		347,917,590	311,856,864	27,953,059	34,387,063
TOTAL ASSETS		368,652,088	338,031,028	58,303,948	71,221,946
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	62,564,078	62,564,078	62,564,078	62,564,078
Retained profits/(Accumulated loss)		97,823,413	87,187,199	(4,353,625)	8,560,222
Equity attributable to owners of the Company		160,387,491	149,751,277	58,210,453	71,124,300
Non-controlling interest	6	531,681	1,491,168	-	-
TOTAL EQUITY		160,919,172	151,242,445	58,210,453	71,124,300
NON-CURRENT LIABILITY					
Deferred tax liability	16	692,287	1,087,880	-	-
CURRENT LIABILITIES					
Contract liabilities	9	-	652,151	-	-
Trade payables	17	109,857,330	60,989,516	-	-
Other payables and accruals	18	90,515,626	115,145,541	93,495	91,881
Provision	19	5,366,478	5,040,179	-	-
Current tax liabilities		1,301,195	3,873,316	-	5,765
		207,040,629	185,700,703	93,495	97,646
TOTAL LIABILITIES		207,732,916	186,788,583	93,495	97,646
TOTAL EQUITY AND LIABILITIES		368,652,088	338,031,028	58,303,948	71,221,946

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
REVENUE	20	510,055,155	424,924,099	-	13,524,000
COST OF SALES	21	(480,175,617)	(377,548,758)	-	-
GROSS PROFIT		29,879,538	47,375,341	-	13,524,000
OTHER INCOME	22	2,338,153	1,634,448	2,558,453	2,376,651
		32,217,691	49,009,789	2,558,453	15,900,651
ADMINISTRATIVE EXPENSES	23	(7,879,171)	(7,500,801)	(2,425,719)	(2,409,598)
OTHER EXPENSES	24	(2,481,166)	(4,197,446)	(6,483,994)	(280,375)
FINANCE COSTS	25	(61,176)	-	-	-
PROFIT/(LOSS) BEFORE TAXATION		21,796,178	37,311,542	(6,351,260)	13,210,678
INCOME TAX EXPENSE	26	(5,556,951)	(9,520,463)	(87)	(83,802)
PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		16,239,227	27,791,079	(6,351,347)	13,126,876
PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
- Owners of the Company		17,198,714	28,622,287	(6,351,347)	13,126,876
- Non-controlling interest		(959,487)	(831,208)	-	-
		16,239,227	27,791,079	(6,351,347)	13,126,876
EARNINGS PER SHARE (SEN)					
- Basic	27	1.83	3.05		
- Diluted	27	1.83	3.05		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Group	Note	Share Capital RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interest RM	Total Equity RM
Balance at 1.1.2021		62,564,078	71,377,412	133,941,490	1,422,376	135,363,866
Profit after taxation/ Total comprehensive income for the financial year		-	28,622,287	28,622,287	(831,208)	27,791,079
Contribution by and distribution to owners of the Company:						
- Additional investments by non-controlling interest		-	-	-	900,000	900,000
- Dividends	28	-	(12,812,500)	(12,812,500)	-	(12,812,500)
Balance at 31.12.2021/1.1.2022		62,564,078	87,187,199	149,751,277	1,491,168	151,242,445
Profit after taxation/Total comprehensive income for the financial year		-	17,198,714	17,198,714	(959,487)	16,239,227
Distribution to owners of the Company:						
- Dividend	28	-	(6,562,500)	(6,562,500)	-	(6,562,500)
Balance at 31.12.2022		62,564,078	97,823,413	160,387,491	531,681	160,919,172

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

The Company	Note	Share Capital RM	Retained Profit/ (Accumulated Loss) RM	Total Equity RM
Balance at 1.1.2021		62,564,078	8,245,846	70,809,924
Profit after taxation/Total comprehensive income for the financial year		-	13,126,876	13,126,876
Distribution to owners of the Company:				
- Dividends	28	-	(12,812,500)	(12,812,500)
Balance at 31.12.2021/1.1.2022		62,564,078	8,560,222	71,124,300
Loss after taxation/Total comprehensive expenses for the financial year		-	(6,351,347)	(6,351,347)
Distribution to owners of the Company:				
- Dividend	28	-	(6,562,500)	(6,562,500)
Balance at 31.12.2022		62,564,078	(4,353,625)	58,210,453

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	21,796,178	37,311,542	(6,351,260)	13,210,678
Adjustments for:-				
Depreciation of property, plant and equipment	6,544,595	6,720,220	183,994	183,995
Plant and equipment written off	17,179	6,877	-	-
Interest expense	61,176	-	-	-
Provision for defect works	2,687,367	1,134,208	-	-
Impairment loss:				
- investment in a subsidiary	-	-	6,300,000	-
- goodwill	-	1,285,825	-	-
Dividend income	-	-	-	(13,524,000)
Gain on disposal of plant and equipment	(229,642)	(274)	-	-
Interest income	(1,122,116)	(909,890)	(578,453)	(396,651)
Reversal of provision for defect works	(2,361,068)	(750,500)	-	-
Operating profit/(loss) before working capital changes	27,393,669	44,798,008	(445,719)	(525,978)
Decrease/(Increase) in contract assets	26,807,394	(31,523,579)	-	-
Increase in trade and other receivables	(103,340,023)	(37,453,291)	-	-
Increase in amount owing by subsidiaries	-	-	(1,412,501)	(1,192,499)
(Decrease)/Increase in contract liabilities	(652,151)	559,579	-	-
Increase/(Decrease) in trade and other payables	24,176,723	56,153,186	1,614	(6,076)
CASH (FOR)/FROM OPERATIONS	(25,614,388)	32,533,903	(1,856,606)	(1,724,553)
Income tax paid	(8,524,665)	(9,071,110)	(82,166)	(85,366)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(34,139,053)	23,462,793	(1,938,772)	(1,809,919)

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

		The Group		The Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Dividends received		-	-	6,509,000	7,015,000
Interest income received		1,122,116	909,890	525,445	300,315
Proceeds from disposal of plant and equipment		256,945	275	-	-
Purchase of property, plant and equipment		(1,149,411)	(7,476,159)	-	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		229,650	(6,565,994)	7,034,445	7,315,315
CASH FLOWS FOR FINANCING ACTIVITIES					
Acquisition of shares in a subsidiary by non-controlling interest		-	900,000	-	-
Increase in pledged fixed deposits with licensed banks		(7,364,222)	(1,463,379)	(4,622,854)	-
Dividends paid	28	(6,562,500)	(12,812,500)	(6,562,500)	(12,812,500)
NET CASH FOR FINANCING ACTIVITIES		(13,926,722)	(13,375,879)	(11,185,354)	(12,812,500)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(47,836,125)	3,520,920	(6,089,681)	(7,307,104)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		76,880,372	73,359,452	27,038,098	34,345,202
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	29	29,044,247	76,880,372	20,948,417	27,038,098

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

GENERAL INFORMATION

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

Registered office	:	Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	A-02-01, F-02-01 & F-02-02, Sekitar 26 Enterprise, Persiaran Hulu Selangor, Seksyen 26, 40400 Shah Alam, Selangor Darul Ehsan.

The financial statements were authorised for issuance by the Board of Directors in Board of Directors' Meeting held on 27 April 2023.

2. HOLDING COMPANY

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

3. PRINCIPAL ACTIVITIES

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

4. BASIS OF PREPARATION

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

4. BASIS OF PREPARATION (CONT'D)

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

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

Amendments to MFRS 3: Reference to the Conceptual Framework
 Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021
 Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
 Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
 Annual Improvements to MFRS Standards 2018 – 2020

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

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

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

	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, Plant and Equipment

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

(b) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 9 and 10 to the financial statements respectively.

(c) Revenue Recognition for Construction Contracts

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of the Group's and the Company's current tax assets/(liabilities) are as below:-

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Current tax assets	-	-	76,314	-
Current tax liabilities	(1,301,195)	(3,873,316)	-	(5,765)

(e) Provision

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

Critical Judgements Made in Applying Accounting Policies

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

5.2 BASIS OF CONSOLIDATION

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

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

(a) Business Combinations

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

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

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

(b) Non-Controlling Interests

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

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

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

(d) Loss of Control

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control (Cont'd)

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

5.3 GOODWILL

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

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

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

5.4 FUNCTIONAL AND PRESENTATION CURRENCY

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

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

5.5 FINANCIAL INSTRUMENTS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

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

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

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

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

(ii) Fair Value through Other Comprehensive Income

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

(iii) Fair Value through Profit or Loss

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Equity Instruments

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

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

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

(b) Financial Liabilities

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

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

(ii) Other Financial Liabilities

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

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

(c) Equity Instruments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

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

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

(e) Financial Guarantee Contracts

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

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

5.6 INVESTMENTS IN SUBSIDIARIES

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.7 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 LEASES

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

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

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

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

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

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

5.9 CONTRACT ASSET AND CONTRACT LIABILITY

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

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

5.10 CASH AND CASH EQUIVALENTS

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.11 IMPAIRMENT

(a) Impairment of Financial Assets

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

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

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

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

(b) Impairment of Non-financial Assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.12 PROVISIONS

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

5.13 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

5.14 INCOME TAXES

(a) Current Tax

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

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

(b) Deferred Tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.14 INCOME TAXES (CONT'D)

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

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

5.15 CONTINGENT LIABILITIES

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

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

5.16 OPERATING SEGMENTS

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

5.17 EARNINGS PER ORDINARY SHARE

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.18 FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

5.19 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.19 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

Construction Services

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

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

5.20 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Interest Income

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

(c) Rental Income

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

6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2022	2021
	RM	RM
Unquoted shares, at cost:-		
At 1 January	28,003,157	25,933,157
Additions during the financial year	-	2,070,000
	28,003,157	28,003,157
Accumulated impairment losses	(6,300,000)	-
At 31 December	21,703,157	28,003,157

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Group		Principal Activity
		2022 %	2021 %	
Grand Dynamic Builders Sdn. Bhd. ("GDBSB")	Malaysia	100	100	Provision of construction services.
GDB Geotechnics Sdn. Bhd. ("GDBGSB") *	Malaysia	70	70	Provision of construction services specialising in geotechnical and foundation engineering works.

Note:-

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

- (a) In the previous financial year, the Company and its subsidiary, GDBSB, have subscribed for additional 2,070,000 and 30,000 ordinary shares for a total subscription price of RM2,070,000 and RM30,000 respectively, to be satisfied by the amount owing from GDBGSB to the Company and GDBSB.
- (b) The non-controlling interest at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2022 %	2021 %	2022 RM	2021 RM
GDBGSB	30	30	531,681	1,491,168

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	GDBGSB	
	2022	2021
	RM	RM
<u>At 31 December</u>		
Non-current asset	548,313	1,056,045
Current assets	4,616,909	3,314,302
Current liabilities	(5,585,194)	(2,979,564)
Net (liabilities)/assets	(419,972)	1,390,783
<u>Financial Year Ended 31 December</u>		
Revenue	8,954,936	5,830,684
Loss/Total comprehensive expenses for the financial year	(1,810,755)	(1,652,811)
Total comprehensive expenses attributable to non-controlling interest	(543,226)	(495,843)
Net cash flows for operating activities	(612,265)	(2,480,155)
Net cash flows from/(for) investing activities	5,660	(19,390)
Net cash flows from financing activities	-	3,000,000

- (d) During the financial year, the Company has carried out a review of the recoverable amounts of its investments in a subsidiary that had been persistently making losses. A total impairment losses of RM6,300,000 (2021 - Nil), representing the write-down of the investments to their recoverable amounts, was recognised in "Other Expenses" line item of the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2022 RM	Additions RM	Disposals RM	Write Off RM	Depreciation Charges RM	At 31.12.2022 RM
2022						
<i>Carrying Amount</i>						
Freehold buildings	8,831,726	-	-	-	(183,994)	8,647,732
Computer software and hardware	432,751	11,243	-	(7)	(166,443)	277,544
Motor vehicles	387,618	-	(6,667)	-	(177,088)	203,863
Office equipment	215,965	-	(1,132)	(220)	(77,122)	137,491
Plant and machinery	8,865,105	-	-	-	(3,313,443)	5,551,662
Renovation	348,497	9,957	-	-	(116,490)	241,964
Site equipment	7,092,502	1,128,211	(19,504)	(16,952)	(2,510,015)	5,674,242
	26,174,164	1,149,411	(27,303)	(17,179)	(6,544,595)	20,734,498

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2022			
Freehold buildings	9,199,715	(551,983)	8,647,732
Computer software and hardware	1,507,672	(1,230,128)	277,544
Motor vehicles	2,366,232	(2,162,369)	203,863
Office equipment	816,008	(678,517)	137,491
Plant and machinery	43,689,151	(38,137,489)	5,551,662
Renovation	595,046	(353,082)	241,964
Site equipment	17,799,115	(12,124,873)	5,674,242
	75,972,939	(55,238,441)	20,734,498

2021			
Freehold buildings	9,199,715	(367,989)	8,831,726
Computer software and hardware	1,505,410	(1,072,659)	432,751
Motor vehicles	2,624,231	(2,236,613)	387,618
Office equipment	820,038	(604,073)	215,965
Plant and machinery	43,689,151	(34,824,046)	8,865,105
Renovation	585,089	(236,592)	348,497
Site equipment	17,454,727	(10,362,225)	7,092,502
	75,878,361	(49,704,197)	26,174,164

The Company	At 1.1.2022 RM	Depreciation Charge RM	At 31.12.2022 RM
2022			
<i>Carrying Amount</i>			
Freehold buildings	8,831,726	(183,994)	8,647,732

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

The Company	At 1.1.2021 RM	Depreciation Charge RM	At 31.12.2021 RM
2021			
<i>Carrying Amount</i>			
Freehold buildings	9,015,721	(183,995)	8,831,726

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2022			
Freehold buildings	9,199,715	(551,983)	8,647,732
2021			
Freehold buildings	9,199,715	(367,989)	8,831,726

8. GOODWILL

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

	The Group	
	2022 RM	2021 RM
Cost	-	1,285,825
Accumulated impairment losses	-	(1,285,825)
	-	-
Accumulated impairment losses:-		
At 1 January	-	-
Addition during the financial year	-	(1,285,825)
At 31 December	-	(1,285,825)

In the previous financial year, an impairment loss of RM1,285,825 was recognised on GDBGSB in "Other Expenses" line item of the statements of profit or loss and other comprehensive income as its financial performance was deteriorating due to keen competition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

9. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2022 RM	2021 RM
Contract assets relating to construction contracts	117,427,164	144,234,558
Contract liabilities relating to construction contracts	-	(652,151)
	117,427,164	143,582,407

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

Included in the contract assets are retention sums receivable amounting to RM61,528,508 (2021 - RM57,530,613). The retention sums are to be settled in accordance with the terms of the respective contracts.

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

	The Group	
	2022 RM	2021 RM
At 1 January	143,582,407	112,618,407
Revenue recognised in profit or loss during the financial year	510,055,155	424,924,099
Billings to customers during the financial year	(536,210,398)	(393,960,099)
At 31 December	117,427,164	143,582,407

- (d) As at the end of the reporting period, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of long-term contracts is RM1,283,875,426 (2021 - RM1,542,850,798). These remaining performance obligations are expected to be recognised as below:-

	The Group	
	2022 RM	2021 RM
Within 1 year	621,578,087	836,640,922
Between 1 and 3 years	662,297,339	706,209,876
	1,283,875,426	1,542,850,798

Included in the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of long-term contracts as at the end of the reporting period is an amount of approximately RM891.22 million relating to the 8 Conlay Project which the Group had determined as disclosed in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

9. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

- (e) Included in the contract assets at the end of the reporting period is an amount of approximately RM52.47 million (including retention sum receivable amounting to RM20.86 million) relating to the 8 Conlay Project which the Group had determined as disclosed in Note 35 to the financial statements.

The Group will pursue all appropriate options to recover the outstanding sums which is owed and payable by the contract owner. The directors are of the opinion that this contract assets are recoverable and accordingly, no impairment loss is made in the financial statements.

10. TRADE RECEIVABLES

- (a) The Group's normal trade credit terms range from 30 to 60 (2021 - 30 to 60) days. Other credit terms are assessed and approved on a case-by-case basis.
- (b) Included in the trade receivables at the end of the reporting period is an amount of approximately RM139.71 million relating to the 8 Conlay Project which the Group had determined as disclosed in Note 35 to the financial statements. Subsequent to the financial year end, an amount of RM60.00 million has been received.

The Group will pursue all appropriate options to recover the outstanding sums which is owed and payable by the contract owner. The directors are of the opinion that this trade receivable is recoverable and accordingly, no impairment loss is made in the financial statements.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables:-				
Third parties	3,010,767	423,106	-	-
Advances to subcontractors/suppliers	13,156,700	10,108,135	-	-
	16,167,467	10,531,241	-	-
Deposits	2,118,565	2,220,940	31,130	31,130
Prepayments	568,429	183,284	-	-
	18,854,461	12,935,465	31,130	31,130

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

12. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2022	2021
	RM	RM
Non-trade balances:		
- interest-free	174,344	108,835
- bear interest at 4% (2021 - 4%) per annum	2,100,000	700,000
Dividend receivable	-	6,509,000
	2,274,344	7,317,835

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

13. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Money market fund, at fair value	20,844,206	68,904,061	20,844,206	26,826,041

14. FIXED DEPOSITS WITH LICENSED BANKS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Fixed deposits with licensed banks	17,223,130	9,858,908	4,622,854	-

- (a) The fixed deposits with licensed banks of the Group and the Company at the end of the reporting period bore effective interest rates ranging from 1.65% to 2.85% (2021 - 1.40% to 1.85%) and 2.35% (2021 - Nil) per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (2021 - 365) days and 180 days for the Group and the Company respectively.
- (b) The fixed deposits with licensed banks of the Group and the Company at the end of the reporting period had been pledged as security for banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

15. SHARE CAPITAL

	2022	The Group/The Company		2021
	Number Of Shares	2022	2022	2021
		RM	RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	937,500,000	625,000,000	62,564,078	62,564,078
Bonus issue	-	312,500,000	-	-
At 31 December	937,500,000	937,500,000	62,564,078	62,564,078

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

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

WARRANTS 2021/2026

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

16. DEFERRED TAX LIABILITY

	The Group 2022 RM	2021 RM
At 1 January	1,087,880	1,483,472
Recognised in Profit or Loss (Note 26)	(395,593)	(395,592)
At 31 December	692,287	1,087,880

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

17. TRADE PAYABLES

	Note	The Group 2022 RM	2021 RM
Trade payables	(a)	57,841,117	25,422,602
Retention sums	(b)	52,016,213	35,566,914
		109,857,330	60,989,516

(a) The normal trade credit terms granted to the Group range from 30 to 60 (2021 - 30 to 60) days.

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

18. OTHER PAYABLES AND ACCRUALS

	Note	The Group 2022 RM	2021 RM	The Company 2022 RM	2021 RM
Other payables:-					
Third parties		547,489	427,662	-	1,590
Advances from customers		9,272,581	3,059,177	-	-
Related parties	(a)				
- interest-free		232,183	99,530	-	-
- bear interest at 4% (2021 - Nil) per annum		900,000	300,000	-	-
		10,952,253	3,886,369	-	1,590
Accruals	(b)	79,563,373	111,259,172	93,495	90,291
		90,515,626	115,145,541	93,495	91,881

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

(b) Included in accruals of the Group are accrued costs of construction for projects amounting to RM65,530,515 (2021 - RM95,890,450).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

19. PROVISION

	The Group	
	2022 RM	2021 RM
At 1 January	5,040,179	4,656,471
Provision made during the financial year	2,687,367	1,134,208
Provision reversed during the financial year	(2,361,068)	(750,500)
At 31 December	5,366,478	5,040,179

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

20. REVENUE

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from Contracts with Customers				
<u>Recognised over time</u>				
Construction contracts	510,055,155	424,924,099	-	-
Revenue from Other Sources				
Dividend income	-	-	-	13,524,000

21. COST OF SALES

	The Group	
	2022 RM	2021 RM
Depreciation of plant and equipment	4,082,027	4,117,725
Short-term leases expenses (Note 29(b))	4,920,462	5,596,080
Project cost, incentives and related expenses	445,226,476	341,777,527
Provision for defect works	2,687,367	1,134,208
Plant and equipment written off	17,173	6,619
Reversal of provision for defect works	(2,361,068)	(750,500)
Staff costs:		
- salaries and other emoluments	23,171,349	23,193,478
- defined contribution plan	2,431,831	2,473,621
	480,175,617	377,548,758

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

22. OTHER INCOME

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Included are the following items:-				
Gain on disposal of plant and equipment	229,642	274	-	-
Interest income:				
- fixed deposits with licensed banks	546,424	383,441	74,499	6,718
- short-term investments	575,692	526,449	450,946	293,597
- amount owing by a subsidiary	-	-	53,008	96,336
Lease income:				
- office	-	-	180,000	180,000
- plant and equipment	67,151	37,355	-	-
Management services income	-	-	1,800,000	1,800,000
Scrap sales	446,560	552,918	-	-

23. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Included are the following items:-				
Auditors' remuneration:				
- audit fees	113,000	113,000	33,000	33,000
- other service	5,000	5,000	5,000	5,000
Directors' remuneration (Note 30)	2,072,000	2,019,103	1,663,319	1,481,354
Staff costs (including other key management personnel as disclosed in Note 30):				
- salaries and other emoluments	3,933,710	3,557,685	393,164	370,535
- defined contribution plan	401,530	421,877	46,944	43,920
Short-term lease expenses (Note 29(b))	64,200	61,663	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

24. OTHER EXPENSES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Depreciation of property, plant and equipment	2,462,568	2,602,495	183,994	183,995
Plant and equipment written off	6	258	-	-
Impairment of goodwill	-	1,285,825	-	-
Impairment loss on investment in a subsidiary	-	-	6,300,000	-
Fair value loss on short-term investments	18,592	308,868	-	96,380
	2,481,166	4,197,446	6,483,994	280,375

25. FINANCE COSTS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expenses on amount owing to related parties	61,176	-	-	-

26. INCOME TAX EXPENSE

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax:				
- for the current financial year	6,297,317	10,157,589	-	75,681
- (Over)/Underprovision in the previous financial year	(344,773)	(241,534)	87	8,121
	5,952,544	9,916,055	87	83,802
Deferred tax (Note 16):				
- realisation of deferred taxation on usage of plant and equipment	(395,593)	(395,592)	-	-
	5,556,951	9,520,463	87	83,802

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

26. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit/(Loss) before taxation	21,796,178	37,311,542	(6,351,260)	13,210,678
Tax at the statutory tax rate	5,231,083	8,954,771	(1,524,302)	3,170,563
Tax effects of:-				
Non-taxable income	(180,600)	(477,830)	(108,227)	(3,316,223)
Non-deductible expenses	423,081	898,656	1,632,529	221,341
Deferred tax assets not recognised during the financial year	428,160	386,400	-	-
(Over)/Underprovision of current tax in the previous financial year	(344,773)	(241,534)	87	8,121
Income tax expense for the financial year	5,556,951	9,520,463	87	83,802

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2021 - 24%) of the estimated assessable profit for the financial year.

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

	The Group	
	2022 RM	2021 RM
<u>Deferred tax assets</u>		
Unused tax losses:		
- expires year of assessment 2028	413,000	413,000
- expires year of assessment 2029	2,313,000	2,313,000
- expires year of assessment 2030	2,621,000	2,621,000
- expires year of assessment 2031	837,000	837,000
- expires year of assessment 2032	1,426,000	-
	7,610,000	6,184,000
Unabsorbed capital allowances	3,762,000	3,552,000
Provision for defect works	5,366,000	5,040,000
Other	28,000	40,000
	16,766,000	14,816,000
<u>Deferred tax liability</u>		
Accelerated capital allowances	(5,598,000)	(5,432,000)
	11,168,000	9,384,000

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

27. EARNINGS PER SHARE

	The Group	
	2022	2021
Profit after taxation attributable to owners of the Company (RM)	17,198,714	28,622,287
Weighted average number of ordinary shares in issue	937,500,000	937,500,000
Earnings per share (Sen) attributable to owners of the Company:		
- Basic	1.83	3.05
- Diluted	1.83	3.05

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

28. DIVIDENDS

	The Group/The Company	
	2022	2021
	RM	RM
Second interim single-tier dividend of RM0.007 (2021 - RM0.01) per ordinary share in respect of the previous financial year	6,562,500	6,250,000
First interim single-tier dividend of Nil (2021 - RM0.01) per ordinary share in respect of the current financial year	-	6,562,500
	6,562,500	12,812,500

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

29. CASH FLOW INFORMATION

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

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	8,200,041	7,976,311	104,211	212,057
Fixed deposits with licensed banks	17,223,130	9,858,908	4,622,854	-
Short-term investments	20,844,206	68,904,061	20,844,206	26,826,041
	46,267,377	86,739,280	25,571,271	27,038,098
Less: Fixed deposits pledged to licensed banks (Note 14)	(17,223,130)	(9,858,908)	(4,622,854)	-
	29,044,247	76,880,372	20,948,417	27,038,098

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

	The Group	
	2022 RM	2021 RM
Payment of short-term leases:		
- Cost of sales (Note 21)	4,920,462	5,596,080
- Administrative expenses (Note 23)	64,200	61,663
	4,984,662	5,657,743

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

30. KEY MANAGEMENT PERSONNEL COMPENSATION

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

The KMP compensation during the financial year are as follows:-

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	234,000	225,800	234,000	225,800
- salaries and other emoluments	1,543,745	1,554,708	1,320,119	1,156,470
- defined contribution plan	126,180	125,204	109,200	99,084
	1,903,925	1,905,712	1,663,319	1,481,354
<u>Director of a subsidiary</u>				
Short-term employee benefits:				
- salaries and other emoluments	163,275	105,041	-	-
- defined contribution plan	4,800	8,350	-	-
	168,075	113,391	-	-
Total directors' remuneration (Note 23)	2,072,000	2,019,103	1,663,319	1,481,354
Other KMP:-				
Short-term employee benefits:				
- salaries and other emoluments	1,224,444	1,150,292	393,164	367,847
- defined contribution plan	124,952	127,420	46,944	43,920
Total compensation for other KMP (Note 23)	1,349,396	1,277,712	440,108	411,767

The total project incentives and defined contribution plan paid to the executive directors and other KMP amounted to RM455,669 (2021 - RM363,006) and RM225,925 (2021 - RM342,638) respectively.

The estimated monetary value of benefits-in-kind provided by the Group to the directors and other KMP were RM21,250 (2021 - RM21,250) and RM5,000 (2021 - RM10,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

31. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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

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

(b) Related Party Transactions and Balances

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

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Dividends received from a subsidiary	-	-	-	(13,524,000)
Management fees received/receivables from subsidiaries	-	-	(1,800,000)	(1,800,000)
Office rental income received/receivables from subsidiaries	-	-	(180,000)	(180,000)
Interest on advances received/receivables from a subsidiary	-	-	(53,008)	(96,336)
Store rental expenses paid/payable to a related party	48,000	45,000	-	-
Interest on advances paid/payable to a related party	61,176	-	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in Notes 12 and 18 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

32. OPERATING SEGMENTS

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

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

32.1 BUSINESS SEGMENT AND GEOGRAPHICAL INFORMATION

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

32.2 MAJOR CUSTOMERS

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

	2022 RM	2021 RM
Customer A	-	46,280,016
Customer B	185,094,450	96,919,282
Customer C	195,729,601	128,976,267
Customer D	101,126,653	107,989,243

33. CONTINGENT LIABILITY

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

	The Group	
	2022 RM	2021 RM
Performance bond and tender bond guarantees extended by subsidiaries to third parties	64,539,240	76,209,880

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS

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

34.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

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

(ii) Interest Rate Risk

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

(iii) Equity Price Risk

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

Equity Price Risk Sensitivity Analysis

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

(b) Credit Risk

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 1 (2021 - 4) customer which constituted approximately 84% (2021 - 92%) of its trade receivables at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

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

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM64,539,240 (2021 - RM76,209,880), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(iii) Assessment of Impairment Losses

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

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

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

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

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due except as disclosed in Notes 9, 10 and 35 where the directors have assessed the outstanding balances related to the 8 Conlay Project to be recoverable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have a low risk of default as they have a strong capacity to meet their debts except as disclosed in Notes 9, 10 and 35 where the directors have assessed the outstanding balances related to the 8 Conlay Project to be recoverable.

The expected loss rates are based on the payment profiles of sales over 12 months (2021 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions which correlate to the historical loss rates.

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

Allowance for Impairment Losses

The Group	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
2022			
Current (not past due)	22,759,066	-	22,759,066
1 to 30 days past due	3,384,803	-	3,384,803
31 to 60 days past due	17,422,734	-	17,422,734
61 to 90 days past due	96,767	-	96,767
More than 90 days past due	121,705,218	-	121,705,218
Trade receivables	165,368,588	-	165,368,588
Contract assets	117,427,164	-	117,427,164
	282,795,752	-	282,795,752

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

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

The Group believes that no impairment allowance is necessary in respect of its trade receivables and contract assets because they are companies with positive financial position except as disclosed in Notes 9, 10 and 35 where the directors have assessed the outstanding balances related to the 8 Conlay Project to be recoverable.

Other Receivables

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Fixed Deposits with Licensed Banks, Cash and Bank Balances

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

Amount Owing by Subsidiaries

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

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

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

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

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

Allowance for Impairment Losses

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

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and adequate working capital to meet the Group's obligation as and when they fall due.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2022			
<u>Non-derivative Financial Liabilities</u>			
Trade payables	57,841,117	57,841,117	57,841,117
Other payables and accruals	81,243,045	81,243,045	81,243,045
	139,084,162	139,084,162	139,084,162
2021			
<u>Non-derivative Financial Liabilities</u>			
Trade payables	25,422,602	25,422,602	25,422,602
Other payables and accruals	112,086,364	112,086,364	112,086,364
	137,508,966	137,508,966	137,508,966

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2022			
<u>Non-derivative Financial Liability</u>			
Other payables and accruals	93,495	93,495	93,495
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries *	-	64,539,240	64,539,240
	93,495	64,632,735	64,632,735
2021			
<u>Non-derivative Financial Liability</u>			
Other payables and accruals	91,881	91,881	91,881
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries *	-	76,209,880	76,209,880
	91,881	76,301,761	76,301,761

* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

34.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. The debt-to-equity of the Group at the end of the reporting period is not presented as there is no external borrowing.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Short-term investments	20,844,206	68,904,061	20,844,206	26,826,041
<u>Amortised Cost</u>				
Trade receivables	165,368,588	67,947,561	-	-
Other receivables	3,010,767	423,106	-	-
Amount owing by subsidiaries	-	-	2,274,344	7,317,835
Fixed deposits with licensed banks	17,223,130	9,858,908	4,622,854	-
Cash and bank balances	8,200,041	7,976,311	104,211	212,057
	193,802,526	86,205,886	7,001,409	7,529,892
Financial Liability				
<u>Amortised Cost</u>				
Trade payables	57,841,117	25,422,602	-	-
Other payables and accruals	81,243,045	112,086,364	93,495	91,881
	139,084,162	137,508,966	93,495	91,881

34.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss by:				
- mandatorily required by MFRS 9	557,101	217,581	450,946	197,217
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	546,424	383,441	127,507	103,054
Financial Liability				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(61,176)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 FAIR VALUE INFORMATION

The fair value of the financial asset of the Group and of the Company which is maturing within the next 12 months approximated its carrying amount due to the relatively short-term maturity of the financial instrument or repayable on demand terms. The following table sets out the fair value profile of financial instrument that is carried at fair value at the end of the reporting period:-

	Fair Value Of Financial Instruments Carried At Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
The Group					
2022					
<u>Financial Asset</u>					
Short-term investments	-	20,844,206	-	20,844,206	20,844,206
2021					
<u>Financial Asset</u>					
Short-term investments	-	68,904,061	-	68,904,061	68,904,061
The Company					
2022					
<u>Financial Asset</u>					
Short-term investments	-	20,844,206	-	20,844,206	20,844,206
2021					
<u>Financial Asset</u>					
Short-term investments	-	26,826,041	-	26,826,041	26,826,041

Fair Value of Financial Instruments Carried at Fair Value

The fair value of short-term investments is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

35. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND OCCURRING AFTER THE REPORTING PERIOD

Status of 8 Conlay Project

On 16 August 2022, GDBSB, a wholly-owned subsidiary of the Company had served a suspension notice to Damai City Sdn Bhd ("DCSB") for the 8 Conlay Project pursuant to and within the terms stipulated in the contract and agreement, as the Main Contractor to complete the remaining main building works for the proposed development of an integrated mixed development project known as "8 Conlay Project".

On 9 January 2023, GDBSB had lifted the suspension of works for the 8 Conlay Project pursuant to Clause 30.7 of the PAM Contract. Based on DCSB's instruction issued to the Architect for the issuance of Architect's Instruction under Clause 21.4 of the PAM Contract, GDBSB had remobilised and recommenced facade work for Tower A following the receipt of partial payment towards the outstanding sums from DCSB to GDBSB pursuant to the terms of the agreement and the supplementary correspondences. The remobilisation and recommencement of construction works for the full scope of works under the 8 Conlay Project was scheduled for early April 2023, subject to the full settlement of the outstanding sums payable to GDBSB by DCSB.

On 19 April 2023, GDBSB has received Notice of Determination from DCSB to determine the Letter of Award dated 9 November 2020 for the development of the 8 Conlay Project. GDBSB takes the position that DCSB's Notice of Determination is wrongful based on the advice by the solicitors.

On the same day, GDBSB exercised its rights to immediately determine the 8 Conlay Project and had served a Notice of Determination dated 19 April 2023 pursuant to Clause 26.2 of the PAM Contract and 4 January 2023 agreement ("January Agreement") to DCSB.

The Determination was served arising from DCSB having failed, refused, and/or neglected to pay the remaining outstanding sums on the date of payment as stipulated in the January Agreement.

36. MATERIAL LITIGATION

(a) Writ of Summons and Statement of Claim by GDBSB in relation to the outstanding sums due and payable by DCSB for the 8 Conlay Project

On 6 October 2022, GDBSB filed a Writ of Summons and Statement of Claim at the High Court of Malaya at Kuala Lumpur against KSK Land Sdn Bhd ("KSK Land"), who had in the capacity of DCSB's holding company, executed a corporate guarantee in favour of GDBSB on 5 August 2022 ("Corporate Guarantee") and was in breach of its obligations under the Corporate Guarantee and/or in law failed, refused and/or neglected to honour the Corporate Guarantee and effect payment in the sum of RM120,690,409.12 to GDBSB.

GDBSB has, before the High Court of Malaya Kuala Lumpur on the 21 March 2023, recorded a withdrawal of the legal suit against KSK Land, with liberty to file afresh. GDBSB has the right to take legal action against KSK Land in the event that KSK Land fails to, refuses, and/or neglects to comply with any demand made by GDBSB against KSK Land based on the Corporate Guarantee.

(b) Material Litigation against GDBSB

On 22 December 2022, Syarikat Ong Yoke Lin Sdn Bhd ("SOYLSB"), the nominated sub-contractor for the supply, delivery, installation, testing and commissioning of air conditioning, mechanical ventilation and building management system for the 8 Conlay Project ("Sub-Contract"), had filed a court action via an Originating Summons at the High Court of Malaya at Kuala Lumpur against GDBSB.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

36. MATERIAL LITIGATION (CONT'D)

(b) Material Litigation against GDBSB (Cont'd)

Under the Sub-Contract, SOYLSB is to provide a bank guarantee as a performance bond equivalent to five percent (5%) of the Sub-Contract sum amounting to RM1,991,164.57 ("Bank Guarantee") which the SOYLSB had provided to GDBSB the Bank Guarantee issued by Standard Chartered Bank Malaysia Berhad for a validity period until 23 December 2023.

A Court Order by the High Court was issued for an ex-parte interim injunction to forthwith restrain GDBSB from calling on the Bank Guarantee for SOYLSB's performance of the Sub-Contract pending the full and final disposal of the arbitration proceedings.

On 13 January 2023, GDBSB was served with a sealed copy of the Ad-Interim Order of the High Court following the *inter-partes* hearing on 4 January 2023 before the Honourable Judge where the High Court of Malaya had ordered the continuation of the interim injunction pending the disposal of the Originating Summons and has fixed a hearing date on 23 March 2023 for this matter to be heard before the Honourable Judge.

Pursuant to the interim injunction, SOYLSB had on 3 January 2023 served GDBSB with a Notice of Arbitration in relation to the disputes arising from the Letter of Acceptance dated 3 February 2021 read together with PAM Sub-Contract 2003 for the 8 Conlay Project. GDBSB has accordingly served on SOYLSB its Response to Notice of Arbitration dated 2 February 2023. There has been no update nor communication by SOYLSB on the commencement of the arbitration proceedings till date.

Following the hearing on 23 March 2023 before the Honourable Judge, the High Court of Malaya had ordered the continuation of the interim injunction and has fixed 12 May 2023 as a date for decision of the matter.

37. CAPITAL COMMITMENTS

	The Group	
	2022 RM	2021 RM
Purchase of plant and equipment	56,490	-

38. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Restated RM	As previously reported RM
The Group		
Statements of Cash Flows (Extract):-		
Net cash for investing activities	(6,565,994)	(8,029,373)
Net cash for financing activities	(13,375,879)	(11,912,500)

LIST OF PROPERTY

AS AT 31 DECEMBER 2022

Location of Property	Description and Existing Use	Date of Acquisition	Tenure	Approximate Age of the Building	Approximate Area	Net Book Value as at 31 Dec 2022 RM
A-02-01, F-02-01 & F-02-02 Sekitar 26 Enterprise Persiaran Hulu Selangor Seksyen 26 40400 Shah Alam Selangor Darul Ehsan	3 units of shop offices used as GDB Head Office and subsidiaries offices	10-Jun-19	Freehold	Less than 4 years	Built-up: 1,451 square meter	8,647,732

ANALYSIS OF SHAREHOLDINGS

AS AT 24 MARCH 2023

Class of equity securities : Ordinary Shares ("Shares")
 Total number of issued Shares : 937,500,000 Shares
 Voting rights : One (1) vote for every Share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	98	2.30	4,463	0.00
100 - 1,000	341	7.99	151,968	0.02
1,001 - 10,000	1,630	38.20	9,329,899	1.00
10,001 - 100,000	1,786	41.86	61,998,850	6.61
100,001 - less than 5% of issued Shares	410	9.61	209,625,470	22.36
5% and above of issued Shares	2	0.04	656,389,350	70.01
Total	4,267	100.00	937,500,000	100.00

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Cheah Ham Cheia	-	-	458,850,000 ⁽¹⁾	48.94
Alexander Lo Tzone Leong	197,539,350	21.07	-	-
Cheah Jun Kai	2,450,000	0.26	75,000 ⁽²⁾	0.01
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	525,000	0.06	-	-
Datuk Sr. Chia Lui Meng	450,000	0.05	-	-
Kow Poh Gek	250,000	0.03	-	-

Notes:

⁽¹⁾ Deemed interested by virtue of his shareholdings in CHC Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

⁽²⁾ Deemed interested by virtue of his wife, Yeo Tze Lin's shareholdings in the Company.

ANALYSIS OF SHAREHOLDINGS AS AT 24 MARCH 2023 (CONT'D)

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
CHC Holdings Sdn. Bhd.	458,850,000	48.94	-	-
Cheah Ham Cheia	-	-	458,850,000 ⁽¹⁾	48.94
Alexander Lo Tzone Leong	197,539,350	21.07	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his shareholdings in CHC Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

30 LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
1	CHC Holdings Sdn. Bhd.	458,850,000	48.94
2	Alexander Lo Tzone Leong	197,539,350	21.07
3	RHB Nominees (Tempatan) Sdn Bhd - OSK Capital Sdn Bhd for Yayasan Islam Terengganu	23,100,000	2.46
4	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund	20,187,200	2.15
5	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Manulife Investment Progress Fund (4082)	5,742,800	0.61
6	Sai Mee Hing	4,500,000	0.48
7	Leong Kong Foo	4,363,800	0.47
8	Lim Say Hock	3,424,500	0.37
9	Cheah Jun Kai	2,450,000	0.26
10	HLIB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Toh Kian Foo	2,412,200	0.26
11	Sow Tiap	2,125,000	0.23
12	Gan Kuok Chyuan	2,000,000	0.21
13	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Kien Yeap	2,000,000	0.21
14	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Manulife Investment Shariah Progress Plus Fund	1,978,400	0.21
15	Chang Yock Chai	1,859,100	0.20

ANALYSIS OF SHAREHOLDINGS AS AT 24 MARCH 2023 (CONT'D)

30 LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS (CONT'D)

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
16	Affin Hwang Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for See Sek Hock (M01)</i>	1,731,400	0.18
17	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - <i>AHAM Asset Management Berhad for Malaysian Timber Council (Operating Fund)</i>	1,649,100	0.18
18	CGS-CIMB Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Richard Khoo Teng San (MY3062)</i>	1,609,700	0.17
19	Lee Hoo Sau	1,538,650	0.16
20	Oan Yee Lai	1,535,500	0.16
21	Maybank Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for Wong Wah Peng</i>	1,518,800	0.16
22	Koon Poh Weng	1,500,000	0.16
23	Sin Kheng Lee	1,500,000	0.16
24	Sit Kam Hock	1,451,100	0.15
25	Kenanga Nominees (Asing) Sdn Bhd - <i>Rakuten Trade Sdn Bhd for Chooi Kok Yaw</i>	1,386,900	0.15
26	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - <i>AHAM Asset Management Berhad for Malaysian Timber Council</i>	1,386,750	0.15
27	Maybank Nominees (Tempatan) Sdn Bhd - <i>Maybank Private Wealth Management for Tan Kuan Hoe (PW-M00397) (410070)</i>	1,225,000	0.13
28	Affin Hwang Nominees (Tempatan) Sdn Bhd - <i>Pledged Securities Account for How Kim Lian (HOW0113M)</i>	1,200,000	0.13
29	Chan Teck Fan	1,162,500	0.12
30	Civil and Structural Engineering Services Sdn Bhd	1,125,000	0.12

ANALYSIS OF WARRANTS HOLDINGS

AS AT 24 MARCH 2023

Type of Securities : Warrants (2021/2026) ("Warrants")
 No. of Unexercised Warrants : 250,000,000
 Exercise Price : RM0.60
 Exercise Period : 25 June 2021 to 24 June 2026

DISTRIBUTION SCHEDULE OF WARRANTS HOLDINGS

Size of Holdings	No. of Warrant Holders	%	No. of Shares	%
Less than 100	230	10.20	10,947	0.01
100 - 1,000	441	19.57	230,754	0.09
1,001 - 10,000	984	43.66	3,822,720	1.53
10,001 - 100,000	466	20.67	17,598,100	7.04
100,001 - less than 5% of issued Warrants	131	5.81	53,300,319	21.32
5% and above of issued Warrants	2	0.09	175,037,160	70.01
Total	2,254	100.00	250,000,000	100.00

DIRECTORS' WARRANTS HOLDINGS

(As per the Register of Directors' Warrants Holdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
Alexander Lo Tzone Leong	52,677,160	21.07	-	-
Cheah Jun Kai	800,000	0.32	20,000 ⁽¹⁾	0.01
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	140,000	0.06	-	-
Datuk Sr. Chia Lui Meng	120,000	0.05	-	-
Kow Poh Gek	-	-	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his wife, Yeo Tze Lin's Warrants held in the Company.

ANALYSIS OF WARRANTS HOLDINGS AS AT 24 MARCH 2023 (CONT'D)

30 LARGEST WARRANTS HOLDERS AS PER RECORD OF DEPOSITORS

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
1	CHC Holdings Sdn Bhd	122,360,000	48.94
2	Alexander Lo Tzone Leong	52,677,160	21.07
3	RHB Nominees (Tempatan) Sdn Bhd - OSK Capital Sdn Bhd for Yayasan Islam Terengganu	6,160,000	2.46
4	Yeap Koo Liang	4,000,000	1.60
5	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for See Sek Hock (M01)	2,051,700	0.82
6	Looi Bian Cheong	1,998,400	0.80
7	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for How Kim Lian (HOW0113M)	1,750,000	0.70
8	Tan Sing Keng	1,350,000	0.54
9	Ang Loo Leong	1,100,000	0.44
10	Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd for Mah Swee Buoy	986,900	0.39
11	Ter Leong Swee	972,300	0.39
12	Tey Bock Kern	821,100	0.33
13	Cheah Jun Kai	800,000	0.32
14	Law Wah Ming	800,000	0.32
15	Lim Ken Ang	800,000	0.32
16	Siew Kok Peng	800,000	0.32
17	Chong Min Wah	745,500	0.30
18	Tan Chung Chai	624,300	0.25
19	Kenanga Nominees (Tempatan) Sdn Bhd - Chia Hooi Luan	605,300	0.24
20	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Theam Kam Kee	600,000	0.24
21	Tiong Yee Fan	600,000	0.24
22	Chong Wai Ken	599,000	0.24
23	Soh Lip Yeow	550,000	0.22
24	Sow Tiap	540,000	0.22
25	Kang Yan Sheng	500,000	0.20

ANALYSIS OF WARRANTS HOLDINGS AS AT 24 MARCH 2023 (CONT'D)

30 LARGEST WARRANTS HOLDERS AS PER RECORD OF DEPOSITORS (CONT'D)

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
26	Leong Chian Tat	500,000	0.20
27	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chong Woon Khong (E-TCS)	500,000	0.20
28	Lim Say Hock	485,000	0.19
29	Tio Yee Teng	445,800	0.18
30	Low Choon Tow	440,400	0.18

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting ("10th AGM" or "Meeting") of GDB HOLDINGS BERHAD ("GDB" or "the Company") will be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 8 June 2023 at 10:30 a.m. or at any adjournment thereof, to transact the following businesses:

A G E N D A

AS ORDINARY BUSINESS :

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees and benefits of up to RM290,000 for the financial year ending 31 December 2023.
3. To re-elect the following Directors who retire by rotation in accordance with Clause 85 of the Company's Constitution:
 - i. Mr. Cheah Ham Cheia
 - ii. Datuk Sr. Chia Lui Meng
4. To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting ("AGM") and to authorise the Directors to fix their remuneration.

**PLEASE REFER TO
EXPLANATORY NOTE 1**

ORDINARY RESOLUTION 1

**ORDINARY RESOLUTION 2
ORDINARY RESOLUTION 3**

ORDINARY RESOLUTION 4

AS SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without any modifications, the following resolutions:

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")**

ORDINARY RESOLUTION 5

"THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company ("Shares") to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time ("Mandate") AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

THAT pursuant to Section 85 of the Act read together with the Company's Constitution, approval be given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company AND THAT the Board of Directors is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the issuance and allotment of new Shares pursuant to the Mandate.

AND FURTHER THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares."

6. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

SPECIAL RESOLUTION

"THAT the proposed amendments to the Constitution of the Company as set out in "Appendix A", be approved and adopted with immediate effect AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company."

7. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC No.: 201908001272)

Company Secretary

Petaling Jaya, Selangor Darul Ehsan

28 April 2023

Notes:

- a) A member who is entitled to present, participate, speak and to vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b) A proxy may, but need not, be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.
- c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised.
- d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 31 May 2023. Only members whose names appear in the General Meeting Record of Depositors as at 31 May 2023 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
- g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting:

- (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Company's Share Registrars, Boardroom Share Registrars Sdn. Bhd. at **11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.**

- (ii) By Electronic Form

The proxy form can be electronically lodged via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Notes on the procedures for electronic lodgement of proxy forms via the Boardroom Smart Investor Portal be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar situated at **11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia** not less than forty-eight (48) hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote.

- h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- i) Kindly check Bursa Securities' website and the Company's website at <https://www.gdbhb.com.my/> for the latest updates on the status of the Meeting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2022

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of members for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and Benefits

The estimated Directors' fees and benefits proposed for the financial year ending 31 December 2023 were calculated based on the current Board size and the number of scheduled Board and Committee meetings to be held. This resolution is to facilitate payment of Directors' fees and benefits on a current financial year basis.

In the event the proposed amount is insufficient due to more meetings or an enlarged board size, approval will be sought at the next AGM for the shortfall.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

3. Item 3 of the Agenda – Re-election of Directors

Clause 85 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Hence, two (2) out of six (6) Directors of the Company are to retire in accordance with Clause 85 of the Company's Constitution.

Mr. Cheah Ham Cheia and Datuk Sr. Chia Lui Meng ("Retiring Directors") who were appointed to the Board on 28 February 2013 and 18 September 2017 respectively, will retire and being eligible, have offered themselves for re-election at the 10th AGM in accordance with Clause 85 of the Company's Constitution.

The Board has endorsed the Nomination Committee's recommendation to seek for shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Directors' Profile on pages 8 and 11 of the Company's Annual Report 2022.

4. Item 5 of the Agenda – General Authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 5 proposed under item 5 of the Agenda is a renewal of the general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will empower the Directors to issue and allot new Shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such new Shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of new Shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new Shares were issued and allotted pursuant to the mandate granted to the Directors at the last AGM held on 9 June 2022 which will lapse at the conclusion of the Meeting.

Pursuant to Section 85 of the Act and the Company's Constitution, shareholders have pre-emptive rights to be offered any new Shares which rank equally to the existing issued shares in the Company. This Ordinary Resolution 5, if passed, will exclude the shareholders' pre-emptive right to be offered new Shares to be issued by the Company.

5. Item 6 of the Agenda – Proposed Amendments to the Constitution of the Company ("Proposed Amendments")

The Proposed Amendments are mainly to streamline the Constitution with the relevant regulatory requirements as well as to enhance administrative efficiency.

The Proposed Amendments shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

APPENDIX A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF GDB HOLDINGS BERHAD ("THE COMPANY")

This is Appendix A referred to in Agenda 6 of the Notice of Tenth Annual General Meeting ("10th AGM") of the Company dated 28 April 2023.

Day, Date and time of the 10th AGM : Thursday, 8 June 2023 at 10:30 a.m.
 Venue of the 10th AGM : Ballroom V, Main Wing, Tropicana Golf & Country Resort,
 Jalan Kelab Tropicana, Off Jalan Tropicana Utama,
 47410 Petaling Jaya, Selangor Darul Ehsan.

Clause No.	Existing Clause	Proposed Clause
54 <i>Offer of new Shares</i>	Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible Securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares and/or Securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares and/or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to any offer of new shares or Securities) cannot, in the opinion of the Directors be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.	Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible Securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares and/or Securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares and/or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to any offer of new shares or Securities) cannot, in the opinion of the Directors be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.

APPENDIX A (CONT'D)

Clause No.	Existing Clause	Proposed Clause
54 <i>Offer of new Shares (cont'd)</i>		For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible securities to employees of the Company and its subsidiaries and approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable. In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply and the Company is not required to offer new shares or convertible securities in proportion to the shareholdings of the existing Members.
125A <i>Validity of Electronic / Digital Signature</i>	New provision	<p>For the avoidance of doubt, any document or instrument transmitted by any technology purporting to include a signature and/or electronic or digital signature of any of the following persons:</p> <ul style="list-style-type: none"> (a) a holder of Shares; (b) a Director (including Alternate Director); (c) a committee member; (d) in the case of a corporation, which is a holder of shares, its director or secretary or a duly appointed attorney or duly authorised representative, <p>shall in the absence of express evidence to the contrary available to the person relying on such document or instrument at the relevant time, be deemed to be a document or instrument signed by such person in the terms in which it is received.</p>

ADMINISTRATIVE NOTES

FOR THE TENTH ANNUAL GENERAL MEETING OF GDB HOLDINGS BERHAD ("GDB" OR "COMPANY") ("10TH AGM" OR "MEETING")

Day & Date	: Thursday, 8 June 2023
Time	: 10:30 a.m.
Venue	: Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, 47410 Petaling Jaya, Selangor Darul Ehsan.

APPOINTMENT OF PROXY

1. A member who is entitled to present, participate, speak and to vote at the Meeting is entitled to appoint more than one (1) proxy to attend and vote in his/her stead. If you are not able to participate in the 10th AGM, you are encouraged to appoint the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form.
2. To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting:

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Company's Share Registrars, Boardroom Share Registrars Sdn. Bhd. at **11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.**

(ii) By Electronic Form

The proxy form can be electronically lodged via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Notes on the procedures for the electronic lodgement of Proxy Forms via the Boardroom Smart Investor Portal.

3. Kindly follow the steps below to register online with Boardroom Smart Investor Portal and to lodge the Proxy Form electronically.

Step 1 – Register Online with Boardroom Smart Investor Portal (for first time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 to lodge your Proxy Form electronically.]

- a. Access website at <https://investor.boardroomlimited.com>
- b. Click <<**Register**>> to sign up as a user, by creating your own user ID and password.
- c. Complete registration and upload a softcopy of your MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format.
- d. Please enter a valid email address and wait for Boardroom's email verification.
- e. Your registration will be verified and approved within one (1) business day and an email notification will be sent to you.

ADMINISTRATIVE NOTES

FOR THE TENTH ANNUAL GENERAL MEETING OF GDB HOLDINGS BERHAD ("GDB" OR "COMPANY") ("10TH AGM" OR "MEETING") (CONT'D)

Step 2 – E-Proxy Lodgement

- a. Access the website at <https://investor.boardroomlimited.com>
- b. Login with your user ID and password which you have created in Step 1(b) above.
- c. Select **"GDB HOLDINGS BERHAD (10th) ANNUAL GENERAL MEETING"** from the list of Corporate Meetings and click **"Enter"**.
- d. Read the Terms & Conditions and confirm the Declaration.
- e. Enter your CDS Account number and the total number of securities held.
- f. Select your proxy – either the Chairman of the Meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies).
- g. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your votes.
- h. Review and confirm your proxy(ies) appointment.
- i. Click submit.
- j. Download or print the eProxy Form acknowledgement.

4. If you wish to participate in the Meeting yourself, please do not submit any Proxy Form for the Meeting. You will not be allowed to participate in the 10th AGM together with the proxy(ies) appointed by you.
5. If you have submitted your Proxy Form prior to the Meeting and subsequently decide to personally participate in the Meeting, please write to BSR.Helpdesk@boardroomlimited.com to revoke the earlier appointment of your proxy(ies) at least forty-eight (48) hours before the commencement of the Meeting. Upon revocation, your proxy(ies) will not be allowed to participate in the 10th AGM. In such an event, kindly advise your proxy(ies) accordingly.

PROCEDURES OF THE MEETING

In the interest of public health including the well-being of our members, members must cooperate with the following precautionary measures put in place by the Company should members or proxies wish to attend the Meeting in person. Your safety and health are the Company's top priority.

- (a) A member is required to register ahead of the Meeting to allow the Company to make the necessary arrangements in relation to the Meeting, i.e. infrastructure, logistics and meeting venue(s) to accommodate the meeting participants by providing the below details by email to enquiry@gdbhb.com.my:
 - i) Full name;
 - ii) Identity Card or Passport Number;
 - iii) Contact number (optional – for better co-ordination); and
 - iv) CDS account number.

The date of Record of Depositors for the 10th AGM is 31 May 2023. As such, only members whose name appears in the Record of Depositors of the Company as at 31 May 2023 shall be entitled to attend the 10th AGM and to present, participate, speak and vote thereat.

ADMINISTRATIVE NOTES

FOR THE TENTH ANNUAL GENERAL MEETING OF GDB HOLDINGS BERHAD ("GDB" OR "COMPANY") ("10TH AGM" OR "MEETING") (CONT'D)

- (b) Members are encouraged to appoint the Chairman of the Meeting to act as a proxy to attend and vote at the Meeting on their behalf by submitting the proxy form with predetermined voting instructions.
- (c) Members or proxies must sanitise their hands and to wear a face mask throughout the Meeting if they are attending the Meeting in person. Please note that no face mask will be provided at the Meeting venue.
- (d) Members or proxies are advised to observe/maintain social distancing of at least 1 meter from each other throughout the Meeting.
- (e) Members or proxies are advised to arrive early at the Meeting venue given the above-mentioned precautionary measures which may cause a delay in the registration process.
- (f) **NO door gift** will be provided to the members/proxies.
- (g) The Company will closely monitor the situation and reserve the right to take further measures or short-notice arrangements as and when appropriate in order to minimise any risk to the Meeting.
- (h) **Recording/Photography**

By participating in this 10th AGM, you agree that no part of the 10th AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronic, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the right to take appropriate legal actions against anyone who violates this rule.

In view of the constantly evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of the Meeting at short notice. Kindly check Bursa Malaysia Securities Berhad's and Company's website at <https://www.gdbhb.com.my/> for the latest updates on the status of the Meeting.

ENQUIRY

If you have any questions regarding the Meeting, please contact the following persons during office hours on Monday to Friday from 9.00 a.m. to 5.30 p.m. (except public holidays) prior to the Meeting: -

For Registration matters:	For Proxy Form matters:
Name : Julie Tan Telephone No. : 603-5103 8162 (Ext. 137) Email : Julie.tan@gdbsb.com	Name : Muhammad Taufiq or Mohamed Sophiee Telephone No. : 603-7890 4705 or 603-7890 4716 Helpdesk No. : 603-7890 4700 Fax : 603-7890 4670 Email : muhammad.taufiq@boardroomlimited.com mohamed.sophiee@boardroomlimited.com BSR.Helpdesk@boardroomlimited.com

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GDB HOLDINGS BERHAD
REGISTRATION NO.: 201301006623 (1036466-U)
(Incorporated in Malaysia)

PROXY FORM

I/We* _____ NRIC/Registration No.* _____
(full name in capital letters)

of _____

(full address/ email address/ contact no)

being (a) member(s) of GDB HOLDINGS BERHAD [201301006623 (1036466-U)] ("the Company") hereby appoint _____

_____ NRIC No. _____
(full name in capital letters)

of _____

(full address/ email address/ contact no)

Contact No.: _____ Email address: _____

or failing him/her*, _____ NRIC No. _____
(full name in capital letters)

of _____

(full address/ email address/ contact no)

Contact No.: _____ Email address: _____

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Tenth Annual General Meeting ("10th AGM" or "Meeting") of the Company to be held Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 8 June 2023 at 10:30 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and benefits of up to RM290,000 for the financial year ending 31 December 2023.		
2.	To re-elect Mr. Cheah Ham Cheia as Director who retires by rotation in accordance with Clause 85 of the Company's Constitution.		
3.	To re-elect Datuk Sr. Chia Lui Meng as Director who retires by rotation in accordance with Clause 85 of the Company's Constitution.		
4.	To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
5.	To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
No.	Special Resolution	For	Against
6.	To approve the proposed amendments to the Constitution of the Company.		

*delete whichever is not applicable

Dated this _____ day of _____ 2023.

Signature of Member(s) / Common Seal

CDS Account No.	No. of Shares Held

Percentage of shareholdings to be represented by the proxies:		
	No. of shares	%
Proxy 1		
Proxy 2		
TOTAL		100

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Notes:

- a) A member who is entitled to present, participate, speak and to vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b) A proxy may, but need not, be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.
- c) The instrument appointing a proxy or attorney shall be in writing signed by the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
- d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 31 May 2023. Only members whose names appear in the General Meeting Record of Depositors as at 31 May 2023 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

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AFFIX
STAMP

The Share Registrar

GDB HOLDINGS BERHAD

c/o Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

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- g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting: -
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Company's Share Registrars, Boardroom Share Registrars Sdn. Bhd. at **11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.**
 - (ii) By Electronic Form
The proxy form can be electronically lodged via the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Notes on the procedures for electronic lodgement of proxy form via the Boardroom Smart Investor Portal be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of the Share Registrar situated at **11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia** not less than forty-eight (48) hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote.
- h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- i) Kindly check Bursa Malaysia Securities Berhad's website and the Company's website at <https://www.gdbhb.com.my/> for the latest updates on the status of the Meeting.

GDB HOLDINGS BERHAD

REGISTRATION NO.: 201301006623 (1036466-U)

A-02-01, F-02-01 & F-02-02, Sekitar 26 Enterprise
Persiaran Hulu Selangor, Seksyen 26
40400 Shah Alam, Selangor Darul Ehsan
Tel : +603 5103 8162 Email : enquiry@gdbhb.com.my

www.gdbhb.com.my