



## **GDB HOLDINGS BERHAD**

201301006623 (1036466-U)

(Incorporated in Malaysia)

**SUMMARY OF KEY MATTERS DISCUSSED AT THE TENTH ANNUAL GENERAL MEETING (“10<sup>TH</sup> AGM”) OF GDB HOLDINGS BERHAD (“GDB” OR “THE COMPANY”) 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.**

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**Q1. Would the Company remain focused on tendering similar construction projects such as hospital development projects?**

This year is a challenging year for the Company following the determination of the 8 Conlay Project. As of 31 March 2023, the order book of the Group stood at approximately RM328 million, which provides earnings visibility until financial year ending 31 December 2024. Simultaneously, the Group has been tendering for projects actively amidst the prevailing uptrend in the building construction sector in order to capitalise on the increase in demand and potential opportunities in the market.

As of the date of the Meeting, the Group has submitted tenders worth approximately RM2.0 billion. Among the tenders submitted, two (2) were hospital development projects. Unfortunately, the Company has lost the bid for one (1) of the hospital development projects due to the competitive market. For the remaining tenders, the Management is still waiting for the results.

Further, the Management is currently working on some tender submissions worth approximately RM2.0 billion which are targeted to be submitted in the next three (3) months.

**Q2. What is the Company’s success rate in the ongoing material litigations against Damai City Sdn. Bhd. (“DCSB”) and KSK Land Sdn. Bhd. (“KSK Land”), as well as potential impact on a worst-case scenario.**

In view that the litigations with DCSB and KSK Land are still ongoing, the Management is not able to provide further details at this juncture. The Management assured that they are working closely with the solicitors to handle the litigations diligently.

The Company is not able to assess the potential impact as it is too early or immature to consider any impairment at this point of time.

**Q3. Would the Company provide door gifts to Shareholders as a token of appreciation for their attendance at the Meeting?**

We appreciate your support and thank you for your participation in this Meeting. However, the Company does not engage in the practice of providing door gifts to shareholders.

**Q4. Why there is an increase in the Directors’ fees for the financial year ending 31 December 2023 compared to financial year ended 2022?**

In respect of the Directors’ fees for the financial year ending 31 December 2023, it is the proposed fees presented for approval by the shareholders based on the current board size, composition and contribution. The actual amount of fees disbursed to the Directors will be disclosed in the Company’s annual report for the financial year 2023.



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**Q5. Please explain the drop in profitability of year 2022 as compared to year 2021.**

Margins were impacted due to prolongation of contract execution resulted from the disruptions during the COVID-19 lockdowns and movement restrictions and had incurred COVID-19 related expenses being not claimable under the contract. Margins were further impacted by the increase in material prices and increase in labour costs due to industrywide shortages.

**Q6. What is the type of projects that the Company will be tendering? What are the lessons that the Management learned from the 8 Conlay Project? What are the action plans to be taken by the Management to maintain its cash flow moving forward?**

The Company had previously reserved resources for the full resumption for the construction works of the 8 Conlay Project which regrettably ended up with determination of the contract on 19 April 2023. The Company is currently aggressively tendering for jobs and to-date RM2.0 billion worth of jobs have been submitted for a diverse range of projects which includes mixed development, hospital, and residential and an additional RM2.0 billion worth of jobs are to be submitted in the next three (3) months.

So far two (2) hospital jobs have been tendered for and one was unsuccessful while the other one is still pending outcome.

The 8 Conlay Project has provided valuable insights to the Management. One of the key takeaways is the importance of reviewing the size and scope of the projects to ensure that the Company has sufficient resources and capabilities to undertake the projects. Further, it is also important to engage with employers who have good reputations in making payments on a timely basis to ensure healthy project cash flow.

As of 31 March 2023, the Group's cash and cash equivalents have slightly improved as compared to the net cash position as at 31 December 2022. The Management has effectively managed its cash flow, and the Group has not incurred any borrowings or debt securities since year 2017.

The Company is managing its cash flow to meet operational requirements.

**Q7. If the Company were to lose the ongoing litigation case, are there any anticipated cash flow difficulties? What level of confidence does the Company have in securing future tendering projects?**

Based on our lawyer's advice we stand a good chance as we are in a strong position for the legal suit. We nonetheless, cannot stop DCSB from taking action against the Group

The Company had made several announcements on the ways put forward and actions taken for recovering the debts and no further details can be provided as the legal suits are on-going.



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The Management has taken proactive measures to manage its cash flow and to mitigate associated risks.

With the Group's track record and capabilities, the Management is optimistic in securing tendering projects. We are committed to actively pursuing opportunities in the market and leveraging our expertise to achieve successful outcomes.

The Management is dedicated to identifying and bidding for projects that are aligned with the Company's strengths and expertise. We continuously strive to present competitive proposals, while fostering positive relationships with clients and shareholders. By doing so, we aim to enhance our prospects of securing future projects and maintaining a favourable position in the market.

**Q8. What is the status of the ongoing litigation case with Syarikat Ong Yoke Lin Sdn. Bhd. ("SOYLSB") and the outstanding amount payable to trade payables, including Nominated Sub-Contractors and/or Sub-Contractors, arising from the 8 Conlay Project?**

Due to the ongoing nature of the legal proceedings with SOYLSB, the Management is unable to furnish specific details at this juncture.

In respect of the outstanding amount payable to trade payables arising from the 8 Conlay Project, the Management have been making payments to the NSCs and sub-contractors, except for the disputed payments to SOYLSB. For amount yet to be certified to SOYLSB, these amounts are subject to certification by the Architect as it forms part of the final account between GDBSB and DCSB for the 8 Conlay Project.

Apart from the inquiries posed by the Shareholders, a shareholder, who is also a supplier of the Company, expressed commendation to the Management. He acknowledged that despite the difficulties faced after the 8 Conlay Project was terminated, the Company continues to make timely payments to its suppliers.