



**GDB HOLDINGS BERHAD**

REGISTRATION NO.: 201301006623 (1036466-U)



**ANNUAL REPORT**  
**2023**



# 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 QLASSIC, 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.

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 SECRETARIES

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

Lee Siew Fun (MAICSA 7063623)  
(SSM PC NO.: 202008000735)

## 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  
Email : cms\_cospec@yahoo.com

## 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 Islamic Bank 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  
Email : BSR.Helpdesk@boardroomlimited.com

## STOCK EXCHANGE LISTING

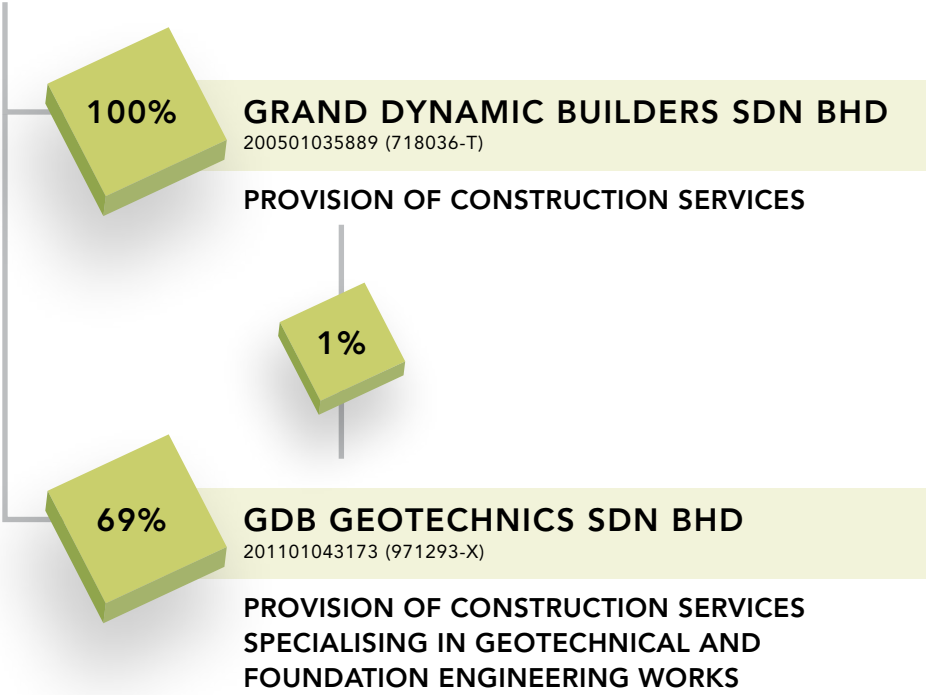
Bursa Malaysia Securities Berhad  
Main Market  
Stock Name : GDB  
Stock Code : 0198

# CORPORATE STRUCTURE



**GDB HOLDINGS BERHAD**  
201301006623 (1036466-U)

## INVESTMENT HOLDING COMPANY

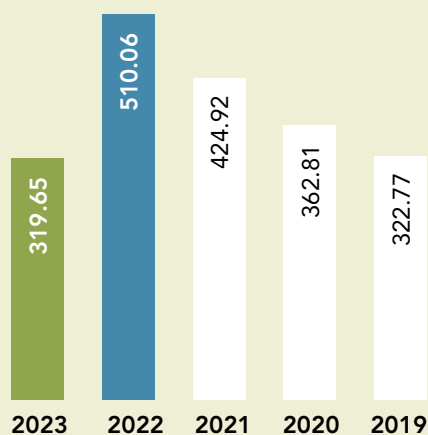


# GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS

	2023	2022	2021	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	319,649	510,055	424,924	362,813	322,767
Profit Before Taxation	10,930	21,796	37,312	33,787	37,723
Profit After Taxation and Non-Controlling Interest	8,033	17,198	28,622	25,689	29,132
Total Assets	346,711	368,652	338,031	264,606	230,725
Total Liabilities	177,458	207,733	186,789	129,243	107,386
Shareholders' Fund	168,421	160,387	149,751	133,941	120,753
Market Capitalisation	173,438	220,313	412,500	584,375	384,375
	Sen	Sen	Sen	Sen	Sen
Basic Earning Per Share	0.86	1.83	3.05	2.74	3.11
Net Assets Per Share	17.97	17.11	15.97	14.29	12.88
	%	%	%	%	%
Dividend Yield	0.00	0.00	3.18	2.14	3.25
Dividend Payout	0.00	0.00	45.86	48.66	42.91

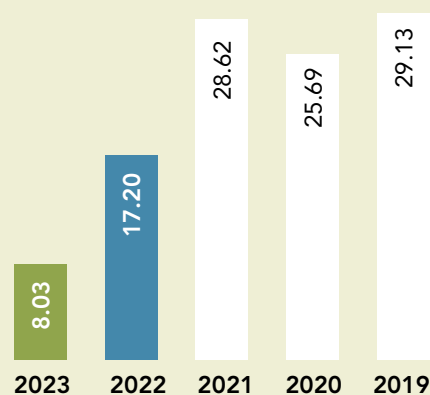
## REVENUE

RM319.65 MILLION (2022: RM510.06 MILLION)



## PATNCI

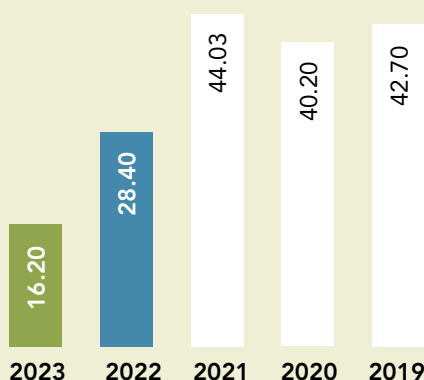
RM8.03 MILLION (2022: RM17.20 MILLION)



# GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS (CONT'D)

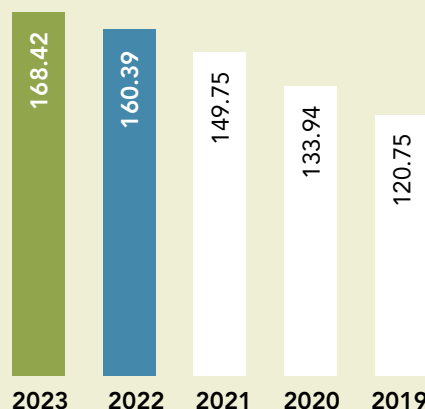
## EBITDA

RM16.20 MILLION (2022: RM28.40 MILLION)



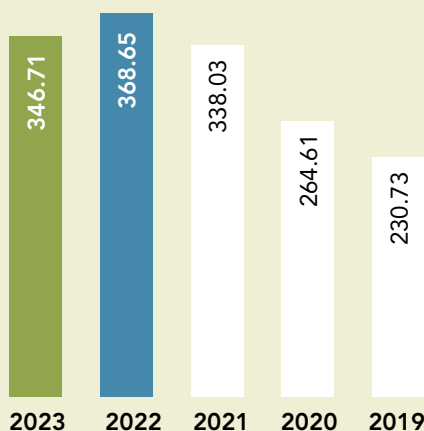
## OWNERS' EQUITY

RM168.42 MILLION (2022: RM160.39 MILLION)



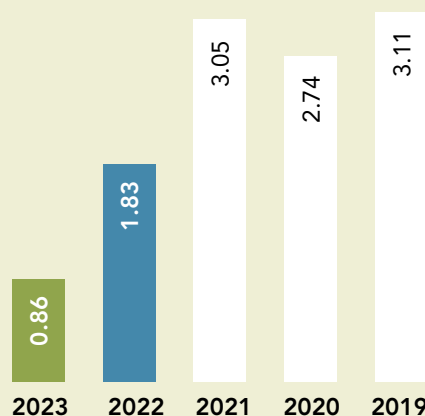
## TOTAL ASSETS

RM346.71 MILLION (2022: RM368.65 MILLION)



## EARNINGS PER SHARE

0.86 SEN (2022: 1.83 SEN)





# PROFILE OF DIRECTORS



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

Independent Non-Executive Chairman

Gender	Age	Nationality
Male	75	Malaysian

**Tan Sri Dato' Ir. Hj. Zaini bin Omar** 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 four (4) out of five (5) Board of Directors' Meetings held during the financial year ended 31 December 2023.

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 within the past five (5) years. There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year, other than for traffic offences (if any).

# PROFILE OF DIRECTORS (CONT'D)



**CHEAH HAM CHEIA**  
Group Managing Director

Gender	Age	Nationality
Male	68	Malaysian

**Mr. Cheah Ham Cheia** 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 40 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.

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

He attended all five (5) Board of Directors' Meetings held during the financial year ended 31 December 2023.

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 any directorship in other public companies and listed issuers. He has no conviction of any offences within the past five (5) years. There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year, other than for traffic offences (if any).

# PROFILE OF DIRECTORS (CONT'D)



**ALEXANDER LO TZONE LEONG**  
Group Executive Director

Gender	Age	Nationality
Male	52	Malaysian

**Mr. Alexander Lo Tzone Leong** 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 30 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 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 four (4) out of five (5) Board of Directors’ Meetings held during the financial year ended 31 December 2023.

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 any directorship in other public companies and listed issuers. He has no conviction of any offences within the past five (5) years. There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year, other than for traffic offences (if any).

# PROFILE OF DIRECTORS (CONT'D)



## CHEAH JUN KAI

Executive Director

Gender	Age	Nationality
Male	37	Malaysian

**Mr. Cheah Jun Kai** is our Executive Director and also holds the position of General Manager overseeing finance, risk management, information technology, sustainability 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 AmInvestment Bank Berhad before joining WorleyParsons Business Service Sdn Bhd and working his way up to Senior Business Analyst where he was responsible for the accounts 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 five (5) Board of Directors' Meetings held during the financial year ended 31 December 2023.

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 any directorship in other public companies and listed issuers. He has no conviction of any offences within the past five (5) years. There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year, other than for traffic offences (if any).

# PROFILE OF DIRECTORS (CONT'D)



**DATUK SR. CHIA LUI MENG**  
Independent Non-Executive Director

Gender	Age	Nationality
Male	69	Malaysian

**Datuk Sr. Chia Lui Meng** 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 46 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 Government Taskforce for Legislation Amendments and REHDA Legal Disputes Sub-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 five (5) Board of Directors' Meetings held during the financial year ended 31 December 2023.

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 within the past five (5) years. There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year, other than for traffic offences (if any).

# PROFILE OF DIRECTORS (CONT'D)



## KOW POH GEK

Independent Non-Executive Director

Gender	Age	Nationality
Female	67	Malaysian

**Mdm. Kow Poh Gek** 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 and EITA Resources Berhad since 1 April 2018 and 30 August 2023 respectively.

She attended all five (5) Board of Directors' Meetings held during the financial year ended 31 December 2023.

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 has no conviction of any offences within the past five (5) years. There were no public sanctions or penalties imposed on her by any regulatory bodies during the financial year, other than for traffic offences (if any).

# KEY MANAGEMENT PROFILE

## TOH FONG ENG

Chief Financial Officer

Gender	Age	Nationality
Female	62	Malaysian

**Mdm. Toh Fong Eng** is our Chief Financial Officer. Her role entails overseeing the comprehensive corporate finance functions of the Group, including management of accounting, taxation and treasury functions, as well as ensuring statutory compliance and reporting for 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 40 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.

## LIM LEE LING

Assistant General Manager for Human Resource and Administration

Gender	Age	Nationality
Female	54	Malaysian

**Mdm. Lim Lee Ling** holds the position of Assistant General Manager for Human Resource and Administration within our organisation. Since joining the Group in May 2013, she has been instrumental in managing our Group's human resource functions and office administrative affairs.

Her education background includes a Diploma in Secretarial & Administration from Systematic Secretarial Centre Sdn Bhd, Kuala Lumpur which she obtained in December 1996. Additionally, she 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.

## YAP WEI TONG

Senior General Manager – Projects/Head of Project

Gender	Age	Nationality
Male	50	Malaysian

**Mr. Yap Wei Tong**, our Senior General Manager – Projects/Head of Project. He supports our Group Executive Director in managing the construction division and has been 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.

# KEY MANAGEMENT PROFILE (CONT'D)

## WONG CHIN TEE

Senior General Manager – Tenders and Contracts

Gender	Age	Nationality
Male	59	Malaysian

**Mr. Wong Chin Tee** is our Senior 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.

## GOH ENG NGAI

Executive Director for GDB Geotechnics Sdn Bhd

Gender	Age	Nationality
Male	63	Malaysian

**Mr. Goh Eng Ngai**, 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.

### Notes:-

1. None of the key senior management have any family relationship with any Directors and/or major shareholders of the Company.
2. None of the key senior management have any conflict of interest with the Company.
3. None of the key senior management have been convicted of any offences within the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 31 December 2023, other than for traffic offences (if any).
4. None of the key senior management personnel have any other directorship in public companies and listed issuers.



# CHAIRMAN'S STATEMENT

Dear shareholders,

In 2023, Malaysia's construction sector maintained its upward trajectory. While concerns about labour shortages have been gradually alleviated, the high prices of building materials still posed a problem during the year.



Despite the challenging environment, GDB Holdings Berhad ("GDB" or "the Group") managed to achieve a net profit of RM8.3 million primarily stemming from gain on disposal of plant and equipment and income from leasing of plant and equipment in the current financial year. Additionally, the Group preserved a healthy balance sheet with a net cash position, securing the sustainability of our business operations.

On behalf of the Board of Directors of GDB, allow me to present the Group's annual report and audited financial statements for the financial year ended 31 December 2023 ("FYE 2023").

## 2023 ECONOMIC REVIEW

GDB was negatively impacted by the challenges in the sector, resulting in limited opportunities to secure new projects in FYE 2023.

At the same time, business sentiment was less than optimistic, and global growth was impeded by ongoing disruptions, such as the Israel-Hamas conflict and tensions between Russia and Ukraine. As a result, the International Monetary Fund ("IMF") projected a slowdown in global Gross Domestic Product ("GDP") growth to 3.1% in 2023, down from the 3.5% growth recorded in the previous year<sup>1</sup>.

# CHAIRMAN'S STATEMENT (CONT'D)

Amidst these global challenges, Malaysia was also indirectly affected, which led to inflationary pressures weighing on domestic goods and services. Consequently, the country experienced a notable deceleration in GDP growth, dropping to 3.7% in 2023 from an 8.7% growth recorded in 2022, as reported by Bank Negara Malaysia<sup>2</sup>.

Despite the broader economic slowdown, Malaysia's construction sector demonstrated resilience, witnessing an 8.4% increase in the value of work done in 2023, soaring to RM132.2 billion from the previous RM121.9 billion. This growth was predominantly driven by expansions in civil engineering, residential and non-residential building, and other sub-sectors from the post-COVID era.

## OPERATION HIGHLIGHTS

We completed construction works for the Park Regent, a high-rise residential development, located in Desa Parkcity, Kuala Lumpur. Despite the impact of COVID-19 from 2020-2022, we still managed to complete the project on 27 October 2023, 4 days ahead of schedule.

## CORPORATE DEVELOPMENT

### Material Litigation

The 8 Conlay determination resulted in the institution of several legal suits initiated by the Group against Damai City Sdn Bhd ("DCSB") for the recovery of the outstanding sum based on certified sums for work performed for the 8 Conlay project as well as late payment interest which DCSB had failed, refused, and/or neglected to pay GDBSB. Legal action was also taken against KSK Land Sdn Bhd ("KSKL") for breach of Corporate Guarantee provided by KSKL in favour of GDBSB.

GDBSB had also issued the Notice of Arbitration to DCSB to claim amongst others, the following reliefs and remedies (not exhaustive):-

- Outstanding certified sums;
- Late payment interest;
- Value of uncertified work executed;
- Costs, losses, damages, etc.; and
- Such further and/or other relief as the Arbitrator deems fit and/or appropriate.

On the other hand, DCSB had in April 2023, served a Notice of Arbitration pursuant to clause 34 of the PAM Contract to commence arbitration proceedings against GDBSB. In that respect, GDBSB had on 11 May 2023 issued a reply to DCSB in response to the said Notice of Arbitration, stating that the Notice of Arbitration by DCSB was issued under the wrong arbitration rules and GDBSB contends that the Purported Notice of Arbitration by DCSB was defective and flawed. As to date, DCSB has not pursued the matter further.

DCSB and KSKL had attempted to counter, defend or delay the legal procedures by filing ex-parte applications for restraining orders and a judicial management moratorium preventing continuation of legal proceedings against DCSB and KSKL. GDBSB has been successful in thwarting 4 attempts made by DCSB, KSKL and creditors of DCSB and KSKL. The most recent attempt, the 5th, was filed on 1 April 2024 by a creditor of DCSB and KSKL and GDBSB endeavours to continue with its legal actions against DCSB and KSKL.

The other litigation matters in relation to 8 Conlay project may be found in the updates of proceedings. The status updates of the proceedings are detailed in the Note 35 to the Financial Statements.

## DIVIDEND

Given the challenging year, the Board of Directors has decided not to declare dividends for the FYE 2023, prioritizing the need to maintain healthy cash flow and ensure sufficient funds for the Group's business operations.

## OUTLOOK IN 2024

GDB anticipates a cautiously positive financial year ending 31 December 2024. As at 8 April 2024, our tender book stood at RM3.8 billion and we will be submitting an additional RM2.4 billion worth of jobs by first half of 2024, providing prospects for the Group to secure new construction projects and bolster our order book.

In January 2024, we successfully secured the KL Wellness City flagship hospital project in Bukit Jalil, valued at RM306.0 million. This substantial win, along with our existing Logistic Hub contract, propelled GDB's order book to RM398 million, securing financial stability and visibility through to 2026.

# CHAIRMAN'S STATEMENT (CONT'D)



Despite challenges stemming from ongoing global geopolitical tensions in Eastern Europe and the Middle East, the IMF's World Economic Outlook offers a glimmer of optimism, forecasting a steady global GDP growth of 3.1% in 2024<sup>3</sup>. This growth is expected to be bolstered by the resilience displayed in both emerging markets and developed economies alike.

On the home front, there is a more optimistic outlook as Bank Negara Malaysia foresees Malaysia's GDP expanding by 4% to 5% in 2024, underpinned by sustained growth in domestic demand and an uptick in external demand<sup>4</sup>.

Similarly, the construction sector in Malaysia is poised for growth, with expectations of a 5% to 6% expansion in 2024 and an estimated project development value of RM180 billion<sup>5</sup>. Expansions in civil engineering, residential and non-residential buildings, and other sub-sectors remain the main catalysts for growth in the post-COVID era.

## APPRECIATION

I want to convey my heartfelt appreciation to the Board of Directors, key senior management, and employees for their invaluable contributions to the Group. The dedication and hard work of these exceptional professionals were not only essential in sustaining our operations in 2023 but also pivotal in establishing a stronger foundation for the Group in the coming year.

Additionally, I extend my deepest gratitude to our business partners, associates, suppliers, customers, and esteemed shareholders for their support of the Group despite the challenges faced throughout the year.

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

1 IMF: World Economic Outlook Update, January 2024

2 Bank Negara Malaysia: Annual Report 2023

3 IMF: World Economic Outlook Update, January 2024

4 Bernama: BNM: Malaysian Economy to Grow by 4-5 pct in 2024 <<https://www.bernama.com/en/business/news.php?id=2280773>>

5 The Sun Daily: KKR expects up to 6% growth for construction industry in 2024 <[https://thesun.my/local\\_news/kkr-expects-up-to-6-growth-for-construction-industry-in-2024-EB11891353](https://thesun.my/local_news/kkr-expects-up-to-6-growth-for-construction-industry-in-2024-EB11891353)>

# MANAGEMENT DISCUSSION & ANALYSIS

Dear valued shareholders,

Despite the challenging year, GDB Holdings Berhad (“GDB” or “the Group”) persevered, made progress in ongoing projects, and remained profitable in the year under review.

I hereby present to you our performance for the financial year ended 31 December 2023 (“FYE 2023”).



## BUSINESS OVERVIEW

GDB specializes in high-rise residential, commercial, and mixed development buildings in Malaysia. Established in 2013, the Group made its debut 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, holding 100% equity in Grand Dynamic Builders Sdn Bhd (“GDBSB”) and a 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 and safety in building premium high-rise construction projects, GDBSB is accredited with multiple certifications, such as the ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and the 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 accredited 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. Similar to GDBSB, GDB Geotechnics also holds a Grade 7 License from CIDB Malaysia.

The use of cutting-edge technology and efficient practices has 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 shortens completion time.

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



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

## OPERATIONS OVERVIEW

- **New Contract Win**

On 31 January 2024, GDBSB has secured a RM306 million project to build a private hospital in Bukit Jalil, Kuala Lumpur from KL International Hospital Sdn. Bhd., a subsidiary of KL Wellness City Sdn. Bhd.

The contract includes execution, performance, design (where applicable), construction, completion, commissioning of machinery and equipment, and maintenance (if applicable). The 25-month contract commenced on 16 March 2024 is targeted for completion on 15 April 2026.

The contract marks a significant milestone as we embark on constructing a state-of-the-art hospital and at the same time elevating our track record.

- **Steady Progress in Ongoing Projects**

The Group's current order book stood at RM398 million, comprising recent contract wins of the KL International flagship hospital in Bukit Jalil, and in addition to its existing design-and-build contract for a logistic hub in the Bandar Bukit Raja 2 Industrial Park in Klang, provides earnings visibility until the financial year ending 31 December 2026.

- **Successful Project Completion**

The Park Regent @ Desa Parkcity project was secured in September 2019. However, progress of this project was slower than its original anticipated completion date due to the global impact of COVID-19 from 2020 to 2022, affecting various industries and supply chains.

Nevertheless, despite these challenges, GDB managed to complete the project on 27 October 2023, 4 days ahead of its contractual completion date. Our ability to deliver projects ahead of schedule enhances its competitive position among peers and establishes a strong track record for future tender opportunities.

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

## Material Litigation

Following the determination of employment in the 8 Conlay project in April 2023, the following legal actions occurred in the attempt to recover the outstanding debts from Damai City Sdn Bhd ("DCSB"):-

- 3 May 2023 action under Construction Industry Payment Adjudication Act ("CIPAA") 2012 for adjudication against DCSB
- 11 May 2023 action under Clause 34 PAM Contract 2006 for arbitration against DCSB
- 12 May 2023 action for breach of Corporate Guarantee by KSK Land Sdn Bhd ("KSKL") on non-payment by DCSB

GDBSB obtained an Adjudication Decision on 10 February 2023 for an earlier adjudication action taken against DCSB on 10 November 2022 and the matter is before the High Court for the decision to be recognised as binding and enforceable against DCSB as if it is a judgment or order of the Court.

DCSB, KSKL and other creditors of DCSB have attempted to defend or delay GDBSB's legal actions by seeking to temporarily suspend all legal proceedings with the filing of actions in the High Court utilising the Companies Act 2016 and the Rules of Court 2012:-

- 1 September 2023 DCSB obtained a High Court Order for an initial 3-month Restraining Order which was subsequently extended to 30 January 2024. This was successfully set aside by GDBSB on 2 January 2024
- 27 September 2023 KSKL obtained a High Court Order for a Restraining Order. However, this was successfully set aside by GDBSB on 21 December 2023
- 7 January 2024 a creditor of DCSB filed an ex-parte application for a judicial management order to place DCSB under the judicial management of a judicial manager. This was dismissed by the High Court on 20 March 2024 at GDBSB's application on the basis of abuse of court process
- 8 February 2024 a creditor of DCSB obtained a High Court Order for a Restraining Order for DCSB, KSKL and KSK Group Berhad (collectively referred as to "KSK Group"). The intervenors' applications to set aside the said Order was heard on 1 April 2024 with the decision issued on 5 April 2024 recording a setting aside of the said Order

All successful setting aside and dismissal of the said attempts to deny progress of GDBSB's legal actions have met with the High Court awarding court costs to GDBSB. With the latest application filed on 1 April 2024 by a creditor of DCSB and KSKL seeking to place a judicial management order on DCSB and KSKL, our solicitors are tasked to challenge the said application.

The other litigation matters in relation to 8 Conlay project may be found in the updates of proceedings. The status update of the legal proceedings are as disclosed in the Note 35 to the Financial Statements.

GDBSB expects to continue its legal actions to recover the outstanding debts from DCSB and KSKL as GDBSB has thus far been successful in thwarting 4 attempts to block and impede GDBSB's legal actions. Our solicitors' legal opinion remains steadfast of a positive outlook towards forging ahead with legal actions to meet this latest challenge as well as to obtain orders and subsequent judgments amidst the latest temporary setbacks.

## FINANCIAL OVERVIEW

Despite prevailing challenges, GDB endeavoured and continued to deliver work for ongoing projects. However, due to limited opportunities to secure new projects for FYE 2023, our revenue decreased by 37.3% to RM319.6 million, from RM510.1 million a year ago.

Similarly, GDB's profit before tax declined 49.8% to RM10.9 million in FYE 2023, from RM21.8 million previously. Consequently, profit after tax and non-controlling interests dropped by 53.3% to RM8.0 million from RM17.2 million previously.

Yet, the Group continued to maintain a healthy balance sheet and a net cash position with no bank borrowings. Cash and cash equivalents stood at RM69.0 million compared to RM29.0 million a year ago, higher by 137.6% attributed to improved collection of receivables, release of pledged fixed deposits upon successful completion of projects and proceeds from sale of plant and equipment.

Total assets lowered by 6.0% to RM346.7 million as compared to RM368.7 million in FY2022, mainly attributable to lower contract assets and trade receivables, and in line with the absence of new projects secured.

Correspondingly, total liabilities decreased 14.3% to RM177.5 million from RM207.7 million previously, mainly due to a decline in trade payables.

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Furthermore, GDB recorded 8.2% growth in retained profits to RM105.9 million as at 31 December 2023, from RM97.8 million a year ago, which contributed to a 5.0% rise in GDB's total equity attributable to owners of the Company to RM168.4 million from RM160.4 million previously.

## DIVIDEND

The Group did not declare dividends for FYE 2023 in order to strengthen our working capital and preserve cash in the light of challenging operating environment going forward.

We aim to further develop our company through proven growth strategies and strive to resume dividend payments once we have clear visibility of our earnings, project wins, resolution of ongoing litigation, and recovery of the outstanding debts for the 8 Conlay project.

After all, 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 amidst the reopening of all economic sectors would translate to better prospect as well as the easing of the labour crunch and stabilising building materials costs.

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

➤ **To selectively tender for new contracts**

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

➤ **To diversify into other building segments, including hospitals, data centres and warehouses.**

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

Inspired by our previous successes in 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. Meanwhile, the Group will strive to expand our project portfolio to also include warehouses and data centres in view of the considerable demand opportunities.

➤ **To expand into the civil and infrastructure construction segment**

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

## RISKS

We are cognisant of the challenging operating environment going forward and would constantly monitor 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 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 this risk, the Group has diversified our tender portfolio to include other crucial segments such as commercial, mixed development, hospital and warehouse projects.

➤ **Greater Competition in the Construction Industry**

The growing complexity of external factors may force industry players to adopt aggressive tender pricing strategies to safeguard their market positions, potentially fostering an unhealthy competitive environment and elevating the risk of incomplete projects.

# MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



While we choose not to engage in these practices, we are optimistic that potential clients will conduct a holistic tender evaluation process that takes into consideration other factors, such as contractors which have created a brand name and historical track record of delivering high-quality works.

## ➤ Higher Construction Materials and Labour Costs

Prices of steel bars and cement have elevated due to impacts from supply chain disruptions resulting from geopolitical tensions, as well as global inflationary pressures.

Meanwhile, the mismatch in foreign labour demand and supply could bring about industry-wide labour shortage and higher labour costs. Additionally, changes in government policy on minimum wages would also influence labour costs.

The Group will persist in monitoring fluctuations in construction material prices and implementing prudent measures as necessary to protect finances and sustain business operations.

## APPRECIATION

I wish to convey my sincere gratitude to our Board of Directors, senior management, and employees for their invaluable contribution to our business resilience during challenging times.

I also extend heartfelt thanks to our business partners, associates, suppliers, customers, and shareholders for their collaboration over the past year. We look forward to your continued support in the future.

Sincerely,

**CHEAH HAM CHEIA**  
Group Managing Director



# SUSTAINABILITY STATEMENT

GDB Holdings Berhad (“GDB”) and its subsidiaries (“the Group”) are strongly committed to integrating robust sustainability measures and solutions that will promote environmental protection and create meaningful and long-lasting value. Our initiatives encompass best business practices to address relevant economic, environmental, social, and governance (“EESG”) issues in a responsible manner whilst also optimising our profits. We view every project as an opportunity to build a better future for our clients, partners, employees and our surrounding communities.

We continually adapt to the ever-changing global sustainability and industry trends to positively impact society and the environment. Thus, we have made significant investments and leveraged our expertise to reinforce our environmental commitments and contribute to a greener future.

Our Sustainability Policy outlines the measures and strategies that we have implemented to fulfil our commitments and keep us informed of any emerging sustainability issues.

## ABOUT THIS STATEMENT

This is our second Sustainability Statement for the transparent disclosure of our sustainability practices. In FYE 2023, we elevated our sustainability journey to become one of our organisation’s overarching goals. In this Statement, we report 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.

### Assurance Statement:

In strengthening the credibility of this statement, it has been independently reviewed by Sterling Business Alignment Consulting Sdn. Bhd., our appointed internal auditors to ensure the key information disclosed is free from any material errors.

### Reporting Frameworks and Standards:

This Statement was crafted to fulfil Bursa Malaysia’s Listing Requirements in accordance with Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition), Global Reporting Initiative (“GRI”) Standards, Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations, Sustainability Accounting Standards Board (“SASB”) Standards and the International Sustainability Standards Boards (“ISSB”) Standards.

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

**Reporting Cycle:** Coinciding with our financial year-end.

**Engage With Us:** Send us your feedback at [enquiry@gdbhb.com.my](mailto:enquiry@gdbhb.com.my)

# SUSTAINABILITY STATEMENT (CONT'D)

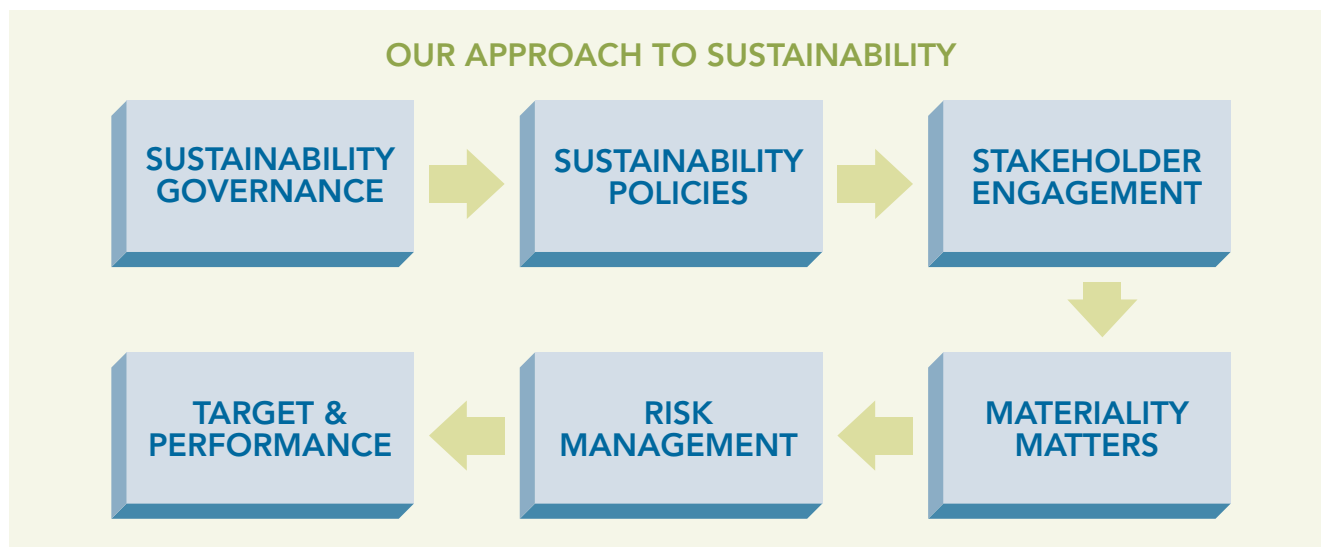
## OUR APPROACH TO SUSTAINABILITY

### GDB SUSTAINABILITY FRAMEWORK

The starting point of our sustainability commitment is the GDB Vision and Mission; it provides us with the building blocks for reflecting corporate culture and direction. Aligned with the mission, we have three focus areas: Sustainable Society, Sustainable Business, and Sustainable Environment. Each focus area creates value for the Group and our stakeholders; the corresponding material matters are supported by our approach to sustainability, which provides effective strategies and clear action plans.



# 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 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.



### Board of Directors

- > Ultimately accountable for overseeing the Group’s sustainability matters, including, but not limited to, sustainability strategy and targets, materiality assessment, and climate-related risks and opportunities.
- > Ensure sustainability matters are considered within the Group, progressively embed a strong sustainability culture, and keep abreast with emerging issues.

# SUSTAINABILITY STATEMENT (CONT'D)

## Sustainability Management Committee

The SMC consists of the key management with the following responsibilities:

- Assist the BOD in fulfilling its oversight responsibilities in relation to the framework, strategies, priorities, targets, policies and practices of sustainability and EESG of the Group;
- Ensure the implementation and integration of principles of sustainability into the Group's strategies, policies and procedures;
- Create a culture of sustainability within the Group and the community with an emphasis on integrating the EESG philosophies into business decisions;
- Review the materiality assessment process and outcome;
- Evaluate overall sustainability risks and opportunities, including a focus on climate-related issues; and
- Responsible for the preparation of the Sustainability Statement including ensuring the accuracy, quality and the extent of reporting and disclosure and also ensuring compliance towards the relevant reporting frameworks and standards prior to approval by the Board.

## Sustainability Working Group

- Coordinates with and provides support to SMC on the management of material matters.
- Consolidates sustainability reports and data from the SWG to the SMC.
- Undertake the materiality assessment process.
- Aligns practices on the ground with the organisation-wide sustainability agenda and strategy.
- Supports the Steering Committee with executing and monitoring sustainability activities and performance against targets.

## SUSTAINABILITY POLICIES

Our policies are our commitment to upholding and protecting the rights of all individuals, economic growth, responsible leadership, safeguarding the environment and caring for the community.

<b>Sustainability Policy</b>	<b>Quality, Environmental, Safety and Health ("QESH") Policy</b>
<b>Anti-Bribery and Corruption Policy</b>	<b>Whistle Blowing Policy</b>

For detailed information about our policies, please visit: <https://www.gdbhb.com.my/investor-relations/corporate-governance/>.

# 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. 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 Response
Shareholders	<ul style="list-style-type: none"> <li>- Profitability &amp; Growth</li> <li>- Transparent and Timely Communications</li> <li>- Ethics and Governance</li> </ul>	<ul style="list-style-type: none"> <li>- Annual General Meeting and Extraordinary General Meeting</li> <li>- Timely Financial Disclosure and Regulatory Filings</li> <li>- Timely Media Releases and Website Updates on Corporate Developments</li> <li>- Good Corporate Governance and Compliance Structure</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- Quality</li> <li>- Timely Delivery</li> <li>- EESG</li> </ul>	<ul style="list-style-type: none"> <li>- ISO 9001 and ISO 45001 Certification and Compliance Audit</li> <li>- Standardisation and Continuous Improvements</li> <li>- Customer / Client Feedback</li> </ul>
Employees / BOD	<ul style="list-style-type: none"> <li>- Benefits and Remuneration</li> <li>- Career Progression</li> <li>- Communication</li> <li>- Safety and Health</li> </ul>	<ul style="list-style-type: none"> <li>- Salary and Benefits Benchmarking and Performance Reviews</li> <li>- Incentive Programme</li> <li>- Training and Succession Planning</li> <li>- Policy Updates and Communications</li> <li>- ISO 45001 Certifications, Compliance Audit</li> <li>- Quality, Environmental, Safety and Health Management System ("QESHMS")</li> </ul>
Contractors / Suppliers / Consultants	<ul style="list-style-type: none"> <li>- Safety and Health</li> <li>- Timely Payment</li> <li>- Ethics and Governance</li> </ul>	<ul style="list-style-type: none"> <li>- ISO 45001 Certifications, Compliance Audit</li> <li>- QESHMS</li> <li>- Fair and Transparent Payment and Procurement Processes</li> </ul>
Authorities / Regulators / Certification Bodies	<ul style="list-style-type: none"> <li>- Regulatory and Statutory Compliance</li> </ul>	<ul style="list-style-type: none"> <li>- Renewal of Permits and Licenses</li> <li>- Enhancement of Policy and Procedures for Regulatory and Statutory Compliance</li> <li>- Zero Non-compliance Targets</li> <li>- Internal Audit Reports</li> </ul>
Analysts / Media / Investors Relations	<ul style="list-style-type: none"> <li>- Quality Information and Feedback</li> <li>- Transparent and Timely Communications</li> </ul>	<ul style="list-style-type: none"> <li>- Press &amp; Investor Conferences and Media Appearances</li> <li>- Timely Media Releases and Website Updates on Corporate Developments</li> <li>- Provision of Sufficient and Accurate Information</li> <li>- Responding to Surveys</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

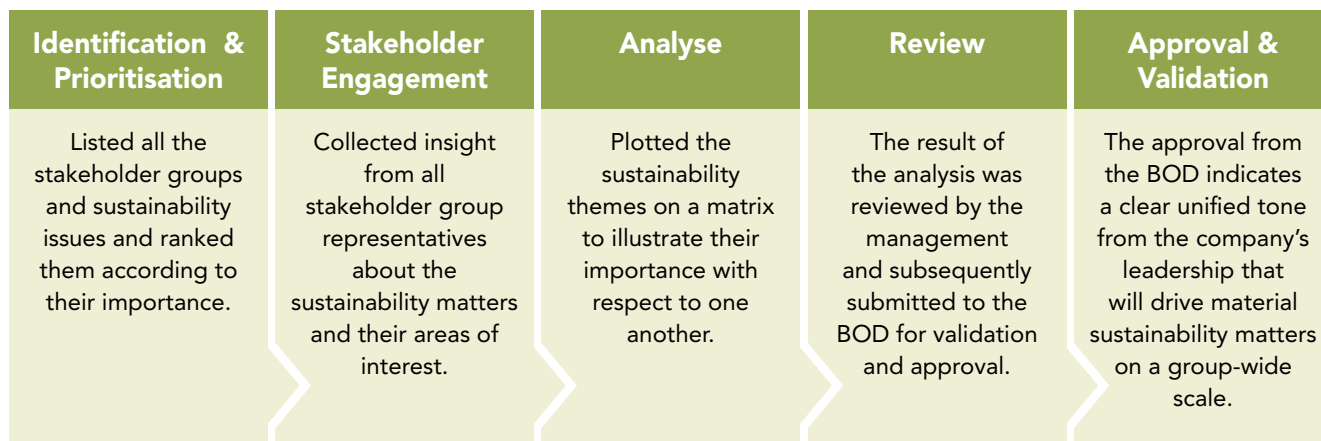
Stakeholders	Concerns	Communication Channels and Response
Financial Institutions	<ul style="list-style-type: none"> <li>- Economic Performance and Profitability</li> <li>- Business Strategies</li> <li>- Ethics and Governance</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings and Conferences</li> <li>- Annual Reviews</li> <li>- Good Corporate Governance and Compliance Structure</li> </ul>
Community	<ul style="list-style-type: none"> <li>- Environmental Impact of Construction Activities</li> <li>- Safety and Health</li> <li>- Human Rights</li> <li>- Contributions to the Local Community</li> </ul>	<ul style="list-style-type: none"> <li>- Environmental Protection Measures</li> <li>- ISO 14001 and ISO 45001 Certifications, Compliance Audit</li> <li>- Local Sourcing and Hiring</li> <li>- Corporate Social Responsibility Activities</li> </ul>

## MATERIAL MATTERS

In FYE 2022, referencing Bursa Malaysia’s Sustainability Reporting Materiality and stakeholder toolkit and guidelines, we performed our first full materiality assessment with our internal and external stakeholder groups. We determined the significant impacts on our business and operations and identified the areas where we create or diminish sustainability values. Consequently, we were able to map out the sustainability matters that can enhance our business resilience and performance. Our SMC and the BOD reviewed the outcome of the process.

### Materiality Review

We conducted a materiality review in FYE 2023 to determine whether our sustainability strategies require adjustments based on external and internal changes. Such an assessment identifies the EESG sustainability themes considered most important by the Group and our stakeholders. The results confirmed that our previously identified material issues are consistent with our current activities. Our business scope remains the same, so our material issues have also remained unchanged.

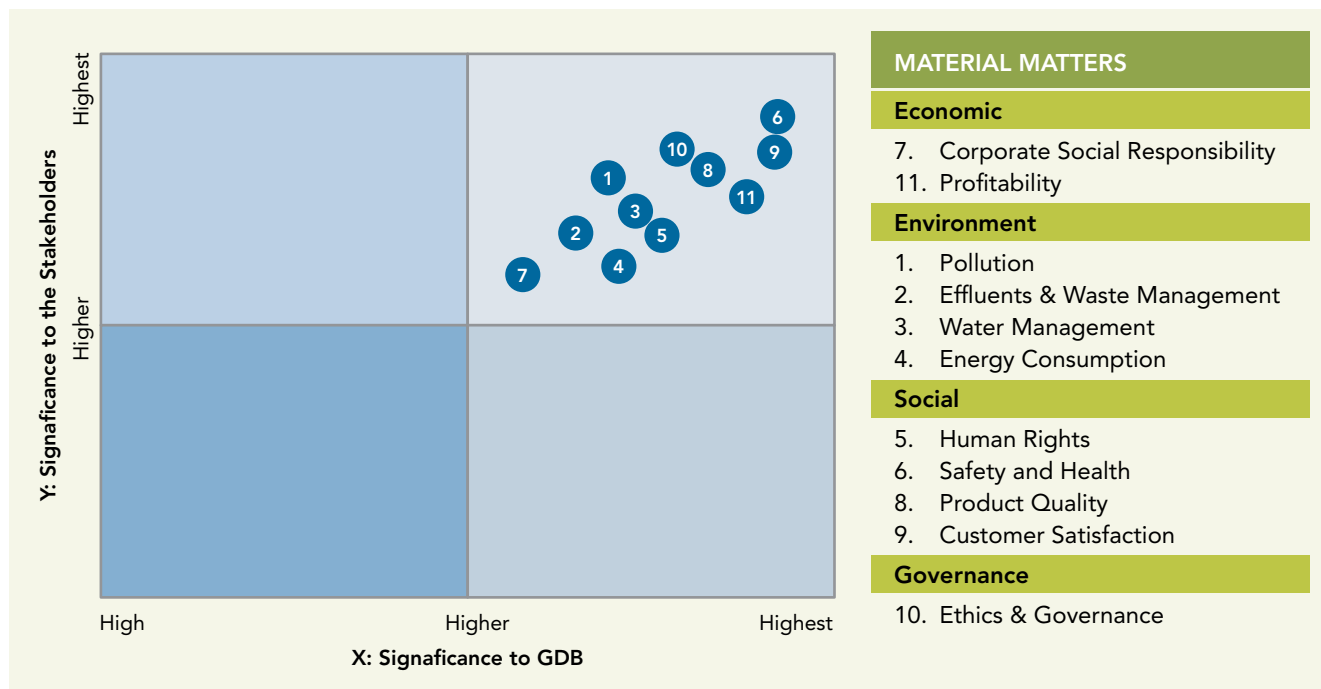


# SUSTAINABILITY STATEMENT (CONT'D)

## Materiality Matrix

The materiality matrix below maps the EESG issues based on their perceived significance by the Group and our stakeholder groups. The themes deemed most important by both are plotted on the upper right-hand quadrant.

The top material issues are Safety and Health, Customer Satisfaction, Profitability, Product Quality, and Ethics & Governance. Safety and Health is closely linked to the core nature of our business because we want to ensure the safety and well-being of our employees, contractors, and subcontractors. Meanwhile, Customer Satisfaction, Profitability and Product Quality imposes a direct correlation to the economic impacts on our stakeholders. Ethics & Governance pertain to the ways by which we demonstrate fair and equal treatment to our stakeholders. The material issues relating to the environment are situated closely together in the middle of the matrix. Our business segment belongs to the construction sector where we are not in control of all environmental impacts of the whole project. We strive to reduce the environmental impacts of our supply chain and operations that we are able to control.



# SUSTAINABILITY STATEMENT (CONT'D)

## 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. The Risk Management Committee (“RMC”) provides oversight, direction and guidance on the Group’s risk management structure, process and support system. The RMC reviews and assesses the adequacy of risk management policies and framework for identifying, measuring and controlling EESG risks over the relevant business and operations.

In addition, we have implemented a comprehensive Quality, Environmental, Safety and Health Management System (“QESHMS”) to promote quality, environmental protection and workplace safety and health.

Material Matters	Sustainability Risks	Opportunities
<b>ECONOMIC RISKS</b>		
Profitability	Poor financial performance can threaten business continuity and trigger loss of investment opportunities.	Strengthening the Group’s brand name, financial position, and business development strategy attracts investors, thereby generating better returns for shareholders.
Supply Chain	Performance of subcontractors / suppliers.	Yearly performance evaluations of subcontractors and suppliers strengthen our contractors’ capabilities.
Employee Retention	High employee turnover and key person succession and dependency.	Offering fair and attractive compensation, talent development and benefits to encourage employee retention.
<b>ENVIRONMENTAL RISKS</b>		
Pollution	Non-compliance with environmental regulations results in site closure for investigations and potentially leads to project disruption/delays.	Reducing pollution, effluents, waste, water, and energy consumption may reduce operational costs and improve the Group’s reputation, attracting more clients and investors.
Effluents & Waste Management	Poor water, energy, effluents and waste management may lead to higher operational costs.	Adopting stringent environmental monitoring and controls produces savings from paying environmental penalties and facilitates on-time project delivery.
Water Management		
Energy Management		



# SUSTAINABILITY STATEMENT (CONT'D)

Material Matters	Sustainability Risks	Opportunities
<b>SOCIAL RISKS</b>		
Safety and Health	In the event of site injury/death, the Group will be liable for the workers' compensation claims, and the site will be subject to closure for investigations, which will lead to disruption/delays.	Adopting strict Environmental, Safety and Healthy ("ESH") monitoring controls will improve the Safety and Health Assessment System in Construction ("SHASSIC") rating, which in turn will attract more clients and improve employee well-being.
Human Rights	Non-Compliance with Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019.  Validity of the work permits of foreign workers at the construction site.	We have set up an audit and monitoring system to ensure the human rights of the foreign workers working under the Group directly or indirectly are protected, which will reinforce the Group's reputation as a responsible employer.
Customer Satisfaction	Losing customer confidence and company reputation.  Loss of business opportunities resulting in loss of revenue.	The average Customer / Client feedback score is 87.0%, higher than our Group's QESHMS target of 85%. Achieving good customer satisfaction will warrant customer retention.
Product Quality	Projects to be delivered do not meet contract requirements, including required quality and specified compliance.	Project delivery and project quality is one of our top priorities and our projects will go through independent quality assessments BuildQas or Qlassic to corroborate our resolve. To demonstrate the utmost importance of the safety and health at our project sites, SHASSIC assessment and certifications are carried out on them.  To date, the Group has completed thirteen (13) projects, and all thirteen (13) projects were completed ahead of the contractual completion date.
<b>GOVERNANCE RISKS</b>		
Ethics & Governance	Suspension or delisting of trading of the listed securities.  Penalty or imprisonment of directors for offences under Section 17A.  Non-compliance with Malaysian Code on Corporate Governance ("MCCG") 2021 and Bursa Malaysia's Sustainability Reporting Guide.	Establishing effective corporate governance practices will enhance our reputation as a trustworthy company amongst stakeholders.  Keeping abreast of compliance updates and continuous employee training on compliance and regulations will improve the integrity and reputation of our organisation, and furthermore elevate the transparency and quality of our reporting.

# SUSTAINABILITY STATEMENT (CONT'D)

## PERFORMANCE SCORECARD

In the year under review, we have set annual targets. In the subsequent year, we will set mid-term and long-term sustainability targets aligned with our material matters and the changing needs of our stakeholders.

Focus Area	Material Matters	Annual Targets	FYE 2023 Performance
Economic	Supply Chain Management	Achieve proportion of spending on local suppliers > 95%	99.90%
Environmental	Waste Management	Achieve Waste Recycled vs Generated > 25%	26.95%
Social	Safety and Health	Maintain zero fatal accidents at work site	0%
	Safety and Health	Achieve Lost Time Injury Rate < 0.55	0%
	Customer Satisfaction	Achieve Customer Satisfaction Score of > 85%	87%
Governance	Ethics & Governance	Achieve 100% Anti-Bribery & Corruption training attendance for employees.	100%

## MANAGEMENT APPROACH FOR MATERIAL MATTERS

### ECONOMIC SUSTAINABILITY

As a major industry in Malaysia, the construction sector significantly contributes to economic growth, development, 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. Doing so creates a shared value that significantly contributes to the national and local economy. The Hong Kong and SIRIM 5S certifications and awards for our projects have also garnered international repute for the Group's projects in the country.



**SDG 9** : Aim to build resilient infrastructure, promote sustainable industrialisation, and foster innovation

**SDG 11** : Aim to make cities inclusive, safe, resilient, and sustainable

### PROFITABILITY AND DIRECT ECONOMIC IMPACTS

Our direct economic impacts include employee salaries, group revenues and profits, dividends gained by shareholders, and taxes paid. The indirect economic impacts pertain to our capabilities, employee upskilling and expansion of our supply chain.

# SUSTAINABILITY STATEMENT (CONT'D)

## CORPORATE SOCIAL RESPONSIBILITY AND ECONOMIC IMPACTS

The construction industry benefits surrounding communities 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 on other local businesses.

### ECONOMIC PERFORMANCE INDICATORS

Proportion of spending on local suppliers (C7a)			Community and Society (C2a & C2b)	
FYE	Total amount spent on local suppliers (RM)	Proportion of spending on local suppliers	Total amount invested in the community where the target beneficiaries are external to the listed issuer (RM)	Total number of beneficiaries of the investment in communities
2023	272,126,681.49	99.90%	6,576.00	1
2022	478,342,324.51	99.91%	35,567.00	4
2021	324,056,111.78	99.91%	32,428.00	3

FYE 2022	FYE 2023
Revenue: RM510.06 million	Revenue: RM319.65 million
Profit After Tax ("PAT") attributable to owners of the Company: RM17.20 million	PAT attributable to owners of the Company: RM8.03 million
Corporate Tax: RM 5.56 million	Corporate Tax: RM2.60 million
Ongoing Projects <sup>1</sup> : Two (2)	Ongoing Projects <sup>2</sup> : Two (2)
Outstanding order book <sup>1</sup> : RM389 million	Outstanding order book <sup>2</sup> : RM398 million
Investments in Equipment and Machineries: RM1.10 million	Investments in Equipment and Machineries: RM1.79 million
Number of Employees: 271	Number of Employees: 197

#### Notes:

<sup>1</sup> After taking into account the determination of the 8 Conlay Project on 19 April 2023.

<sup>2</sup> Including KL International Hospital Project secured on 31 January 2024.

# SUSTAINABILITY STATEMENT (CONT'D)

## QUALITY, ENVIRONMENTAL, SAFETY AND HEALTH

### MANAGEMENT APPROACH

It is our goal to contribute in preserving the environment and improve our EESG performance to generate shared value. Thus, 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.



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

**SDG 3** : To ensure healthy lives and promote proper well-being.

**SDG 13** : Take urgent action to combat climate change and its impacts.

**SDG 15** : Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and biodiversity loss.

### 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, 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, health and productivity.



#### Environmental, Safety & Health Committee

The Company ESH Committee is headed by the Group Executive Director, who is assisted by the Senior ESH Manager. The committee members include the General Manager, Head of Projects ("HOPs"), Project Manager, ESH Officer, and other Head of Departments ("HODs") such as logistics, store and Quality Assurance/Quality Control ("QA/QC").

The Project ESH Committee is headed by the HOP, who is assisted by the Project ESH Team. The Site ESH Committee consists of subcontractors, site management representatives, site staff and site workers.



# SUSTAINABILITY STATEMENT (CONT'D)

## QESH Management Review Board ("MRB")

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

- 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 and the effectiveness of the QESHMS.

## QESH Risk Management

The Group's QESH risk management system is a cyclic process that consists of 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 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.

## Awareness And Training

All our site workers, both directly and indirectly employed by the Group, are Construction Industry Development Board ("CIDB") Green Card holders. This card certifies that they have attended the Safety Induction Construction Worker Course, have basic knowledge of occupational safety and health at construction sites, and have obtained an insurance protection plan.

# SUSTAINABILITY STATEMENT (CONT'D)

Additionally, all onsite workers must attend an ESH induction course before commencing their work. Our ESH officers and supervisors organise onsite ESH meetings, including daily and weekly toolbox briefings, monthly ESH committee meetings, on-the-job training, emergency drills, HIRARC, SOP briefings, and policy or procedure updates. In addition, special training sessions are conducted by external experts. Participants can gain certifications in some of the off-site training programmes.

Enumerated below are the internal ESH training programmes.

TOOLBOX BRIEFING AGENDA	
<u>Safety and Health Matters</u>	<u>Environmental Matters</u>
<ol style="list-style-type: none"> <li>1. Trade work safe operation procedure / HIRARC requirement.</li> <li>2. Daily housekeeping after work.</li> <li>3. Provide fall protection to prevent fall of person or material.</li> <li>4. Compliances to Covid-19 SOP.</li> <li>5. Accident/Incident reporting procedure.</li> <li>6. Emergency Response plan and Guideline.</li> <li>7. Personal protective equipment compliances.</li> <li>8. Electrical Safety.</li> <li>9. Safety compliance during working at height.</li> <li>10. Security matters - Electrical tool declaration and gate pass procedure.</li> <li>11. Welfare facilities and it's maintenance.</li> </ol>	<ol style="list-style-type: none"> <li>1. Promote 3R.</li> <li>2. Use spill tray to prevent pollution.</li> <li>3. Maintain good housekeeping at working area.</li> <li>4. Dust control from rubbish dumping activity.</li> </ol>

## 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 environmental commitments and goals are enshrined in our ISO 14001:2015 certification, Sustainability Policy and QESHMS practices.

### Climate Change

We aim to contribute in mitigating the effects of climate change in accordance with the ISO 14001:2015 standard. We will strive to reduce our environmental impacts by minimising our reliance on fossil fuels, efficiently using resources, recycling materials and minimising the emissions of toxic substances throughout their life cycle.

### Life Cycle Perspective

Public awareness on waste reduction has grown in recent years. Thus, we have evaluated the environmental burdens imposed by our products, processes and activities. For this purpose, we have formulated a life cycle perspective table to obtain a clear view of the environmental burdens exerted by our business activities and the solutions we have implemented to address them.

# SUSTAINABILITY STATEMENT (CONT'D)

Activity	Environmental Aspect	Solutions
Raw material acquisition	Consumption of resources	Use of products with recyclable content and minimised use of virgin materials
	Air pollutant emissions	Switch to low Volatile Organic Compound (“VOC”) paint, coating, carpet flooring and sealant
Transportation / Delivery	Air pollutant emissions	Local purchasing
Use / Construction	Resource consumption and waste generation	Reduce, reuse & recycle (3Rs)
End of life	Waste disposal	Recycling and reuse of scrap

## Pollution

Construction activities unavoidably generate various contaminants that contribute to pollution, posing risks to both 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. Located on every floor are internal rubbish chutes which can be accessed via a lift shaft to minimise dust dispersion. We also use low-VOC paint and eco-friendly adhesives and ensure that our diesel vehicles and machineries smoke emissions comply with the Environmental Quality (Control of Emissions from Diesel Engines) Regulations 1996.

## 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 3Rs of waste management at all our project sites. This starts with proper waste segregation. A clearly labelled specific storage area is designated for each waste category. Scheduled and hazardous waste are clearly marked to avoid contamination. Assigned workers perform daily housekeeping.

To reduce waste disposal 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 can be cast to the lintel, concrete blocks and barriers and wheel stoppers. Timber and scrap metals are to be collected by waste collectors and to be sent for recycling. Wastage monitoring results for major construction materials are presented during management meetings.

Total Waste Directed and Diverted from Disposal (C10a)					
FYE	Recycled (diverted from disposal)		Non-recycled (directed to disposal)		Total
	tonnes	Percentage	tonnes	Percentage	tonnes
2023	1,325.86	26.95%	3,593.79	73.05%	4,919.65
2022	2,960.18	24.66%	9,043.12	75.34%	12,003.30
2021	1,623.51	17.03%	7,912.27	82.97%	9,535.78

# 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.

Total volume of water (effluent) discharged over the reporting period (S8a)				
FYE	Surface Water Discharge (River, Lake, Stream, Pond) (m <sup>3</sup> )	Subsurface Discharge Public Sewer (m <sup>3</sup> )	Off-Site Water Treatment Discharge (m <sup>3</sup> )	Total (m <sup>3</sup> )
2023	0	82	0	82
2022	0	68	0	68
2021	0	70	0	70

## Eco-Friendly Material Management

For our projects that are Green Building Index (“GBI”) certified, we practise purchasing with an Eco-Friendly Material Management process. Specifically, we conduct material tracking wherein our suppliers must indicate the recycled content and reuse value of their 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.

## WATER MANAGEMENT

We use a water filtration system to treat muddy water prior to its discharge from the site to the external drain. We have contracted an external consultant to conduct periodic water quality surveys in critical locations at all our sites. The tested parameters include Biological Oxygen Demand, Chemical Oxygen Demand, suspended solids and others. The findings are then compared to Malaysia’s National Water Quality Standards.

Water Withdrawal DATA or total volume of water used (C9a)						
FYE	Surface water	Groundwater (wells, boreholes)	Used quarry water collected in the quarry	Municipal potable water (m <sup>3</sup> )	Harvested rainwater	Total (Megalitres)
2023	0	0	0	65,451.20	0	65.45
2022	0	0	0	119,643.76	0	119.64
2021	0	0	0	142,889.76	0	142.89



# SUSTAINABILITY STATEMENT (CONT'D)

## 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 operations to save energy from logistics. We also inculcate energy conservation awareness amongst our staff and site workers, particularly during staff and toolbox meetings.

Total energy consumption (MJ) (C4a)					
Total Non-Renewable Energy				Total Energy Input	Total % of Renewable Energy Input
FYE	Electricity	Fuel	Gas		
2023	3,685,406.20	28,939,892.91	48,142.32	32,673,441.43	0%
2022	9,247,065.91	23,627,814.00	79,184.68	32,954,064.59	0%
2021	9,339,468.88	19,828,560.36	133,964.96	29,301,994.20	0%

## SAFETY AND HEALTH

Safety and Health ("S&H") is one of our top priorities at GDB, as demonstrated by our ISO 45001:2018 certification 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 our staff and subcontractors' representatives throughout the construction period to ensure that all aspects of our S&H measures are adequately incorporated. We believe that prioritising the safety and health of our employees, workers and the workplace translates into a happier and healthier workforce which promotes better work performance and productivity.

### 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. We have furnished our onsite employees with a manual on S&H Roles & Responsibilities that is tailored specifically for construction site activities.

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, accident occurrences including near-misses that occurred at the site, ESH observations and audit findings. An inspection checklist is also regularly filled out 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.

We have adopted additional safe working practices to further protect our employees against risks of injuries, such as falls. We have installed fall prevention systems on floor openings, hard barricade systems for all edge protection up to the topmost working floor, demarcation of safe access, electrical safety and others.

# SUSTAINABILITY STATEMENT (CONT'D)

## Environmental and Social Requirements

Prior to their accreditation to our supply chain, prospective contractors are informed of the mandatory compliance with our Anti-Bribery & Corruption Policy ("ABC Policy"), QESHMS and ISO requirements. They are also made aware of our statutory and regulatory machinery and safety requirements to eliminate hazards and minimise safety and health risks. Suppliers of materials that require storage must provide safety data sheets and coordinate with the site ESH officer regarding our environmental requirements.

## Compliance

Our business practices are assessed and analysed by an Independent Internal Auditor who determines whether they adhere to the Group's policies and procedures as well as the government's legislation and regulations.

Our QESH department is responsible for implementing the Group's QESHMS. The QESH Department conducts quality, environmental, safety and health assessments of all our project sites throughout the construction period. These inspections follow 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. Subcontractors 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 perform QCLASSIC, BuildQAS and SHASSIC assessments of our projects to further improve our workmanship quality and safety based on the construction industry approved standards. There were no work-related fatalities and lost time incidents in the year under review.

Health and Safety Performance Indicators						
FYE	2023		2022		2021	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Number of work-related fatalities (C5a)	0	0	0	0	0	0
Lost Time Incident Rate (LTIR) (C5b)	0	0	0	0	0	0
LTIR <sup>N1</sup> : Number of lost time injuries in the reporting period/Total number of hours worked in the reporting period X 200,000 <sup>N2</sup>						
<sup>N1</sup> LTIR is calculated as a rate where the number of lost time Incidents during the Reporting period are expressed per the total number of hours worked at the end of the reporting period.						
<sup>N2</sup> 200,000 represents a standardised value of the total hours 100 employees work weekly for 40 hours for 50 weeks (100 x 40 x 50 = 200,000).						

# SUSTAINABILITY STATEMENT (CONT'D)

## ETHICS AND GOVERNANCE

We have established a 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 set forth an ABC Policy, which emphasises our zero-tolerance approach to all forms of bribery and corruption at all levels of our organisation. Our ABC Policy is consistent with the provisions of the Malaysian Anti-Corruption Commission Act 2009.



Our Whistle-blowing Policy provides a platform where all our employees and stakeholders can securely and confidentially report incidents of improper conduct and non-compliance with the Group's Code of Ethics and Conduct and Policies.

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

**SDG 16** : Promoting peaceful and inclusive societies, providing access to justice for all and building effective, accountable, and inclusive institutions at all levels.

### Fair Dealing and Integrity

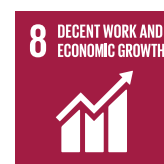
We conduct all business transactions ethically and fairly. We implement an organisation-wide system that prohibits all types of unfair dealings. Our standard purchasing procedures state the basic firm principles we follow when dealing with suppliers. In addition, our suppliers must abide by our Code of Ethics and Conduct and ABC Policy. Suppliers are provided with copies of our policies, which they must read, understand, and acknowledge to abide by them by affixing their signatures. There were zero bribery and corruption incidents in the year under review, and no penalties or non-compliance relating to Ethics and Governance were issued.

Percentage of operations assessed for corruption related risks (C1b)			
FYE	Total number of operational departments	Total number of operational departments assessed for corruption-related risks	% of operational departments assessed for corruption related risks
2023	19	19	100%

## HUMAN RIGHTS

Our Sustainability Policy, upholds the rights of all our employees and stakeholders. We intend to build meaningful long-term relationships that produce mutual and lasting benefits in our local communities through the following commitments:

- Respect the human rights of every individual and condemn any form of discrimination based on race, religion, gender, age, disability, nationality and ethnicity
- Institute a system of merit-based employment, skills development and promotion
- Prohibit all practices of child labour, forced labour, modern slavery, excessive working hours, bullying, sexual harassment and abuse of power



# SUSTAINABILITY STATEMENT (CONT'D)

A full copy of the Sustainability Policy is available on our website: <https://www.gdbhb.com.my/wp-content/uploads/2023/08/Sustainability-Policy-Final-230823.pdf>.

There were zero incidents or complaints concerning human rights violations in the year under review (C6d).

- SDG 5** : Promoting gender equality and empowering all girls and women.
- SDG 8** : Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- SDG 10** : Reduce inequalities within and among countries.

## Employees

We recognise the important role of human capital in realising our success. Our people are integral not only to our growth but also to our sustainability agenda. Thus, we have exerted a concerted effort to attract, retain and develop worthwhile and deserving talents. Moreover, we place high values on our employees' safety and health, and well-being. Our goal at GDB is to build a workplace that promotes a culture of excellence and meritocracy.

We believe that implementing robust sustainability standards enables 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 2023, 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 are respected and protected. We embrace diversity, inclusivity, equality and meritocracy 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.

The table below shows the composition of our workforce. As at 31 December 2023, GDB has a total workforce of 197 employees, of which 67% are male and 33% are female. At the Senior Management level, 83% of the managers are male and 17% are female. A similar ratio can be observed at the other levels. The gender composition is reflective of the generally male-dominant construction industry. The number of contractual employees varies depending on our active projects.

Percentage of employees by gender for each employee category (C3a & C3b)						
FYE	2023		2022		2021	
Gender	Male	Female	Male	Female	Male	Female
BOD	83%	17%	83%	17%	83%	17%
Senior Management	83%	17%	90%	10%	87%	13%
Managerial	68%	32%	76%	24%	80%	20%
Executive	60%	40%	64%	36%	66%	34%
Non-Executive	74%	26%	75%	25%	75%	25%
Average	74%	26%	78%	22%	78%	22%

# SUSTAINABILITY STATEMENT (CONT'D)

Percentage of employees by age group for each employee category (C3a & C3b)					
	BOD	Senior Management	Managerial	Executive	Non-Executive
<b>FYE 2023</b>					
> 50	83%	75%	38%	13%	13%
30-50	17%	25%	62%	70%	46%
30 <	0%	0%	0%	17%	41%
<b>FYE 2022</b>					
> 50	66%	60%	40%	15%	17%
30-50	34%	40%	60%	64%	36%
30 <	0%	0%	0%	21%	47%
<b>FYE 2021</b>					
> 50	66%	62%	39%	13%	11%
30-50	34%	38%	61%	60%	37%
30 <	0%	0%	0%	27%	52%

Percentage of employees that are contractors or temporary staff (C6b)					
FYE 2023		FYE 2022		FYE 2021	
Number of temporary staff	% of temporary staff	Number of temporary staff	% of temporary staff	Number of temporary staff	% of temporary staff
102	52%	154 *	57% *	205	62%

Note: (\*) Restated

Total number of employee turnover by employee category (C6c)			
FYE	2023	2022	2021
Senior Management	0	1	0
Managerial	9	9	7
Executive	25	33	21
Non-Executive	40	61	39

# SUSTAINABILITY STATEMENT (CONT'D)

## Human Capital Development

At GDB, we assist our employees in their path to reach their full potential by exposing them to on-the-job learning and 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 and set annual training plans for their improvement.

Total hours of training by employee category (C6a)			
FYE	2023	2022	2021
	Total Hours of Training	Total Hours of Training	Total Hours of Training
BOD	24	10	3
Top Management	80	26	68
Mid Management	18	140	46
Lower Management	124	395	306
Executive/ Technical/ Others	858	1,277	833

Percentage of employees who have received training on anti-corruption by employee category (C1a)					
FYE 2023		FYE 2022		FYE 2021	
Number	%	Number	%	Number	%
197	100%	0	0%	317	96%

Number of employees trained on health & safety standards (External Training only) (C5c)			
FYE	2023	2022	2021
Total Employees	197	271 *	331
Employees trained	42	60 *	40
% of employees trained	21%	22%	12%

Note: (\*) Restated

# SUSTAINABILITY STATEMENT (CONT'D)

## Labour Rights

Human rights are undeniably essential to sustainable development, so the rights of our employees are ingrained in our sustainability policy. We ensure that foreign workers are hired in accordance with relevant immigration laws and that they are provided accommodations as mandated by the Workers' Minimum Standards of Housing, Accommodations and Amenities (Amendment) Act 2019. Our foreign workers are paid salaries that comply with the required minimum wage and their safety and health is our priority. Furthermore, we strictly adhere to laws prohibiting child labour as prescribed in the Children and Young Persons (Employment) Act 1966.

## Community Rights

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 protect the environment as well as the safety and health of the surrounding communities.

## CUSTOMER SATISFACTION

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

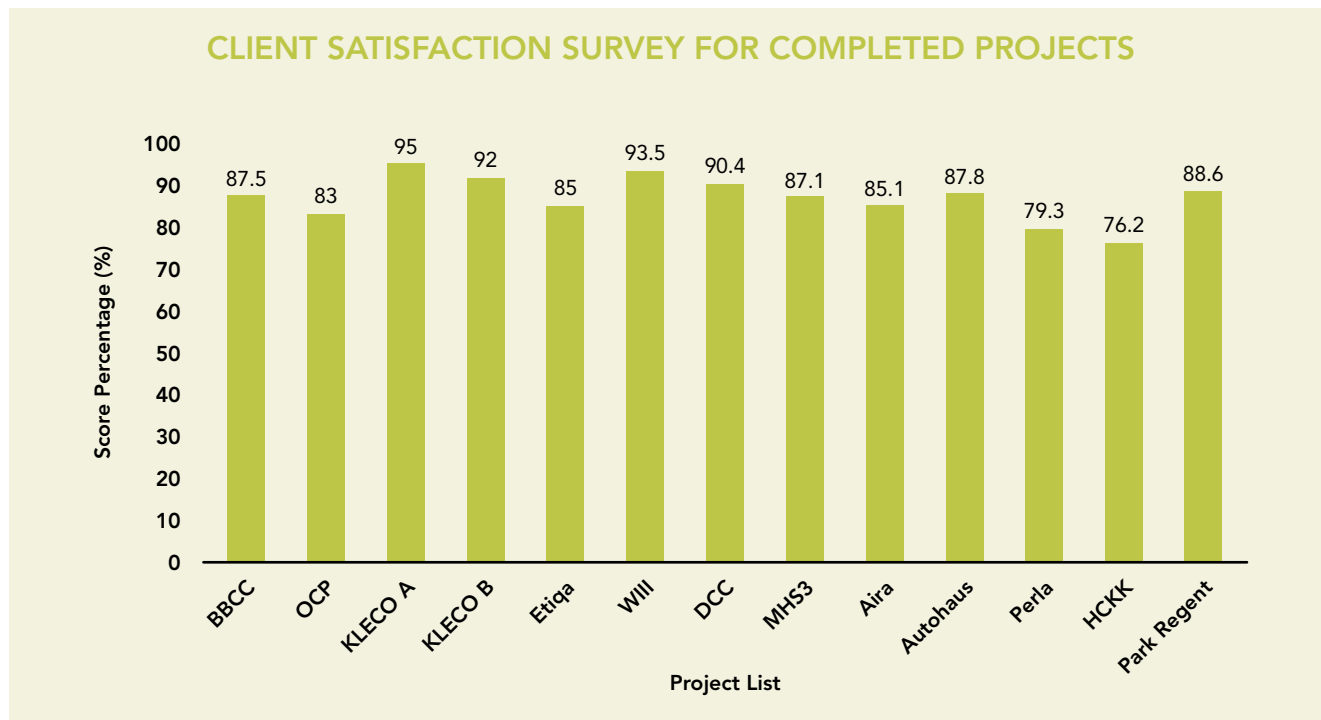
- To employ, cultivate, and support our knowledgeable and motivated teams through continuous development and improvement driven by the synergy of Efficiency, Teamwork, and Commitment of the management and staff.
- To build dedicated and lasting relationships with our valued customers by delivering progressive 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 clients' 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 ourselves and our customers. As such, we strive to always be ready for any kind of regulatory and customer audits by making sure that all of our certifications and permits are always up to date. We also ensure that our management systems comply with newly introduced procedures and standards, if any.

## Satisfaction Survey

Our client satisfaction target is to achieve a minimum of 85% or above in client surveys on each completed project. As shown below, we have achieved an average of 87.0% on all our projects. We look 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 and strive to perform better.

# SUSTAINABILITY STATEMENT (CONT'D)



## Customer Privacy and Security

We abide by the Malaysian Personal Data Protection Act 2010 (“PDPA”) and all other laws protecting the private data of our customers, partners and other stakeholders. We have built a strong foundation of privacy and security control and protect our customers by adopting a rigorous set of security measures. In the year under review, we had no reported incidents of breaches of customer privacy.

## TASK FORCE IN CLIMATE CHANGE FINANCIAL DISCLOSURE (“TCFD”)

The effects of climate change are widespread at a global scale, affecting nearly all economic sectors. The extent of the impacts of climate-related risks can vary by sector, industry, geography, and organisation. The construction sector exerts both direct and indirect impacts in addressing climate change issues on both short and long-term risks. The short term is reducing our own carbon footprint to reduce emissions and help limit climate change; the second is providing infrastructure that is resilient to a changing climate and extreme weather events.



Below is our initial statement, which is structured in the thematic areas that represent the basic elements of tackling climate change: Governance, Strategy, Risk Management, and Metrics and Targets. As per Bursa Malaysia requirements, we will submit a progressive disclosure following a full disclosure to the TCFD in 2027.

**SDG 13** : Take urgent action to combat climate change and its impacts.



# SUSTAINABILITY STATEMENT (CONT'D)

## GOVERNANCE

Our Sustainability Committee is directly involved in evaluating the financial impacts, risks and key areas of improvement opportunities and reporting metrics for compliance with the TCFD.

## STRATEGY

We look forward to disclosing our organisational scenarios with increased physical climate-related risks in our succeeding report. We will conduct a climate scenario analysis to assess our resilience against various climate-related probabilities and mitigate our impacts by using science-based targets.

## METRICS AND TARGETS (FYE 2023 GREENHOUSE GAS ("GHG") EMISSIONS)

Relevant employees underwent GHG emissions training based on the GHG Protocol so that we can disclose our CO2 emissions in the year under review. In counting and monitoring our emissions we can set appropriate targets and look for opportunities to progressively reduce our emissions.

CO<sub>2</sub>e Emissions in 2023 (tonnes)

**Scope 1 : 1,848.37**

**Definition :** Direct GHG emissions from vehicles, machineries and gensets from sources that are controlled or owned by an organization.

**Scope 2 : 821.32**

**Definition :** Indirect GHG emissions associated with the purchase of electricity. Malaysia Grid

**Emission Factor :** 0.78

**Standard :** GHG Protocol

### Climate Change Risks

**Our Transition Risks are listed below:**

**Policy and Legal Risks** refer to the enhanced emission reporting guidelines and the Green Building requirements.

**Technology Risk** is the cost of transitioning to lower-emission technology.

**Market Risk** is the change in behaviour and preference of clients with climate-ready services

### Potential Financial Impacts

The first half of the transitional risks covers the interrelated impacts of the Policy and Legal Risks. Malaysia has a nationally determined contribution target to reduce climate change. To achieve the target, the government must establish new policies and strategies across all government and public sectors.

Companies must adapt and invest in technologies and retrain in response to policy changes. The investments will focus on new technologies, processes, and innovations that will reduce buildings' embodied carbon.

# SUSTAINABILITY STATEMENT (CONT'D)

Climate Change Opportunities	Potential Financial Impacts
<p><b>Our Transition Risks are listed below: (cont'd)</b></p> <p><b>Reputational Risk</b> is the increase in stakeholder concern if the company does nothing to tackle climate change.</p> <p><b>Physical Risks</b> consist of Acute and Chronic Risks.</p> <p>The acute physical climate change risks include extreme weather events such as flooding and drought.</p> <p><b>Chronic Risks</b> are the changes in precipitation, weather patterns and rising temperature.</p>	<p>The energy efficiency levels achieved in construction indicate vulnerability to transition risks to low-carbon materials. Customer preferences will create a market demand for low-carbon solutions and sustainable buildings. A company that is not climate-ready will be at a competitive disadvantage in cornering climate-conscious clients.</p> <p>The second half of the transition risk is the Physical Risk. Project operational cost increases are delayed due to extreme weather, supplies delays, and infrastructure damage, which also have a potential impact.</p>
Climate Change Opportunities	Potential Financial Impacts
<p><b>Resource Efficiency Opportunities</b> for the construction sector continue to grow as activities increasingly focus on "greening" the built environment.</p> <p><b>Energy Sources</b> can come from various renewable energy sources.</p> <p><b>Efficient Solutions</b> can utilise efficient energy solutions eliminating energy waste.</p> <p><b>Access to New Markets</b> can be gained through green building capability.</p>	<p>The construction companies have already seen a shift in the demand for sustainable building practices.</p> <p>Government incentives for renewable energy policies can offset the initial cost of solar power installation and the payment to public utility companies.</p> <p>Having the green building capability will increase client base visibility.</p>

# SUSTAINABILITY STATEMENT (CONT'D)

## SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Employees	Percentage	96.00	0.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	32,428.00	35,567.00	6,576.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3	4	1
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Executive Under 30	Percentage	27.00	21.00	17.00
Executive Between 30-50	Percentage	60.00	64.00	70.00
Executive Above 50	Percentage	13.00	15.00	13.00
BOD Under 30	Percentage	0.00	0.00	0.00
BOD Between 30-50	Percentage	34.00	34.00	17.00
BOD Above 50	Percentage	66.00	66.00	83.00
Non Executive Under 30	Percentage	52.00	47.00	41.00
Non Executive Between 30-50	Percentage	37.00	36.00	46.00
Non Executive Above 50	Percentage	11.00	17.00	13.00
Managerial Under 30	Percentage	0.00	0.00	0.00
Managerial Between 30-50	Percentage	61.00	60.00	62.00
Managerial Above 50	Percentage	39.00	40.00	38.00
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	38.00	40.00	25.00
Senior Management Above 50	Percentage	62.00	60.00	75.00
Gender Group by Employee Category				
Executive Male	Percentage	66.00	64.00	60.00
Executive Female	Percentage	34.00	36.00	40.00
BOD Male	Percentage	83.00	83.00	83.00
BOD Female	Percentage	17.00	17.00	17.00
Non Executive Male	Percentage	75.00	75.00	74.00
Non Executive Female	Percentage	25.00	25.00	26.00
Managerial Male	Percentage	80.00	76.00	68.00
Managerial Female	Percentage	20.00	24.00	32.00
Senior Management Male	Percentage	87.00	90.00	83.00
Senior Management Female	Percentage	13.00	10.00	17.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	83.00	83.00	83.00
Female	Percentage	17.00	17.00	17.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	34.00	34.00	17.00
Above 50	Percentage	66.00	66.00	83.00
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	2,668.42	2,642.02	1,052.97
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	40	60*	42

# SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Mid Management	Hours	46	140	18
Lower Management	Hours	306	395	124
BOD	Hours	3	10	24
Executive/ Technical/ Others	Hours	833	1,277	858
Top Management	Hours	68	26	80
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	62.00	57.00 *	52.00
Bursa C6(c) Total number of employee turnover by employee category				
Executive	Number	21	33	25
Senior Management	Number	0	1	0
Non Executive	Number	39	61	40
Managerial	Number	7	9	9
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.91	99.91	99.90
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	142.889760	119.643760	65.451200

Internal assurance

External assurance

No assurance

(\*)Restated

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Corporate Governance Overview Statement is augmented with a Corporate Governance Report based on a prescribed format as enumerated in Paragraph 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") so as to provide a detailed articulation on the application of GDB Holdings Berhad ("GDB" or "the Company") and its subsidiaries ("Group") corporate governance practices vis-à-vis the Malaysian Code on Corporate Governance ("MCCG").

The Board of Directors ("Board") of GDB is committed to ensuring good corporate governance practices are implemented and maintained throughout the Group as a fundamental part of discharging its duties to enhance shareholders' values consistent with the principles and recommendations for best practices set out in the MCCG and the Listing Requirements of Bursa Securities.

This Corporate Governance Statement ("Statement") should also be read together with the Company's Corporate Governance Report for the financial year ended 31 December 2023 ("FYE 2023") which is available on the Company's website at [www.gdbhb.com.my](http://www.gdbhb.com.my), as well as via an announcement on the website of Bursa Securities at [www.bursamalaysia.com](http://www.bursamalaysia.com).

This Statement gives the shareholders an overview of the corporate governance practices of the Company for the FYE 2023.

This Corporate Governance Overview Statement makes reference to the following three (3) key principles of the MCCG:-

**Principle A - Board leadership and effectiveness**

**Principle B - Effective audit and risk management**

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

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### PART I – BOARD RESPONSIBILITIES

#### 1.1 Board and Board Committees

The Board consistently acknowledges its crucial responsibility in guiding the direction and operations of the Group towards achieving sustainable, long-term success for its businesses and, ultimately, enhancing shareholder value. To fulfill this responsibility, the Board establishes strategic objectives and policies for the Group, ensuring the business's sustainability.

The Board holds accountability for the overall performance and operational matters of the Group, including but not limited to the review and adoption of corporate strategies, the enhancement of corporate values, oversight of the Group's business conduct to assess proper management, and evaluation of the adequacy and effectiveness of the Group's internal control systems and management information systems to ensure compliance with relevant 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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")

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 The 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 leading the Board to ensure its effectiveness and integrity and the entrenchment of good corporate governance practices within the Group.

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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## 1.3 Chairman and GMD

The positions of the Chairman and GMD are held by two (2) different individuals, and each has a clearly accepted division of responsibilities to ensure there is a balance of power and authority to promote accountability.

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.

## 1.4 Qualified and Competent Company Secretaries

The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 and are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia. The new joint Secretary was appointed by the Board on 5 May 2023 for better management of the Company's secretarial and administrative duties. All Directors have access to the advice and services of the Company Secretaries.

The Company Secretaries consistently participate in relevant training programs, conferences, or seminars organised by authorities and professional bodies. This ensures they stay updated on corporate governance developments and regulatory changes pertinent to their role, enabling them to provide valuable advisory services to the Board.

The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.

During the FYE 2023, all Board and Board Committees meetings were properly convened, accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

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

## 1.5 Access to Information and Advice

The Board acknowledges the critical role of high-quality information in the decision-making process. To support this, each Director has access to all information within the Company or the Group through the following avenues:-

- a. Senior Management members participate in Board and/or Board Committee meetings by invitation, providing reports on areas within their responsibilities to facilitate the Board's decision-making process and ensure effective discharge of the Board's duties, as necessary.
- b. Meeting notices and materials are prepared and circulated to the Directors and/or Board Committees Members at least five (5) working days before the scheduled Board Meetings, ensuring ample time for them 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 Secretaries to facilitate the Directors' time planning.
- d. Company Secretaries or the representative of the Company Secretaries 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

- 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.

## 1.6 Board Charter

The Board Charter provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance and it is available at the Company's website at [www.gdbhb.com.my](http://www.gdbhb.com.my).

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.

## 1.7 Code of Ethics and Conduct

The Board has adopted a Code of Ethics and Conduct which is incorporated in the Board Charter of the Company. The Code of Conduct is to be observed by all Directors and employees of the Group and will be reviewed by the Board regularly to ensure that it continues to remain relevant and appropriate.

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 is published on the Company's website at [www.gdbhb.com.my](http://www.gdbhb.com.my).

## 1.8 Whistle Blowing Policy

The Group is committed to the highest standard of integrity, openness and accountability in the conduct of its business and operations. The Group has established the whistleblowing policy setting out the appropriate communication and feedback channels to facilitate whistleblowing. The implementation of the whistleblowing policy is in line with the Companies Act 2016 and Section 17A of the MACC Act ("the Acts"), where provisions have been made to protect the officers who make disclosures on breach or non-observance of any requirement or provision of the Acts or on any serious offence involving fraud and dishonesty.

The Whistle Blowing Policy was last reviewed, revised and approved by the Board on 24 May 2023. The Board commits to reviewing and updating the Whistleblowing Policy at least once every three (3) years to ensure its effectiveness and alignment with governing legislation and regulatory requirements.

The Whistle Blowing Policy is published on the Company's website at [www.gdbhb.com.my](http://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 was last reviewed, revised and approved by the Board on 24 May 2023. 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 at [www.gdbhb.com.my](http://www.gdbhb.com.my).

## 1.10 Directors' Fit and Proper Policy

In line with Paragraph 15.01A of the Listing Requirements of Bursa Securities, the Board had adopted the Directors' Fit and Proper Policy which serves as a guide to the NC 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](http://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 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 emphasises the importance of sustainable business practices in creating long-term value, recognizing that responsible business conduct is fundamental to achieving operational excellence.

Structural oversight of sustainability, including strategies, priorities, and targets, rests with the Board, while Management is entrusted with operational execution concerning Environmental, Social, and Governance (ESG) factors as integral components of the Group's corporate strategy.

As fiduciary to the Company's shareholders, the Board prioritises upholding exemplary corporate governance practices, marked by a dedication to ethics, integrity, and corporate responsibility. Additionally, the Board ensures that both internal and external stakeholders are well-informed about the Company's sustainability strategies, priorities, targets, and overall performance, as detailed in the Sustainability Statement within this Annual Report.

The Board also incorporated the assessment of the Board's understanding of sustainability issues in the annual performance evaluation that are critical to the Company's performance.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PART II – COMPOSITION OF THE BOARD

### 2.1 Board Composition

The Board currently comprises six (6) members and the composition of the current Board is set out in the table below:-

No.	Names	Designation
1.	Tan Sri Dato' Ir. Hj. Zaini Bin Omar	Independent Non-Executive Chairman
2.	Cheah Ham Cheia	Group Managing Director
3.	Alexander Lo Tzone Leong	Group Executive Director
4.	Cheah Jun Kai	Executive Director
5.	Datuk Sr. Chia Lui Meng	Independent Non-Executive Director
6.	Kow Poh Gek	Independent Non-Executive Director

This current Board composition complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which requires that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors.

The Board composition is also in line with Practice 5.2 of the MCCG of having at least half of the Board comprising Independent Non-Executive Directors. This composition is able to provide independent and objective judgement as well as provide an effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensure high standards of conduct and integrity are maintained.

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 in this Annual Report.

### 2.2 Tenure of Independent Non-Executive Directors

The Board acknowledges the recommendation by the MCCG that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. Furthermore, the Board recognises that as per the Listing Requirements of Bursa Securities, the tenure of an Independent Director should not exceed a cumulative term of twelve (12) years.

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

During the FYE 2023, none of the Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## 2.3 New Appointment to the Board

The Board acknowledges the importance of diversity in terms of skills, experience, age, gender, cultural background and ethnicity and recognises the benefits of diversity at the Board and Senior Management levels.

The NC is responsible for leading the process for the nomination of a new candidate for appointment and making the necessary recommendations.

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

## 2.4 Board Diversity and Senior Management Team

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

In the event that a vacancy occur on the Board, the Board, facilitated by the NC, will factor in female representation when identifying suitable candidates. However, the selection of a new Board member will not be based solely on gender but will also consider the candidate's skill sets, experience, and knowledge. The Company's primary focus in new appointments is always to choose the most qualified candidates. Therefore, the usual selection criteria, emphasising a robust combination of competencies, skills, extensive experience, and knowledge to enhance the Board, remains paramount.

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, Mdm. 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

## 2.6 NC

The NC is chaired by Mdm. Kow Poh Gek, an Independent Non-Executive Director of the Company.

The NC 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 TOR dealing with its authority and duties which include the selection and assessment of Directors. The TOR of the NC had incorporated the relevant practices recommended under the MCCG. The TOR of the NC is published on the Company's website at [www.gdbhb.com.my](http://www.gdbhb.com.my).

During the FYE 2023, 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

- c. Reviewed and assessed the independence of the Independent Directors of the Company.
- d. Reviewed and recommended to the Board the contribution and 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 (1/3) 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 (3) 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.

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

The Board has, through the NC, undertaken a formal and objective annual evaluation to assess the effectiveness of the Board and the Board Committees as a whole and the contribution of each Director, including the independence of the Independent Non-Executive Directors, referring to the guides available and the good corporate governance compliance.

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.

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## 2.9 Attendance of Board and Board Committees' Meetings

The Board meets at least once in every quarter on a scheduled basis and additional meetings are to be convened as and when deemed necessary by the Board. All the Directors fulfilled the requirements of the Listing Requirements of Bursa Securities of having attended at least 50% of the Board meetings held by the Company for the FYE 2023.

The attendance records of the Directors at Board and Board Committees' meetings for the FYE 2023 are set out as follows:-

Meeting Attendance	Board	AC	NC	RC	RMC
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	4/5	4/5	0/1	0/1	1/2
Cheah Ham Cheia	5/5	N/A	N/A	N/A	2/2
Alexander Lo Tzone Leong	4/5	N/A	N/A	N/A	2/2
Cheah Jun Kai	5/5	N/A	N/A	N/A	N/A
Datuk Sr. Chia Lui Meng	5/5	5/5	1/1	1/1	2/2
Kow Poh Gek	5/5	5/5	1/1	1/1	2/2

## 2.10 Directors' Training

The Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. The Board will assess the training needs of the Directors and ensure Directors have access to a continuing education programme to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry in which the Group operates.

During the FYE 2023, 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"> <li>• Advocacy Session on Corporate Disclosure</li> <li>• Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest and other amendments.</li> </ul>
Datuk Sr. Chia Lui Meng	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>• Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest and other amendments.</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Name of Directors	Training /seminar attended
Kow Poh Gek	<ul style="list-style-type: none"> <li>• Board Oversight of Climate Risks and Opportunities</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>• Securities Commission Malaysia’s Audit Oversight Board Conversation with Audit Committees</li> <li>• Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest and other amendments.</li> </ul>
Cheah Ham Cheia	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>• Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest and other amendments.</li> </ul>
Alexander Lo Tzone Leong	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>• Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest and other amendments.</li> </ul>
Cheah Jun Kai	<ul style="list-style-type: none"> <li>• Reporting Framework for Greenhouse Gases Emissions</li> <li>• Sustainable and Responsible Investment (SRI 2023) – Revving Up The Race For Sustainability</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>• Securities Commission Malaysia’s Audit Oversight Board Conversation with Audit Committees</li> <li>• Environmental, Social and Governance Implementation</li> <li>• Masters Builders Association Malaysia Conference on Construction Industry Development Board Standard Form of Contract for Building Works 2022 and Mediation for Construction Disputes</li> <li>• Amendments to the Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest and other amendments.</li> </ul>

The Board would continuously, evaluate and assess the training needs of each Director to keep them abreast with the state of the economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board’s skills and knowledge in discharging its responsibilities.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## 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](http://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 2023 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	96	3	-	-	-	-	99
Cheah Ham Cheia	-	-	588	-	-	24	612
Alexander Lo Tzone Leong	-	-	540	-	-	66	606
Cheah Jun Kai	-	-	198	-	-	25	223
Datuk Sr. Chia Lui Meng	84	4	-	-	-	-	88
Kow Poh Gek	90	4	-	-	-	-	94
<b>TOTAL</b>	<b>270</b>	<b>11</b>	<b>1,326</b>	<b>-</b>	<b>-</b>	<b>115</b>	<b>1,722</b>

### 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	96	3	-	-	-	-	99
Cheah Ham Cheia	-	-	588	61	-	110	759
Alexander Lo Tzone Leong	-	-	540	79	11	123	753
Cheah Jun Kai	-	-	198	29	-	70	297
Datuk Sr. Chia Lui Meng	84	4	-	-	-	-	88
Kow Poh Gek	90	4	-	-	-	-	94
<b>TOTAL</b>	<b>270</b>	<b>11</b>	<b>1,326</b>	<b>169</b>	<b>11</b>	<b>303</b>	<b>2,090</b>

Note:-

# Other emoluments include end of service gratuity, car allowance, EPF, SOCSO, EIS, petrol card and etc.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## 3.3 Remuneration of Senior Management

The remuneration paid to the Senior Management of the Group for the FYE 2023 are as follows:-

Remuneration Band	Number of Senior Management
RM100,001 to RM150,000	1
RM200,001 to RM250,000	1
RM300,001 to RM350,000	1
RM350,001 to RM400,000	2

Due to the confidentiality and sensitivity of the remuneration packages of Key Senior Management as well as security concerns, the Board opts not to disclose the Key Senior Management's remuneration components on a named basis in the bands of RM50,000.

The Board is of the view that the disclosure of the remuneration of Key Senior Management on a named basis would be not in the best interest of the Group given the competitive human resources environment that may give rise to recruitment and talent retention issues. The Board is of the opinion that the disclosure of Key Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000 is adequate.

## 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 Mdm. Kow Poh Gek. As the Chairperson of the AC is distinct from the Chairman of the Board, it ensures that the objectivity of the Board's review of the AC's findings and recommendations is not impaired.

The composition of the AC 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 AC members possess the necessary skills and knowledge to discharge their duties in accordance with the TOR of the AC and they are able to understand matters under the purview of the AC including the financial reporting process.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

It is expected that they dedicate ample time to updating their knowledge and enhancing their skills through relevant continuing education programs. This ensures their active engagement and informed participation during deliberations. The AC members have consistently stayed informed about developments in accounting and auditing standards, practices, and regulations

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

## 4.2 External Auditors

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

The Board had also 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 its overall responsibilities in establishing a sound risk management framework and internal control system within the Group. The risk management framework and internal control system are designed to manage the Group's risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. It provides reasonable assurance against material misstatement of financial information and records or against financial losses or fraud.

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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 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 ensures confidence in risk management and entails receiving reports on the efficiency and effectiveness of internal controls. Each business unit and functional management team is responsible for identifying principal and emerging risks and uncertainties. The Board recognizes that these units and teams are in the best position to identify such risks and uncertainties within their respective areas of operation. Risks identified, along with their corresponding mitigating controls, undergo regular review by the RMC and the Board.

The process for identifying, evaluating and managing risks has been in place throughout the FYE 2023. 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.

## 5.3 Internal Audit Function

The Group's internal audit function is outsourced to an independent professional firm namely Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling" or "Internal Auditors") to assist in managing the risks and establishing the internal control system and processes of the Group by providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes.

The Internal Auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence.

The Board had established the Internal Auditors Assessment Policy ("IA Assessment Policy") together with an annual performance evaluation form. The IA Assessment Policy outlines the guidelines and procedures for the AC to review, assess and monitor the performance, suitability and independence of the Internal Auditors.

The AC had obtained assurance from the Internal Auditors confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The internal audit functions and activities carried out during the FYE 2023 are as disclosed in the AC Report in this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

### PART I – COMMUNICATION WITH STAKEHOLDERS

#### 6.1 Continuous Communication with Stakeholders

The Board values the importance of the dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner and hence, a Corporate Disclosure Policy has been adopted. A copy of the policy is published on the Company's website at [www.gdbhb.com.my](http://www.gdbhb.com.my).

The quarterly results, announcements, annual reports and circulars serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and development.

The Company's website at [www.gdbhb.com.my](http://www.gdbhb.com.my) serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events relating to the Group.

The Company's AGM remains a principal forum used by the Group for communication with its shareholders. At the AGM, shareholders will be accorded time and opportunity to raise questions on the proposed resolutions and also matters relating to the performance, developments within and the future direction of the Group. The Board will also ensure that each item of special business that is included in the notice of meeting is accompanied by a full written explanation of that resolution and its effects to facilitate its understanding and evaluation.

#### 6.2 Corporate Disclosure Policy

The Board is dedicated to ensuring transparent communication with both shareholders and the general public concerning the Group's business, operations, and financial performance. Furthermore, it ensures that information submitted to regulators complies with all relevant legal and regulatory obligations.

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.

The Corporate Disclosure Policy was last reviewed, revised and approved by the Board on 24 May 2023. The Board will review this policy from time to time and make any necessary amendments to ensure it remains consistent with the Board's objective and responsibilities.

### 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. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

In line with Practice 13.1 of MCCG, the notice convening the Tenth AGM ("10th AGM") was issued to shareholders at least 28 days before the 10th AGM date, which gives shareholders sufficient time to prepare themselves to attend the 10th AGM or to appoint a proxy to attend and vote on their behalf.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 10th AGM convened on 8 June 2023, 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 10th 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 10th 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 at the 10th 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 10th AGM was also published on the Company's website for the shareholders' information.

## STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE STATEMENT

The Board has deliberated, reviewed and approved this statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2023, except for those departures set out in the CG Report.

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.

# AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of GDB Holdings Berhad ("GDB" or the "Company") is pleased to present the Audit Committee ("AC") Report, offering a comprehensive overview of the AC's performance of its functions and responsibilities for the Group during the financial year ended 31 December 2023 ("FYE 2023").

## 1. OBJECTIVES

The primary objective of the AC is to assist the Board in fulfilling its oversight responsibilities diligently, ensuring that the Group operates ethically and complies with standards and regulatory requirements. The AC is tasked with supervising the Group's financial reporting, internal control, and overseeing internal and external audit functions. Additionally, the AC maintains transparent communication with both External and Internal Auditors to ensure their independence, effectiveness, and efficiency throughout the audit process.

## 2. COMPOSITION

The AC comprises the following members, all of whom are Independent Non-Executive Directors:-

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 Company has complied with 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.

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 authorities and duties of the AC are outlined in the AC's Terms of Reference, which can be accessed from the Company's website at <https://www.gdbhb.com.my>.

## 4. ATTENDANCE OF MEETINGS

During the FYE 2023, the AC convened a total of five (5) meetings. The attendance record of each AC member at these meetings is as follows:

Name	Meetings Attended
Mdm. Kow Poh Gek, Chairperson	5 of 5
Tan Sri Dato' Ir. Hj. Zaini Bin Omar, Member	4 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, Executive Directors, certain designated Key Senior Management, External Auditors, and Internal Auditors were invited to facilitate direct communication and provide clarifications on audit issues, areas of concerns, operational matters and to brief the AC on specific issues arising from the internal audit report or any other matters of interest.

To enhance the effectiveness of the Group's internal controls and seek professional guidance for fulfilling its duties, Sterling Business Alignment Consulting Sdn Bhd ("Sterling") has been appointed as the Internal Auditors. Sterling conducts reviews of the internal control system and reports their findings directly to the AC.

## 5. SUMMARY OF ACTIVITIES DURING THE FYE 2023

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 are carefully reviewed to ensure comprehensive coverage of the external audit before commencing the statutory audit of the financial statement for the FYE 2023.
- 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 Group's annual audited financial statements to ensure compliance with accounting standards and legal requirements. Engaging in discussions with the External Auditors regarding their audit findings, particularly focusing on matters related 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 adoption of updated Terms of Reference of the AC by enhancing and incorporating the conflict of interest component.
- i. Held one (1) private session with the External Auditors without the presence of the Executive Directors and Management, to review key issues within their sphere of coverage and responsibilities in regards to the audit of the financial statements of the Group for financial year 2022. It was noted that the Committee had confirmed that they did not have any knowledge of fraud within the Group.
- j. 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 2023 (CONT'D)

- k. Appropriate measures are implemented to identify corporate liability risks, including those associated with bribery, corruption, and compliance. Additionally, any findings from whistleblowing, anti-bribery and anti-corruption efforts within the Group are reviewed and reported to the AC on a quarterly basis.
- l. Evaluation of recoverability of trade receivables and contract assets, wherein contract assets encompass retention amounts and work completed but not yet certified.
- m. The assessment of the Internal Auditors' performance is based on various criteria, among others, including calibre and quality of the engagement team, the level of its audit governance and independence, as well as the effectiveness and efficiency of their internal audit reviews.
- n. 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. This arrangement ensures an independent assessment and assist the AC in assessing the adequacy and effectiveness of the Group's governance and internal control system. Additionally, the Internal Auditors presents significant audit findings and offers recommendations for continuous enhancement of the system.

The cost incurred on the outsourced internal audit functions for FYE 2023 by the Group amounted to RM40,000 (2022: RM40,000).

The internal audit function has conducted independent and systematic audit reviews in accordance with the approved annual internal audit plan. These reviews encompass key functional areas and business activities of the Group, emphasizing best practices and addressing all business risks with a core focus. The aim is to 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 based on functional areas, serving as a valuable platform for evaluating processes and provide assurance that all areas of concern, findings and recommendations are addressed. Subsequent follow-up audit reviews are conducted to assess the implementation of appropriate actions and enhancements as deemed necessary by Management.

The AC believes that internal audit function operates independently, and the Internal Auditors have performed their audit assignments with impartiality, proficiency, and due professional care.

## 7. RELATIONSHIP WITH AUDITORS

The Board fosters a transparent and appropriate relationship with both External and Internal Auditors through the AC. The AC maintains direct communication channels with auditors and may engage in discussions without the presence of Executive Directors and Management when deemed necessary. Both External and Internal Auditors have direct reporting lines to the AC, granting them 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 2023 (“FYE 2023”), 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 (“Bursa Securities”) 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 robust risk management and internal control framework to safeguard shareholders’ interests and the Group’s assets, as explicit in the Malaysian Code on Corporate Governance (“MCCG”).

The Board recognises its responsibilities to regularly reviews the adequacy and effectiveness of the framework and controls in managing risks throughout the year under review. However, given the inherent limitations in any process and risks that cannot be completely eliminated, the Group has implemented a system of internal control and risk management designed to mitigate rather than completely eliminate the risks that may hinder the Group from achieving its business objectives. Therefore, the Group can only provide a reasonable, but not an absolute, assurance against material misstatements, losses, or the occurrence of any unforeseen circumstances such as errors, 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 control system. The RMC provides oversight, direction and guidance on the Group’s risk management structure, processes and support systems. The RMC reviews and assesses the adequacy of risk management policies and framework for identifying, measuring and controlling risks across the Group’s business and operations, particularly in relation to key risks regularly faced in its operations. Meanwhile, the AC oversees the adequacy, integrity and effectiveness of the internal control system and ensures compliance with laws and regulations.

During the year under review, both the AC and RMC received support from Sterling Business Alignment Consulting Sdn Bhd (“Sterling”), the outsourced consulting firm engaged by the Group. Sterling conducted an independent review and assessment of the Group’s risk management framework and internal control systems. Sterling provides independent assurance that the Group’s internal control processes are effective and assists in evaluating the adequacy of risk management policies and frameworks for identifying, measuring and controlling risks across the Group’s business operations. This includes regularly addressing key risks encountered in the Group’s business operations.

## 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)

## 2. RISK MANAGEMENT (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 Sterling 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;
- (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) Closely monitor the aging profile of overdue receivables and take appropriate measures as part of the Group's credit risk exposure management practice.

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

## 2. RISK MANAGEMENT (CONT'D)

### (d) *Business Risk*

Strategic business risk management involves identifying internal and external events that could hinder the Group's objectives. The key areas of focus include competition, volatility of major material prices, dependency on key customers, and sustainability matters. The identified risks are assessed and ranked based on severity of consequences and likelihood of occurrence, enabling the Group to seize opportunities and implement mitigating actions.

Maintaining a high level of competence, readiness and preparedness is crucial for the Group to recover and restore essential business activities within a reasonable timeframe in event of disruption, ensuring sustainability and continuity.

### (e) *Operational Risk*

Key operational risks, such as those impacting project delivery quality, timeliness and adherence to specifications, are monitored by risk owners. Remedial and mitigating actions including monitoring of major construction materials wastage and continuous internal quality assessment are implemented. Additionally, the Management conducts risk monitoring to assess the effectiveness of measures taken to address specific risks. Where necessary, further measures are implemented to mitigate risks, such as addressing labour shortage issue.

### (f) *Security Risk*

Security risks associated with IT networks and information systems are addressed and protected through preventive measures such as system back-up and recovery, antivirus software, and appropriate IT access controls. These measures are implemented to prevent the leakage of private and confidential information, data loss, and disruptions to the Group's business operations.

### (g) *Environmental, Safety and Health Risk*

Implementing rigorous monitoring controls for environmental protection, safety and health which are of utmost importance to our business. These controls and measures involve clearly documented procedures, delegation of duties and responsibilities, task schedules, and the implementation of control measures aligned with industry standards and best practices. We ensure compliance with the enhanced sustainability reporting requirements by Bursa Securities and remain informed about any new updates to guidelines. Additionally, we promote low carbon technologies, also stay up-to-date on climate-related regulations.

### (h) *Human Capital Risk*

Managing human capital risk is crucial, particularly concerning succession planning for key personnel and the implementation of effective staff retention strategies. A strong succession plan and retention program are essential for maintaining operational stability, and ensuring continuity in key roles within the Group. Our staff retention strategy includes fair recognition and rewards based on merits. We also prioritize addressing employees' development needs by implementing action plans in a timely manner.

### (i) *Investment Risk*

Understanding investment risks is of paramount importance for making informed decisions. We carefully evaluate and monitor various risks, including market volatility and regulatory changes, to safeguard our investments and maximise returns. Our proactive risk management approach ensures that prudent decision-making, involving proper due diligence, precedes any investment or acquisition, thereby protecting the interests of stakeholders.

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

## 3. INTERNAL AUDIT FUNCTION

The Group's internal audit function is performed by Sterling, who has no family relationships with any Director and/or Shareholder and has no conflicts of interest with the Group. Sterling 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, Sterling 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, Sterling 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 2023, Sterling has undertaken independent audit assignments on business units and projects of the Group in accordance with the annual audit plan 2023 approved by the Board on 27 February 2023 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 Sterling's recommendations for necessary improvement and enhancement measures where weaknesses were found.

For the FYE 2023, four (4) internal audit reports together with quarterly follow-up status reports on previous audit findings were tabled to AC by Sterling:

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Scope of Coverage / Audited Areas
1st Quarter (January to March)	May 2023	GDB Holdings Berhad and its subsidiaries	<ul style="list-style-type: none"> <li>Human Resources Management</li> <li>Administration</li> </ul> <p>Follow up Status Review on previously reported outstanding issues</p>
2nd Quarter (April to June)	August 2023	GDB Holdings Berhad and its subsidiaries	<ul style="list-style-type: none"> <li>Review of Sustainability Framework</li> </ul> <p>Follow up Status Review on previously reported outstanding issues</p>
3rd Quarter (July to September)	November 2023	Grand Dynamic Builders Sdn Bhd	<ul style="list-style-type: none"> <li>Tender and Contract Management</li> <li>Managing sub-contractors</li> </ul> <p>Follow up Status Review on previously reported outstanding issues</p>

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

## 3. INTERNAL AUDIT FUNCTION (CONT'D)

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Scope of Coverage / Audited Areas
4th Quarter (October to December)	February 2024	Grand Dynamic Builders Sdn Bhd	<ul style="list-style-type: none"> <li>Safety, Environment and Quality</li> </ul> <p>Follow up Status Review on previously reported outstanding issues</p> <p>Follow up Status Review on Sustainability Framework</p>

The cost incurred in outsourcing the internal audit function and the review of risk management for the FYE 2023 was RM46,000 (2022: 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;
- An entirely independent AC composed solely of Independent Non-Executive Directors, ensuring full and unrestricted access to both Internal and External Auditors. The AC conducts reviews of the quarterly financial results and annual audited report prior approval by the Board;
- Decision of the Board to outsource its internal audit function to Sterling 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.

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

## 5. ASSURANCE FROM MANAGEMENT

Based on reports provided by the Management, which include insights from reviews and any changes made to the risk management framework and internal controls, as well as the reports from the Internal Auditors regarding their audit reviews covering the Management's responses and explanations to those identified audit findings and areas of concern, the Board is satisfied, to the best of its knowledge, that the Group's risk management framework and internal control system are adequately and effectively in place and operational in all material aspects during the financial year under review.

However, the Board remains committed to implementing necessary measures to sustain and enhance the Group's risk management and internal control system in alignment with the Group's strategic objectives.

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 2023. 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 acknowledges that the Group's risk management and internal control systems implemented for the year under review are deemed satisfactory, adequate and effective in safeguarding the Group's assets, shareholders' investments, and the interests of all stakeholders, including customers, employees, and authorities. No internal control failures or material losses or weaknesses directly impacting or resulting in any material loss have been identified.

The Board affirms the on-going process of identifying, evaluating, monitoring and managing risks to achieve the Group's objectives. This process has been in effect for the year under review and continues 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 2023 did not exceed the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements of Bursa Securities.

## 2. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interest of Directors or major shareholders, either still subsisting at the end of the FYE 2023 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 2023 are as follows:

Type of Services	Fee (RM)	
	Company	Group
<b>Audit</b>		
Financial audit	35,000	122,000
<b>Non-audit</b>		
Review of Statement on Risk Management and Internal Control	6,000	6,000
Tax advisory & compliance fees	5,200	33,900
<b>Total</b>	<b>46,200</b>	<b>161,900</b>

## 4. UTILISATION OF PROCEEDS RAISED FROM PUBLIC ISSUE (“IPO PROCEEDS”)

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.

As of 31 December 2023, the Company did not utilised the remaining IPO Proceeds totalling RM8.0 million for the intended purpose.



# 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
<b>Capital expenditure:</b>								
- Purchase of new construction machinery and equipment	8,670	-	(6,845) <sup>(b)</sup>	(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 <sup>(d)</sup>	Within 1 year	Within 5 years	Within 8 years
<b>Working capital:</b>								
- 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) <sup>(c)</sup>	-	-	Within 1 year	Within 3 years	No change
<b>Estimated listing expenses</b>	3,500	(673)	-	(2,827)	-	Within 3 months	No change	No change
<b>Total</b>	<b>43,750</b>	<b>-</b>	<b>-</b>	<b>(35,750)</b>	<b>8,000</b>			

### 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 THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2016").

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 2023, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- 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 responsibilities of the Board include:

- ensuring that the Group and the Company maintain accurate accounting records that reflect the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure compliance of the financial statements with the provisions of the CA 2016; and
- taking reasonable measures to ensure that adequate systems are established to safeguard the Group's and Company's assets, and to identify 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 2023.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" of this report.

There have been no significant changes in the nature of these principal activities during the financial year.

## RESULTS

	The Group RM	The Company RM
Profit/(Loss) after taxation for the financial year	8,334,018	(1,744,522)
Attributable to:-		
Owners of the Company	8,033,421	(1,744,522)
Non-controlling interest	300,597	-
	8,334,018	(1,744,522)

## DIVIDENDS

No dividend was recommended by the directors for the financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## 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.

# DIRECTORS' REPORT (CONT'D)

## 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 1.1.2023	Granted	Exercised	At 31.12.2023
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.

## 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.

# DIRECTORS' REPORT (CONT'D)

## 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 subsidiaries 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)  
Toh Fong Eng (Alternate Director to Alexander Lo Tzone Leong) (Appointed on 2 October 2023)

## 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 1.1.2023	Bought	Sold	At 31.12.2023
<b>The Company</b>				
<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
<b>The Holding Company</b>				
<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)

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 (Cont'd):-

	<----- Number of Warrants----->			
	At 1.1.2023	Bought	Sold	At 31.12.2023
<b>The Company</b>				
<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 <sup>^</sup>	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.

<sup>^</sup> 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.

Neither during nor at the end of the financial year that 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	270,000	270,000
Salaries and other emoluments	1,696,673	1,354,718
Defined contribution plan	127,446	112,080
	2,094,119	1,736,798

The estimated monetary value of benefits-in-kind provided by the Group to a director was RM10,625.

## 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 RM15,417 respectively. No indemnity was given to or insurance effected for auditors of the Company.

## SUBSIDIARIES

The details of the Company's subsidiaries are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by the Company	Principal Activities
Grand Dynamic Builders Sdn. Bhd.	Malaysia	100%	Provision of construction services.
GDB Geotechnics Sdn. Bhd.*	Malaysia	70%	Provision of construction services specialising in geotechnical and foundation engineering works.

Note:-

\* 1% of the issued share capital is held by Grand Dynamic Builders Sdn. Bhd.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

# DIRECTORS' REPORT (CONT'D)

## HOLDING COMPANY

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

## AUDITORS

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

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

	The Group RM	The Company RM
Audit fees	122,000	35,000
Non-audit fees	6,000	6,000
	128,000	41,000

Signed in accordance with a resolution of the directors dated 15 April 2024.

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 95 to 151 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 2023 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 15 April 2024.

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 95 to 151 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 15 April 2024

Toh Fong Eng

Before me

**Commissioner for Oaths**  
Shaiful Hilmi Bin Halim  
No. W 804

# 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 2023, 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 material accounting policy information, as set out on pages 95 to 151.

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 2023, 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.

# 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)

<b>Recoverability of amount owing by Damai City Sdn. Bhd. ("DCSB") in relation to the 8 Conlay Project</b> Refer to Notes 8, 9 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 RM99.42 million and RM47.85 million respectively, which are also the subject matter of the Group's ongoing litigations as disclosed in Note 35(1) to the financial statements.</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>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 owed and payable by DCSB. The management applied certain assumptions in assessing the recoverability of the trade receivables and contract assets owing by DCSB based on the following:-</p> <ul style="list-style-type: none"> <li>• Status and updates of the litigations against DCSB; and</li> <li>• Specific known facts or circumstances of DCSB's ability to pay.</li> </ul> <p>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:-</p> <ul style="list-style-type: none"> <li>• Verified billings to architect's certificate;</li> <li>• Reviewed contractual terms in the Letter of Award and other agreements signed;</li> <li>• Enquired management of action plans to recover outstanding amounts;</li> <li>• Examined other evidence including customers' correspondences;</li> <li>• Reviewed the legal files and sought solicitor confirmation in respect of the ongoing litigations against DCSB;</li> <li>• Communicated with the Company's external legal counsel to discuss the status and likely outcomes of ongoing litigations;</li> <li>• Reviewed the justification provided by the management and management's impairment assessment on the amount owing by DCSB; and</li> <li>• Assessed adequacy of disclosures in the financial statements.</li> </ul>
<b>Revenue recognition and contract assets</b> Refer to Notes 8 and 19 to the financial statements	
<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"> <li>• Reviewed the contract value secured and budgeted costs;</li> <li>• Assessed the estimated total costs to complete the project through enquiries with the management of the Group;</li> <li>• Inspected documentation to support cost estimates made including contract variations and cost contingencies;</li> <li>• Verified progress billings issued and costs incurred for the financial year; and</li> <li>• Recomputed revenue recognised and checked calculation of the percentage of completion.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF GDB HOLDINGS BERHAD (CONT'D)

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

### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

### Responsibilities of the Directors for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF GDB HOLDINGS BERHAD (CONT'D)

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

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

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

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

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

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

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

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

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

## OTHER MATTERS

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

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

Kuala Lumpur

15 April 2024

**Lee Kok Wai**  
02760/06/2024 J  
Chartered Accountant



# STATEMENTS OF FINANCIAL POSITION

## AT 31 DECEMBER 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	6	-	-	19,903,157	21,703,157
Property, plant and equipment	7	15,569,823	20,734,498	8,463,738	8,647,732
		15,569,823	20,734,498	28,366,895	30,350,889
<b>CURRENT ASSETS</b>					
Contract assets	8	100,418,181	117,427,164	-	-
Trade receivables	9	141,737,594	165,368,588	-	-
Other receivables, deposits and prepayments	10	10,000,099	18,854,461	31,130	31,130
Amount owing by a subsidiary	11	-	-	1,695,973	2,274,344
Current tax assets		-	-	67,025	76,314
Short-term investments	12	22,427,564	20,844,206	22,427,564	20,844,206
Fixed deposits with licensed banks	13	9,968,832	17,223,130	789,547	4,622,854
Cash and bank balances		46,589,143	8,200,041	3,191,142	104,211
		331,141,413	347,917,590	28,202,381	27,953,059
<b>TOTAL ASSETS</b>		<b>346,711,236</b>	<b>368,652,088</b>	<b>56,569,276</b>	<b>58,303,948</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	14	62,564,078	62,564,078	62,564,078	62,564,078
Retained profits/(Accumulated losses)		105,856,834	97,823,413	(6,098,147)	(4,353,625)
Equity attributable to owners of the Company		168,420,912	160,387,491	56,465,931	58,210,453
Non-controlling interest	6	832,278	531,681	-	-
<b>TOTAL EQUITY</b>		<b>169,253,190</b>	<b>160,919,172</b>	<b>56,465,931</b>	<b>58,210,453</b>
<b>NON-CURRENT LIABILITY</b>					
Deferred tax liability	15	-	692,287	-	-
<b>CURRENT LIABILITIES</b>					
Contract liabilities	8	13,298,087	-	-	-
Trade payables	16	69,946,894	109,857,330	-	-
Other payables and accruals	17	87,145,954	90,515,626	103,345	93,495
Provision	18	6,224,025	5,366,478	-	-
Current tax liabilities		843,086	1,301,195	-	-
		177,458,046	207,040,629	103,345	93,495
<b>TOTAL LIABILITIES</b>		<b>177,458,046</b>	<b>207,732,916</b>	<b>103,345</b>	<b>93,495</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>346,711,236</b>	<b>368,652,088</b>	<b>56,569,276</b>	<b>58,303,948</b>

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 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
REVENUE	19	319,648,619	510,055,155	-	-
COST OF SALES	20	(306,225,275)	(480,175,617)	-	-
GROSS PROFIT		13,423,344	29,879,538	-	-
OTHER INCOME	21	8,576,554	2,338,153	2,816,319	2,558,453
		21,999,898	32,217,691	2,816,319	2,558,453
ADMINISTRATIVE EXPENSES	22	(8,700,884)	(7,879,171)	(2,530,266)	(2,425,719)
OTHER EXPENSES	23	(2,314,388)	(2,481,166)	(1,983,994)	(6,483,994)
FINANCE COSTS	24	(54,805)	(61,176)	-	-
PROFIT/(LOSS) BEFORE TAXATION		10,929,821	21,796,178	(1,697,941)	(6,351,260)
INCOME TAX EXPENSE	25	(2,595,803)	(5,556,951)	(46,581)	(87)
PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		8,334,018	16,239,227	(1,744,522)	(6,351,347)
<b>PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-</b>					
- Owners of the Company		8,033,421	17,198,714	(1,744,522)	(6,351,347)
- Non-controlling interest		300,597	(959,487)	-	-
		8,334,018	16,239,227	(1,744,522)	(6,351,347)
<b>EARNINGS PER SHARE (SEN)</b>					
- Basic	26	0.86	1.83		
- Diluted	26	0.86	1.83		

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

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 1.1.2022		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	27	-	(6,562,500)	(6,562,500)	-	(6,562,500)
Balance at 31.12.2022/1.1.2023		62,564,078	97,823,413	160,387,491	531,681	160,919,172
Profit after taxation/Total comprehensive income for the financial year		-	8,033,421	8,033,421	300,597	8,334,018
Balance at 31.12.2023		62,564,078	105,856,834	168,420,912	832,278	169,253,190

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

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

The Company	Note	Share Capital RM	Retained Profit/ (Accumulated Losses) RM	Total Equity RM
Balance at 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	27	-	(6,562,500)	(6,562,500)
Balance at 31.12.2022/1.1.2023		62,564,078	(4,353,625)	58,210,453
Loss after taxation/Total comprehensive expenses for the financial year		-	(1,744,522)	(1,744,522)
Balance at 31.12.2023		62,564,078	(6,098,147)	56,465,931

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>				
Profit/(Loss) before taxation	10,929,821	21,796,178	(1,697,941)	(6,351,260)
Adjustments for:-				
Depreciation of property, plant and equipment	5,212,236	6,544,595	183,994	183,994
Impairment loss on investment in a subsidiary	-	-	1,800,000	6,300,000
Plant and equipment written off	8,913	17,179	-	-
Interest expense	54,805	61,176	-	-
Provision for defect works	3,406,421	2,687,367	-	-
Gain on disposal of plant and equipment	(3,084,196)	(229,642)	-	-
Interest income	(1,569,839)	(1,122,116)	(855,069)	(578,453)
Reversal of provision for defect works	(2,548,874)	(2,361,068)	-	-
Operating profit/(loss) before working capital changes	12,409,287	27,393,669	(569,016)	(445,719)
Decrease in contract assets	17,008,983	26,807,394	-	-
Decrease/(Increase) in trade and other receivables	34,485,356	(103,340,023)	-	-
Decrease/(Increase) in amount owing by a subsidiary	-	-	706,250	(1,412,501)
Increase/(Decrease) in contract liabilities	13,298,087	(652,151)	-	-
(Decrease)/Increase in trade and other payables	(43,334,913)	24,176,723	9,850	1,614
<b>CASH FROM/(FOR) OPERATIONS</b>	<b>33,866,800</b>	<b>(25,614,388)</b>	<b>147,084</b>	<b>(1,856,606)</b>
Income tax paid	(3,758,039)	(8,524,665)	(37,292)	(82,166)
Income tax refunded	11,840	-	-	-
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>	<b>30,120,601</b>	<b>(34,139,053)</b>	<b>109,792</b>	<b>(1,938,772)</b>

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received		-	-	-	6,509,000
Interest income received		1,569,839	1,122,116	727,190	525,445
Proceeds from disposal of plant and equipment		2,814,969	256,945	-	-
Purchase of plant and equipment		(1,787,247)	(1,149,411)	-	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>2,597,561</b>	<b>229,650</b>	<b>727,190</b>	<b>7,034,445</b>
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Decrease/(Increase) in pledged fixed deposits with licensed banks		7,254,298	(7,364,222)	3,833,307	(4,622,854)
Dividend paid	27	-	(6,562,500)	-	(6,562,500)
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>		<b>7,254,298</b>	<b>(13,926,722)</b>	<b>3,833,307</b>	<b>(11,185,354)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>39,972,460</b>	<b>(47,836,125)</b>	<b>4,670,289</b>	<b>(6,089,681)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>29,044,247</b>	<b>76,880,372</b>	<b>20,948,417</b>	<b>27,038,098</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	28(a)	<b>69,016,707</b>	<b>29,044,247</b>	<b>25,618,706</b>	<b>20,948,417</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 1. GENERAL INFORMATION

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

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

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

The financial statements were authorised for issuance by the Board of Directors in Board of Directors' Meeting held on 15 April 2024.

### 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 and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, 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 2023 (CONT'D)

### 4. BASIS OF PREPARATION (CONT'D)

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

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

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

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

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

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

- 4.2 The Group and the Company have 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)**

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

**Effective Date**

1 January 2024

Amendments to MFRS 101: Non-current Liabilities with Covenants

1 January 2024

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

1 January 2024

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

1 January 2024

Amendments to MFRS 121: Lack of Exchangeability

1 January 2025

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 and of the Company upon their initial application.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION

#### 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 and the Company anticipate 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 Investments in Subsidiaries**

The Company determines whether an item of its investments in subsidiaries is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of investment in subsidiaries as at reporting date are disclosed in Note 6 to the financial statements.

##### **(c) Impairment of Contract Assets and Trade Receivables**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all contract assets and trade receivables. 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 contract assets and trade receivables as at the reporting date are disclosed in Notes 8 and 9 to the financial statements respectively.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (Cont'd)*

##### (d) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 8 to the financial statements.

##### (e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise 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 current tax assets/(liabilities) of the Group and of the Company are as below:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax assets	-	-	67,025	76,314
Current tax liabilities	(843,086)	(1,301,195)	-	-

##### (f) Provision

The Group recognises a provision for liabilities associated with completed contract based on past experience of the level of repair of defects. The Group's provision of defect works is affected by claims due to actual repair of defects, which may result in the actual costs differing from the Group's estimates. The carrying amount of provision as at the reporting date is disclosed in Note 18 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 accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.2 BASIS OF CONSOLIDATION (CONT'D)

##### (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 and liabilities of the former subsidiary and any non-controlling interests.

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

#### 5.3 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.

#### 5.4 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 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.4 FINANCIAL INSTRUMENTS (CONT'D)

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). 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 fair value changes do not include interest or dividend income.

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 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.4 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 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 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.4 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.

#### 5.5 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 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.6 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 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.7 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.

#### 5.8 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.9 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.

#### 5.10 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 - Impairment of Assets 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.

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 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.11 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.

#### 5.12 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.

#### 5.13 INCOME TAXES

##### (a) Current Tax

Current tax assets and liabilities are the 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 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.13 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.

#### 5.14 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.

#### 5.15 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.

#### 5.16 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.

#### 5.17 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (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. In estimating the fair value of an asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. 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.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis.

#### 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 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (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) Interest Income

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

##### (b) Lease Income

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

### 6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023	2022
	RM	RM
Unquoted shares, at cost	28,003,157	28,003,157
Accumulated impairment losses	(8,100,000)	(6,300,000)
	19,903,157	21,703,157

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Group		Principal Activities
		2023 %	2022 %	
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) The non-controlling interest at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2023 %	2022 %	2023 RM	2022 RM
GDBGSB	30	30	832,278	531,681

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (b) The summarised 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	
	2023 RM	2022 RM
<u>At 31 December</u>		
Non-current asset	5,080	548,313
Current assets	5,867,555	4,616,909
Current liabilities	(3,098,378)	(5,585,194)
<b>Net assets/(liabilities)</b>	<b>2,774,257</b>	<b>(419,972)</b>
<u>Financial Year Ended 31 December</u>		
Revenue	3,338,753	8,954,936
Total comprehensive income/(expense) for the financial year	3,194,229	(1,810,755)
<b>Total comprehensive income/(expense) attributable to non-controlling interest</b>	<b>958,269</b>	<b>(543,226)</b>
Net cash flows for operating activities	(1,957,407)	(612,265)
Net cash flows from investing activities	2,678,550	5,660

- (c) 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. An impairment losses of RM1,800,000 (2022 - RM6,300,000), 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 2023 (CONT'D)

### 7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2023 RM	Additions RM	Disposals RM	Write Off RM	Depreciation Charges RM	At 31.12.2023 RM
<b>2023</b>						
<i>Carrying Amount</i>						
Freehold buildings	8,647,732	-	-	-	(183,994)	8,463,738
Computer software and hardware	277,544	12,890	(327)	(10)	(122,221)	167,876
Motor vehicles	203,863	9,501	(7,401)	-	(121,745)	84,218
Office equipment	137,491	11,500	-	-	(63,899)	85,092
Plant and machinery	5,551,662	813,000	(1,305,091)	-	(2,485,405)	2,574,166
Renovation	241,964	-	-	-	(118,149)	123,815
Site equipment	5,674,242	940,356	(417,954)	(8,903)	(2,116,823)	4,070,918
	20,734,498	1,787,247	(1,730,773)	(8,913)	(5,212,236)	15,569,823

The Group	At 1.1.2022 RM	Additions RM	Disposals RM	Write Off RM	Depreciation Charges RM	At 31.12.2022 RM
<b>2022</b>						
<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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>2023</b>			
Freehold buildings	9,199,715	(735,977)	8,463,738
Computer software and hardware	1,468,044	(1,300,168)	167,876
Motor vehicles	2,064,748	(1,980,530)	84,218
Office equipment	827,508	(742,416)	85,092
Plant and machinery	20,930,960	(18,356,794)	2,574,166
Renovation	595,046	(471,231)	123,815
Site equipment	15,335,207	(11,264,289)	4,070,918
	50,421,228	(34,851,405)	15,569,823

<b>2022</b>			
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

The Company	At 1.1.2023 RM	Depreciation Charge RM	At 31.12.2023 RM
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#### 2023

##### Carrying Amount

Freehold buildings	8,647,732	(183,994)	8,463,738
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The Company	At 1.1.2022 RM	Depreciation Charge RM	At 31.12.2022 RM
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#### 2022

##### Carrying Amount

Freehold buildings	8,831,726	(183,994)	8,647,732
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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>2023</b>			
Freehold buildings	9,199,715	(735,977)	8,463,738
<b>2022</b>			
Freehold buildings	9,199,715	(551,983)	8,647,732

### 8. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2023 RM	2022 RM
Contract assets relating to construction contracts	100,418,181	117,427,164
Contract liabilities relating to construction contracts	(13,298,087)	-
	87,120,094	117,427,164

- (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 fulfilment of contractual milestones.

Included in the contract assets are retention sums receivable amounting to RM67,785,118 (2022 - RM61,528,508). 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 8. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	The Group	
	2023 RM	2022 RM
At 1 January	117,427,164	143,582,407
Revenue recognised in profit or loss during the financial year	319,648,619	510,055,155
Billings to customers during the financial year	(349,955,689)	(536,210,398)
At 31 December	87,120,094	117,427,164

(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 RM91,898,373 (2022 - RM1,283,875,426). These remaining performance obligations are expected to be recognised as below:-

	The Group	
	2023 RM	2022 RM
Within 1 year	91,898,373	621,578,087
Between 1 and 3 years	-	662,297,339
	91,898,373	1,283,875,426

(e) Included in the contract assets at the end of the reporting period is an amount of approximately RM47.85 million (2022 - RM52.47 million) (including retention sum receivable amounting to RM21.80 million (2022 - RM20.86 million)) relating to the 8 Conlay Project which is the subject matter of the Group's ongoing litigations 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, DCSB. The management applied certain assumptions in assessing the recoverability of the contract assets owing by DCSB based on the following:-

- Status and updates of the litigations against DCSB; and
- Specific known facts or circumstances of DCSB's ability to pay.

The directors are of the opinion that this contract asset is recoverable and accordingly, no impairment loss is made in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 9. TRADE RECEIVABLES

- (a) The Group's normal trade credit terms range from 30 to 60 (2022 - 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 RM99.42 million (2022 - RM139.71 million) relating to the 8 Conlay Project which is the subject matter of the Group's ongoing litigations 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, DCSB. The management applied certain assumptions in assessing the recoverability of the amount owing by DCSB based on the following:-

- Status and updates of the litigations against DCSB; and
- Specific known facts or circumstances of DCSB's ability to pay.

The directors are of the opinion that this trade receivable is recoverable and accordingly, no impairment loss is made in the financial statements.

### 10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Other receivables:-					
Third parties	(a)	4,343,506	3,010,767	-	-
Advances to subcontractors/suppliers	(b)	3,473,555	13,156,700	-	-
		7,817,061	16,167,467	-	-
Deposits		1,832,440	2,118,565	31,130	31,130
Prepayments		350,598	568,429	-	-
		10,000,099	18,854,461	31,130	31,130

- (a) Included in other receivables from third parties is an amount of RM2,000,000 (2022 - Nil) which is balance consideration receivable from the disposal of plant and equipment by a subsidiary. The full amount has been received as of the date of this report.

- (b) 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 2023 (CONT'D)

### 11. AMOUNT OWING BY A SUBSIDIARY

	Note	The Company 2023 RM	2022 RM
Non-trade balances:			
- interest-free	(a)	295,973	174,344
- bear interest at 4% (2022 - 4%) per annum	(b)	1,400,000	2,100,000
		1,695,973	2,274,344

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

(b) The amount owing is unsecured and receivable on demand. The amount owing has been fully settled as of the date of this report.

### 12. SHORT-TERM INVESTMENTS

	The Group/The Company 2023 RM	2022 RM
Money market funds, at fair value	22,427,564	20,844,206

The money market funds represent investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which are redeemable with one (1) day notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

### 13. FIXED DEPOSITS WITH LICENSED BANKS

(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 2.55% to 2.90% (2022 - 1.65% to 2.85%) and 2.65% (2022 - 2.35%) per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (2022 - 30 to 365) days and 30 (2022 - 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 a subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 14. SHARE CAPITAL

	The Group/The Company			
	2023	2022	2023	2022
	Number Of Shares		RM	RM
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares	937,500,000	937,500,000	62,564,078	62,564,078

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.

#### WARRANTS 2021/2026

In year 2021, 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 2023 (CONT'D)

### 15. DEFERRED TAX LIABILITY

	The Group	
	2023	2022
	RM	RM
At 1 January	692,287	1,087,880
Recognised in Profit or Loss (Note 25)	(692,287)	(395,593)
At 31 December	-	692,287

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

### 16. TRADE PAYABLES

		The Group	
	Note	2023	2022
		RM	RM
Trade payables	(a)	15,807,361	57,841,117
Retention sums	(b)	54,139,533	52,016,213
		69,946,894	109,857,330

(a) The normal trade credit terms granted to the Group range from 30 to 60 (2022 - 30 to 60) days.

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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 17. OTHER PAYABLES AND ACCRUALS

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Other payables:-					
Third parties		596,564	547,489	1,654	-
Advances from customers		1,239,834	9,272,581	-	-
Related parties	(a)				
- interest-free		194,524	232,183	-	-
- bear interest at 4% (2022 - 4%) per annum		600,000	900,000	-	-
		2,630,922	10,952,253	1,654	-
Accruals	(b)	84,515,032	79,563,373	101,691	93,495
		87,145,954	90,515,626	103,345	93,495

(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 RM70,286,292 (2022 - RM65,530,515).

### 18. PROVISION

	The Group	
	2023 RM	2022 RM
<i>Provision for defect works</i>		
At 1 January	5,366,478	5,040,179
Provision made during the financial year	3,406,421	2,687,367
Provision reversed during the financial year	(2,548,874)	(2,361,068)
At 31 December	6,224,025	5,366,478

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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 19. REVENUE

	The Group	
	2023 RM	2022 RM
<b>Revenue from Contracts with Customers</b>		
Construction contracts	319,648,619	510,055,155

The 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. The revenue is derived from local sales.

Billings to customers are based on agreed milestones under the agreement, certified by architects. The credit period ranges from 30 to 60 days from the invoice date. There is no significant financing component in the selling price as the billings are made on the normal credit terms not exceeding 12 months.

A defect liability period ranges from 6 to 27 months is given to the customers.

### 20. COST OF SALES

	The Group	
	2023 RM	2022 RM
Depreciation of plant and equipment	2,897,855	4,082,027
Short-term leases expenses (Note 28(b))	3,197,184	4,920,462
Project cost, incentives and related expenses	279,517,568	445,226,476
Provision for defect works	3,406,421	2,687,367
Plant and equipment written off	8,906	17,173
Reversal of provision for defect works	(2,548,874)	(2,361,068)
Staff costs:		
- salaries and other emoluments	17,804,714	23,171,349
- defined contribution plan	1,941,501	2,431,831
	306,225,275	480,175,617

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 21. OTHER INCOME

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Included are the following items:-				
Gain on disposal of plant and equipment	3,084,196	229,642	-	-
Interest income:				
- fixed deposits with licensed banks	986,481	546,424	143,832	74,499
- short-term investments	583,358	575,692	583,358	450,946
- advance owing by a subsidiary	-	-	127,879	53,008
Lease income:				
- office	-	-	176,250	180,000
- plant and equipment	1,821,359	67,151	-	-
Management services income	-	-	1,785,000	1,800,000
Sales of used tools and consumables	961,545	-	-	-
Scrap sales	284,525	446,560	-	-

### 22. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Included are the following items:-				
Auditors' remuneration:				
- audit fees:				
- current financial year	122,000	113,000	35,000	33,000
- underprovision in the previous financial year	9,000	-	2,000	-
- other services:				
- current financial year	6,000	5,000	6,000	5,000
- underprovision in the previous financial year	1,000	-	1,000	-
Directors' remuneration (Note 29)	2,211,525	2,072,000	1,736,798	1,663,319
Staff costs (including other key management personnel as disclosed in Note 29):				
- salaries and other emoluments	3,828,051	3,996,286	423,221	393,164
- defined contribution plan	358,032	401,530	28,656	46,944
Short-term lease expenses (Note 28(b))	74,976	64,200	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 23. OTHER EXPENSES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Depreciation of property, plant and equipment	2,314,381	2,462,568	183,994	183,994
Plant and equipment written off	7	6	-	-
Impairment loss on investment in a subsidiary	-	-	1,800,000	6,300,000
Fair value loss on short-term investments	-	18,592	-	-
	2,314,388	2,481,166	1,983,994	6,483,994

### 24. FINANCE COSTS

	The Group	
	2023 RM	2022 RM
Interest expenses on advances owing to a related party	54,805	61,176

### 25. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense:				
- for the current financial year	3,289,948	6,297,317	3,036	-
- (Over)/Underprovision in the previous financial year	(1,858)	(344,773)	43,545	87
	3,288,090	5,952,544	46,581	87
Deferred tax (Note 15):				
- realisation of deferred taxation on usage of plant and equipment	(692,287)	(395,593)	-	-
	2,595,803	5,556,951	46,581	87

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 25. 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before taxation	10,929,821	21,796,178	(1,697,941)	(6,351,260)
Tax at the statutory tax rate	2,623,157	5,231,083	(407,506)	(1,524,302)
Tax effects of:-				
Non-taxable income	(157,660)	(180,600)	(127,418)	(108,227)
Non-deductible expenses	903,284	423,081	537,960	1,632,529
Deferred tax assets not recognised during the financial year	-	428,160	-	-
Utilisation of deferred tax assets previously not recognised	(771,120)	-	-	-
(Over)/Underprovision of current tax in the previous financial year	(1,858)	(344,773)	43,545	87
Income tax expense for the financial year	2,595,803	5,556,951	46,581	87

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2022 - 24%) of the estimated assessable profit for the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 25. INCOME TAX EXPENSE (CONT'D)

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

	The Group	
	2023 RM	2022* 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	1,426,000
- expires year of assessment 2033	194,000	-
	7,804,000	7,610,000
Unabsorbed capital allowances	-	3,814,000
Provision for defect works	6,224,000	5,366,000
Other	-	28,000
	14,028,000	16,818,000
<u>Deferred tax liability:-</u>		
Accelerated capital allowances	(6,049,000)	(5,626,000)
	7,979,000	11,192,000

\* Certain comparative figures have been restated to reflect the revised capital allowances carry-forward and other temporary differences available to the Group.

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 2023 (CONT'D)

### 26. EARNINGS PER SHARE

	The Group	
	2023	2022
Profit after taxation attributable to owners of the Company (RM)	8,033,421	17,198,714
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	0.86	1.83
- Diluted	0.86	1.83

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.

### 27. DIVIDEND

	The Group/The Company	
	2023	2022
	RM	RM
Second interim single-tier dividend of RM Nil (2022 - RM0.007) per ordinary share in respect of the previous financial year	-	6,562,500

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 28. CASH FLOW INFORMATION

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

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	46,589,143	8,200,041	3,191,142	104,211
Fixed deposits with licensed banks	9,968,832	17,223,130	789,547	4,622,854
Short-term investments	22,427,564	20,844,206	22,427,564	20,844,206
	78,985,539	46,267,377	26,408,253	25,571,271
Less: Fixed deposits pledged to licensed banks (Note 13)	(9,968,832)	(17,223,130)	(789,547)	(4,622,854)
	69,016,707	29,044,247	25,618,706	20,948,417

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

	The Group	
	2023 RM	2022 RM
Payment of short-term leases:		
- Cost of sales (Note 20)	3,197,184	4,920,462
- Administrative expenses (Note 22)	74,976	64,200
	3,272,160	4,984,662



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 29. 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	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Directors</b>				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	270,000	234,000	270,000	234,000
- salaries and other emoluments	1,696,673	1,543,745	1,354,718	1,320,119
- defined contribution plan	127,446	126,180	112,080	109,200
	2,094,119	1,903,925	1,736,798	1,663,319
<u>Director of a subsidiary</u>				
Short-term employee benefits:				
- salaries and other emoluments	114,206	163,275	-	-
- defined contribution plan	3,200	4,800	-	-
	117,406	168,075	-	-
Total directors' remuneration (Note 22)	2,211,525	2,072,000	1,736,798	1,663,319
<b>Other KMP:-</b>				
Short-term employee benefits:				
- salaries and other emoluments	1,181,760	1,224,444	423,221	393,164
- defined contribution plan	105,511	124,952	28,656	46,944
Total compensation for other KMP (Note 22)	1,287,271	1,349,396	451,877	440,108

In the previous financial year, the total project incentives and defined contribution plan paid to the executive directors and other KMP amounted to RM455,669 and RM225,925 respectively.

The estimated monetary value of benefits-in-kind provided by the Group to a director and other KMP were RM10,625 (2022 - RM21,250) and RM7,500 (2022 - RM5,000) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 30. RELATED PARTY DISCLOSURES

#### (a) Holding Company and Subsidiaries

The holding company is disclosed in Note 2 to the financial statements.

The subsidiaries as disclosed in Note 6 to the financial statements.

#### (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	
	2023 RM	2022 RM	2023 RM	2022 RM
Advances (to)/from:				
- a subsidiary	-	-	(1,400,000)	(1,400,000)
- a related party	600,000	600,000	-	-
Expenses paid on behalf (by)/of:				
- subsidiaries	-	-	(32,641)	(17,339)
- a related party	1,517	2,620	-	-
Interest on advances paid/payable to a related party	54,805	61,176	-	-
Interest on advances received/receivables from a subsidiary	-	-	(127,879)	(53,008)
Management fees received/receivables from subsidiaries	-	-	(1,785,000)	(1,800,000)
Office rental income received/receivables from subsidiaries	-	-	(176,250)	(180,000)
Store rental expenses paid/payable to a related party	60,000	48,000	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in Notes 11 and 17 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 31. OPERATING SEGMENTS

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

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

#### 31.1 BUSINESS SEGMENT AND GEOGRAPHICAL INFORMATION

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

#### 31.2 MAJOR CUSTOMERS

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

	2023 RM	2022 RM
Customer A	155,101,628	-
Customer B	143,868,541	185,094,450
Customer C	-	195,729,601
Customer D	-	101,126,653

### 32. CAPITAL COMMITMENTS

	The Group	
	2023 RM	2022 RM
Purchase of plant and equipment	-	56,490

### 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	
	2023 RM	2022 RM
Performance bond and tender bond guarantees extended by subsidiaries to third parties	23,981,296	64,539,240

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 34. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company 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 overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) **Market Risk**

(i) **Foreign Currency Risk**

The Group and the Company do not have any transactions or balances denominated in foreign currencies and hence, are not exposed to foreign currency risk.

(ii) **Interest Rate Risk**

The Group and the Company do not have any floating rate receivables and borrowings and hence, are not exposed to interest rate risk.

(iii) **Equity Price Risk**

The exposure to equity price risk arises mainly from changes in investment prices of the Group. 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 classified as fair value through profit or loss at the end of the reporting period does not have a material impact on the profit after taxation of the Group and of the Company and hence, no sensitivity analysis is presented. There is no impact on the equity of the Group and of the Company.

(b) **Credit Risk**

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures 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 and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes advances to subsidiaries. The Company monitors the ability of the subsidiaries to serve their advances on an individual basis.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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 3 (2022 - 1) customers which constituted approximately 98% (2022 - 84%) 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 RM23,981,296 (2022 - RM64,539,240), 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 and the Company evaluate 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.

The management considers the following factors when assessing whether an impairment is required on a receivable:

- 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 recovery amount from the receivable's net assets.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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)

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate, 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.

##### 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 8, 9 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 (2022 - 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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*

The Group	Gross Amount RM	Lifetime Individual Allowance RM	Carrying Amount RM
<b>2023</b>			
Current (not past due)	40,090,548	-	40,090,548
1 to 30 days past due	1,043,388	-	1,043,388
61 to 90 days past due	4,928	-	4,928
More than 90 days past due	100,598,730	-	100,598,730
Trade receivables	141,737,594	-	141,737,594
Contract assets	100,418,181	-	100,418,181
	242,155,775	-	242,155,775
<b>2022</b>			
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

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 8, 9 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 2023 (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)

###### 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.

###### *Allowance for Impairment Losses*

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

###### Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are 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. 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.

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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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)

###### Amount Owing by Subsidiaries (Cont'd)

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.

###### *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

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

###### *Allowance for Impairment Losses*

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 2023 (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 and the Company practise prudent risk management by maintaining sufficient cash balances and adequate working capital to meet their obligations 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
<b>2023</b>			
<u>Non-derivative Financial Liabilities</u>			
Trade payables	15,807,361	15,807,361	15,807,361
Other payables and accruals	85,906,120	85,906,120	85,906,120
	101,713,481	101,713,481	101,713,481
<b>2022</b>			
<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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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
<b>2023</b>			
<u>Non-derivative Financial Liability</u>			
Other payables and accruals	103,345	103,345	103,345
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries *	-	23,981,296	23,981,296
	103,345	24,084,641	24,084,641
<b>2022</b>			
<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

\* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.2 CAPITAL RISK MANAGEMENT

The Group and the Company manage their 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 and the Company 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 and the Company manage their 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 and the Company at the end of the reporting period are not presented as there is no external borrowing.

There was no change in the approach to capital management during the financial year.

#### 34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Short-term investments	22,427,564	20,844,206	22,427,564	20,844,206
<u>Amortised Cost</u>				
Trade receivables	141,737,594	165,368,588	-	-
Other receivables	4,343,506	3,010,767	-	-
Amount owing by subsidiaries	-	-	1,695,973	2,274,344
Fixed deposits with licensed banks	9,968,832	17,223,130	789,547	4,622,854
Cash and bank balances	46,589,143	8,200,041	3,191,142	104,211
	202,639,075	193,802,526	5,676,662	7,001,409
<b>Financial Liability</b>				
<u>Amortised Cost</u>				
Trade payables	15,807,361	57,841,117	-	-
Other payables and accruals	85,906,120	81,243,045	103,345	93,495
	101,713,481	139,084,162	103,345	93,495

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss by:				
- mandatorily required by MFRS 9	583,358	557,101	583,358	450,946
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	986,481	546,424	271,711	127,507
<b>Financial Liability</b>				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(54,805)	(61,176)	-	-

#### 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		
<b>The Group/The Company</b>					
<b>2023</b>					
<u>Financial Asset</u>					
Short-term investments	-	22,427,564	-	22,427,564	22,427,564
<b>2022</b>					
<u>Financial Asset</u>					
Short-term investments	-	20,844,206	-	20,844,206	20,844,206

#### 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 2023 (CONT'D)

### 35. MATERIAL LITIGATION

#### Material Litigation in respect of the 8 Conlay Project

##### (1) Disputes between GDBSB and DCSB/KSK Land Sdn. Bhd. ("KSKL")

Following the Determination of the Contract on the 8 Conlay Project on 19 April 2023, GDBSB had on 25 April 2023 issued a Notice of Demand to DCSB for the outstanding sum of RM102,076,171.93 based on certified sums and late payment interest ("Outstanding Sum") which DCSB is required to pay GDBSB on or before 2 May 2023 but DCSB had failed, refused, and/or neglected to pay GDBSB the said Outstanding Sum.

- (a) On 2 May 2023, an announcement was made by the Company pertaining to the Notice of Arbitration dated 28 April 2023 from DCSB pursuant to clause 34 of the PAM Contract which is a notice on commencing arbitration proceedings against GDBSB. In that respect, GDBSB had on 11 May 2023 issued a reply to DCSB in response to the Notice of Arbitration, stating that the Notice of Arbitration by DCSB was issued under the wrong arbitration rules and GDBSB contends that the Purported Notice of Arbitration by DCSB was defective and flawed.
- (b) On 3 May 2023, GDBSB issued a Payment Claim under Section 5 of the Construction Industry Payment Adjudication Act ("CIPAA") 2012 to DCSB to claim for due and outstanding payments based on a construction contract for construction works carried out but not paid by DCSB.
- (c) Based on the legal advice by solicitors, GDBSB had on 11 May 2023 issued the Notice of Arbitration to DCSB to claim amongst others, the following reliefs and remedies (not exhaustive):-
  - (i) Outstanding certified sums;
  - (ii) Late payment interest;
  - (iii) Value of uncertified work executed;
  - (iv) Costs, losses, damages, etc.; and
  - (v) Such further and/or other relief as the Arbitrator deems fit and/or appropriate.
- (d) On 12 May 2023, GDBSB filed a Writ of Summons and Statement of Claim at the High Court of Malaya at Kuala Lumpur against KSKL, the holding company of DCSB. GDBSB served upon KSKL the sealed copy of the Writ of Summons and the Statement of Claim on 15 May 2023.

The Writ of Summons and Statement of Claim are to claim against KSKL the following:-

- (i) The Outstanding Sum of RM102,076,171.93 due and owing to GDBSB under, arising out of, or in connection with the Corporate Guarantee made by KSKL in favour of GDBSB on 5 August 2022 ("Corporate Guarantee");
- (ii) Interest at a rate of 5% per annum (or at such other rate the High Court of Malaya at Kuala Lumpur deems fit and reasonable) on the judgment sum from the date of the judgment until the date of the final and full settlement is paid to GDBSB or GDBSB's solicitors;
- (iii) Costs; and
- (iv) Such further and/or other relief as the High Court of Malaya at Kuala Lumpur deems fit and proper to grant.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 35. MATERIAL LITIGATION (CONT'D)

#### Material Litigation in respect of the 8 Conlay Project (Cont'd)

##### (1) Disputes between GDBSB and DCSB/KSK Land Sdn. Bhd. ("KSKL") (Cont'd)

- (e) On 19 May 2023, GDBSB has served a Notice of Adjudication pursuant to Sections 7 and 8 of the CIPAA 2012 to DCSB, seeking the remedy of an adjudication decision in favor of GDBSB for DCSB to pay GDBSB as follows:-
- (i) The due and outstanding certified sums under the Interim Certificates for the 8 Conlay construction contract together with outstanding late payment interests accrued pursuant to Clause 30.17 of the PAM Contract;
  - (ii) Costs arising from and/or in connection with the adjudication proceedings; and
  - (iii) Such further and other reliefs that the Learned Adjudicator may deem fit.
- (f) On 26 July 2023, GDBSB had been notified by its solicitors that Adjudication Decision dated 10 February 2023 under the CIPAA 2012 has been released and received for the adjudication proceeding held by GDBSB against DCSB which commenced on 10 November 2022 ("Adjudication Decision").

The Adjudicator had determined and delivered his Decision in favour of GDBSB, brief details of the Adjudication Decision are as follows:-

- (i) DCSB to pay to GDBSB for the sum of RM97,792,870.96 ("Adjudicated Sum");
- (ii) Pay interest at a rate of 4% per annum on the Adjudicated Sum calculated from the date of the decision until full payment;
- (iii) Pay to GDBSB the costs of RM30,000;
- (iv) Pay to GDBSB the sum of RM30,300 as GDBSB's portion of the Adjudication Costs; and
- (v) Pay to GDBSB the sum of RM30,300 where GDBSB has paid for DCSB's portion of the Adjudication Costs.

DCSB has previously paid the sum of RM60.0 million out of the Adjudicated Sum which was for payment of the Interim Certificates No. 14, 15, 16 and part of 17(R1), and such sums did not include the payment of late payment interest.

- (g) GDBSB was informed by its solicitors that on 4 August 2023, DCSB served the cause papers under Originating Summons to Stay and to Set-Aside the Adjudication Decision pursuant to Sections 15 and 16 of the CIPAA 2012.

On 10 August 2023, GDBSB filed an Originating Summons and Affidavit in Support at the High Court of Malaya at Kuala Lumpur in respect of an enforcement proceedings pursuant to Section 28 of CIPAA 2012 to enforce the Adjudication Decision as if it is a judgment of court.

- (h) On 8 September 2023, an announcement was made by the Company in relation to an *ex-parte* application filed by DCSB pursuant to Section 366 and Section 368 of the Companies Act 2016 as well as Order 7, Order 28 and Order 88 of the Rules of Court 2012, for a three-month period expiring on 30 November 2023.
- (i) On 2 October 2023, an announcement was made by the Company in relation to an *ex-parte* application made by KSKL made pursuant to Section 366 and Section 368 of the Companies Act 2016 as well as Order 7, Order 28 and Order 88 of the Rules of Court 2012.
- (j) The effect of the *ex-parte* applications by DCSB and KSKL respectively meant all legal proceedings including arbitration and adjudication proceedings had to be suspended by the respective Orders of the High Court.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 35. MATERIAL LITIGATION (CONT'D)

#### Material Litigation in respect of the 8 Conlay Project (Cont'd)

##### (1) Disputes between GDBSB and DCSB/KSK Land Sdn. Bhd. ("KSKL") (Cont'd)

- (k) On 5 December 2023, an announcement was made by the Company regarding the *ex-parte* application as mentioned on item (h) above, that the High Court has granted DCSB's application for an extension period from 1 December 2023 to 30 January 2024 for the High Court Order.
- (l) On 21 December 2023, an announcement was made by the Company that the High Court has granted leave to GDBSB to intervene, for intitlements of cause papers to include GDBSB's name, and ordered that the Court Order to summon a creditors' meeting for purposes of a scheme of arrangement, and the Court Order to restrain further proceedings in any action or proceeding against KSKL, be set aside with costs to GDBSB.
- (m) On 2 January 2024, an announcement was made by the Company that the High Court has granted leave to GDBSB to intervene, and ordered that the Court Order to summon a creditors' meeting for purposes of a scheme of arrangement, and the Court Order to restrain further proceedings in any action or proceeding against DCSB, be set aside with costs to GDBSB.
- (n) On 9 January 2024, an announcement was made by the Company that GDBSB has filed an application of winding-up petition against KSKL pursuant to Section 465(1)(e) and/or Section 465(1)(h) of the Companies Act 2016 in the High Court of Malaya at Kuala Lumpur.
- (o) On 9 January 2024, an announcement was made by the Company that a creditor of DCSB namely, KCJ Properties Sdn. Bhd. ("KCJP"), had on 7 January 2024 filed an *ex-parte* application for a judicial management order to place DCSB under the judicial management of a judicial manager pursuant to Sections 404 and 405 of the Companies Act 2016.
- (p) On 13 February 2024, an announcement was made by the Company that a court order dated 8 February 2024 in relation to an *ex-parte* application made by Stafford Financial Capital Limited under Sections 366 and 368 of the Companies Act 2016 as well as Order 7, Order 28 and Order 88 of the Rules of Court 2012 affecting KSK Group Berhad, KSKL and DCSB (collectively referred as to "KSK Group").
- (q) On 20 March 2024, an announcement was made by the Company that KCJP's application to place DCSB under judicial management and for the appointment of a judicial manager pursuant to Sections 404 and 405 of the Companies Act 2016 as mentioned in item (o) above, has been struck off by the High Court, with the issue of costs to be decided on 3 April 2024. On 3 April 2024, an announcement was made by the Company that court costs of RM7,000 has been awarded to GDBSB, with such court costs to be personally paid by the directors of KCJP.
- (r) On 5 April 2024, an announcement was made by the Company that the court order as mentioned in item (p) has been successfully set aside with court costs of RM10,000 to be paid by Stafford Financial Capital Limited to GDBSB.
- (s) On 15 April 2024, an announcement was made by the Company that a creditor of DCSB and KSKL, namely Fictionist Studio, had on 1 April 2024 filed an Originating Summons to place DCSB and KSKL under judicial management pursuant to Sections 404 and 405 of the Companies Act 2016.

The solicitors are attending to the application to strike out the said Originating Summons.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 35. MATERIAL LITIGATION (CONT'D)

#### Material Litigation in respect of the 8 Conlay Project (Cont'd)

##### (1) Disputes between GDBSB and DCSB/KSK Land Sdn. Bhd. ("KSKL") (Cont'd)

The effect of the Originating Summons means:-

- i. the legal claim as mentioned in item (d) is suspended;
- ii. the legal cases as mentioned in item (g) is suspended; and
- iii. the hearing of the petition as mentioned in item (n) is stayed;

until the said Originating Summons is successfully struck off.

##### (2) Disputes between GDBSB and Syarikat Ong Yoke Lin Sdn. Bhd. ("SOYLSB")

- (a) On 22 December 2022, SOYLSB, the nominated subcontractor 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 at the High Court of Malaya at Kuala Lumpur for an *ex-parte* interim injunction to restrain GDBSB and its directors, etc. from calling on a Bank Guarantee pending the outcome of an arbitration proceedings between SOYLSB and GDBSB.

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 SOYLSB had provided to GDBSB under the Bank Guarantee issued by Standard Chartered Bank Malaysia Berhad for a validity period until 23 December 2023.

The Asian International Arbitration Centre is currently administering the arbitration proceedings.

- (b) 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 2006 for the 8 Conlay Project. GDBSB has accordingly served on SOYLSB its Response to the Notice of Arbitration dated 2 February 2023.
- (c) In respect of the interim injunction, the High Court Judge has on 12 May 2023 ordered, amongst others, as follows:
- (i) an interim injunction is allowed in favour of SOYLSB where GDBSB whether by themselves, or the directors, managers, officers, employees, servants, agents, shareholders or otherwise is restrained from making a demand on the Bank Guarantee subject to SOYLSB providing a renewed Bank Guarantee on the same terms 3 working days before the expiry of the Bank Guarantee;
  - (ii) In the event that SOYLSB fails to provide the renewed Bank Guarantee on the same terms 3 working days before the expiry of the Bank Guarantee, the interim injunction granted by the High Court will automatically lapse; and
  - (iii) Costs in the sum of RM15,000.00 subject to allocator to be paid by GDBSB to SOYLSB in respect of the Originating Summons and no order as to costs in respect of the Notice of Application.
- (d) On 6 June 2023, GDBSB has filed a Notice of Appeal challenging the court's decision regarding the interim injunction. The court has scheduled the hearing for the appeal of the interim injunction on 18 September 2024.
- (e) SOYLSB has in December 2023 provided the renewed Bank Guarantee, which is valid until 21 December 2024.

# LIST OF PROPERTY

## AS AT 31 DECEMBER 2023

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 2023 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 5 years	Built-up: 1,451 square meter	8,463,738

# ANALYSIS OF SHAREHOLDINGS

## AS AT 8 APRIL 2024

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	125	2.81	5,688	0.00
100 - 1,000	339	7.61	147,163	0.02
1,001 - 10,000	1,662	37.33	9,599,083	1.02
10,001 - 100,000	1,867	41.94	66,051,866	7.05
100,001 - less than 5% of issued Shares	457	10.27	205,306,850	21.90
5% and above of issued Shares	2	0.04	656,389,350	70.01
<b>Total</b>	<b>4,452</b>	<b>100.00</b>	<b>937,500,000</b>	<b>100.00</b>

### 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 <sup>(1)</sup>	48.94
Alexander Lo Tzone Leong	197,539,350	21.07	-	-
Cheah Jun Kai	2,450,000	0.26	75,000 <sup>(2)</sup>	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:

<sup>(1)</sup> Deemed interested by virtue of his shareholdings in CHC Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

<sup>(2)</sup> Deemed interested by virtue of his wife, Yeo Tze Lin's shareholdings in the Company.

# ANALYSIS OF SHAREHOLDINGS AS AT 8 APRIL 2024 (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 <sup>(1)</sup>	48.94
Alexander Lo Tzone Leong	197,539,350	21.07	-	-

Note:

<sup>(1)</sup> 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.	Kong Goon Khing	21,112,000	2.25
4.	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Leong Kong Foo	7,201,000	0.77
5.	RHB Nominees (Tempatan) Sdn Bhd - OSK Capital Sdn Bhd for Yayasan Islam Terengganu	6,875,000	0.73
6.	Lim Bee San	3,831,100	0.41
7.	HLIB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Toh Kian Foo	2,860,000	0.31
8.	Sow Tiap	2,500,000	0.27
9.	Cheah Jun Kai	2,450,000	0.26
10.	Chung Chuan Wang	2,438,900	0.26
11.	Sai Mee Hing	2,300,500	0.25
12.	CIMB Group Nominees (Tempatan) Sdn Bhd - Exempt An for CIMB Investment Bank Berhad (PB-TAIM-M-R)	2,038,400	0.22
13.	Universal Trustee (Malaysia) Berhad - TA Dynamic Absolute Mandate	1,760,000	0.19
14.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Pledged Securities Account for Richard Khoo Teng San (MY3062)	1,709,700	0.18
15.	Kenanga Nominees (Asing) Sdn Bhd - Rakuten Trade Sdn Bhd for Chooi Kok Yaw	1,686,900	0.18

# ANALYSIS OF SHAREHOLDINGS

## AS AT 8 APRIL 2024 (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.	UOBM Nominees (Tempatan) Sdn Bhd - UOB Asset Management (Malaysia) Berhad for Malaysian Timber Council (OF-EQ)	1,649,100	0.18
17.	Lee Hoo Sau	1,538,650	0.16
18.	Oan Yee Lai	1,535,500	0.16
19.	Koon Poh Weng	1,500,000	0.16
20.	Sin Kheng Lee	1,500,000	0.16
21.	Sit Kam Hock	1,451,100	0.16
22.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for How Kim Lian (HOW0113M)	1,400,000	0.15
23.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - AHAM Asset Management Berhad for Malaysian Timber Council (EF-EQ)	1,386,750	0.15
24.	Yap Yee Hock	1,349,500	0.14
25.	Lim Say Hock	1,300,000	0.14
26.	Tin Hong Pak	1,220,000	0.13
27.	TASEC Nominees (Tempatan) Sdn Bhd - Exempt An for TA Investment Management Berhad (Clients)	1,201,900	0.13
28.	Lim Kim Yew	1,200,000	0.13
29.	Civil and Structural Engineering Services Sdn Bhd	1,125,000	0.12
30.	Sudut Swasta Sdn Bhd	1,125,000	0.12

# ANALYSIS OF WARRANTS HOLDINGS

## AS AT 8 APRIL 2024

Type of Securities	: Warrants (2021/2026) ("Warrants")
No. of Unexercised Warrants	: 250,000,000
Exercise Price	: RM0.60
Exercise Period	: 25 June 2021 to 24 June 2026

### DISTRIBUTION SCHEDULE OF WARRANTS HOLDINGS

Size of Holdings	No. of		No. of	
	Warrant Holders	%	Shares	%
Less than 100	247	10.62	11,608	0.01
100 - 1,000	405	17.41	208,072	0.08
1,001 - 10,000	918	39.47	3,776,600	1.51
10,001 - 100,000	601	25.84	23,605,880	9.44
100,001 - less than 5% of issued Warrants	153	6.58	47,360,680	18.94
5% and above of issued Warrants	2	0.08	175,037,160	70.02
<b>Total</b>	<b>2,326</b>	<b>100.00</b>	<b>250,000,000</b>	<b>100.00</b>

### DIRECTORS' WARRANTS HOLDINGS

(As per the Register of Directors' Warrants Holdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
Cheah Ham Cheia	-	-	-	-
Alexander Lo Tzone Leong	52,677,160	21.07	-	-
Cheah Jun Kai	800,000	0.32	20,000 <sup>(1)</sup>	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:

<sup>(1)</sup> Deemed interested by virtue of his wife, Yeo Tze Lin's Warrants held in the Company.

# ANALYSIS OF WARRANTS HOLDINGS AS AT 8 APRIL 2024 (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.	Maybank Nominees (Tempatan) Sdn Bhd - Lee Gia Cian @ Cally	2,465,000	0.99
4.	Yeap Koo Liang	1,540,400	0.62
5.	Rohazifah Binti Samsudin	1,416,400	0.58
6.	Tan Sing Keng	1,350,000	0.54
7.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for How Kim Lian (HOW0113M)	1,250,000	0.50
8.	Kang Joo Kwang	1,200,000	0.48
9.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for On Kok Kheng	939,900	0.38
10.	Ter Leong Swee	932,300	0.37
11.	Cheah Jun Kai	800,000	0.32
12.	Siew Kok Peng	800,000	0.32
13.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Chong Han	775,000	0.31
14.	Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd for Mah Swee Buoy	676,400	0.27
15.	Tiong Yee Fan	650,000	0.26
16.	Chong Wai Ken	610,000	0.24
17.	Ang Loo Leong	600,000	0.24
18.	Law Wah Ming	600,000	0.24
19.	Lim Meng Yit	600,000	0.24
20.	Mohd Zaidi Bin Abd Rahman	600,000	0.24
21.	Sow Tiap	540,000	0.22
22.	Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd for Yeap Soon Kean	520,700	0.21
23.	Idris Bin Abu Taib	500,000	0.20
24.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chong Woon Khong (E-TCS)	500,000	0.20

# ANALYSIS OF WARRANTS HOLDINGS AS AT 8 APRIL 2024 (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	%
25.	Moomoo Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Diow Rhu Yeh	462,400	0.19
26.	Low Choon Tow	440,400	0.18
27.	Tio Yee Ting	403,800	0.16
28.	Chiang Ying Ying	401,100	0.16
29.	Chin Keit Fah	400,000	0.16
30.	Koon Poh Weng	400,000	0.16



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Eleventh Annual General Meeting (“11th 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 Monday, 10 June 2024 at 10.30 a.m. or at any adjournment thereof, to transact the following businesses:-

## AGENDA

### AS ORDINARY BUSINESS :

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors’ fees and benefits of up to RM285,000.00 for the financial year ending 31 December 2024.
3. To re-elect the following Directors who retire by rotation in accordance with Clause 85 of the Company’s Constitution:
  - i. Tan Sri Dato’ Ir. Hj. Zaini Bin Omar
  - ii. Madam Kow Poh Gek
4. To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting (“AGM”) of the Company 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 such authority shall continue in force until the conclusion of the next Annual General Meeting (“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)

AND 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. 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)**  
**LEE SIEW FUN (MAICSA 7063623) (SSM PC No.: 202008000735)**  
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan  
22 April 2024

## 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 member may appoint any person to be his proxy. 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.
- 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 4 June 2024. Only members whose names appear in the General Meeting Record of Depositors as at 4 June 2024 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting:
- (i) In hard copy form  
  
In the case of an appointment made in hardcopy 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 2023**

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 2024 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.

### **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.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Following thereto, Tan Sri Dato' Ir. Hj. Zaini Bin Omar and Madam Kow Poh Gek will retire by rotation pursuant to Clause 85 of the Company's Constitution (collectively referred to as "Retiring Directors"). The Retiring Directors being eligible, have offered themselves for re-election at the 11th AGM.

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 7 and 12 of the Company's Annual Report 2023.

#### **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 to seek a 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, is to 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).

The Company had at its Tenth AGM held on 8 June 2023 ("10th AGM"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company 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 10% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("General Mandate"). This General Mandate will expire at the conclusion of the 11th AGM.

As at the date of this Notice, no new Shares were issued and allotted pursuant to the General Mandate granted to the Directors at the 10th AGM which will lapse at the conclusion of the 11th AGM.

# ADMINISTRATIVE NOTES FOR THE ELEVENTH ANNUAL GENERAL MEETING OF GDB HOLDINGS BERHAD (“GDB” OR “COMPANY”) (“11TH AGM” OR “MEETING”)

Day & Date	: Monday, 10 June 2024
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 11th 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 hardcopy 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. Once your email address is verified, you will be re-directed to BSIP Online for verification of mobile number. Click on “Request OTP Code” and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click “Enter” to complete the process.
- f. 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 ELEVENTH ANNUAL GENERAL MEETING OF GDB HOLDINGS BERHAD (“GDB” OR “COMPANY”) (“11TH 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 (11th) ANNUAL GENERAL MEETING” from the list of Corporate Meetings and click “Enter”.
- d. Go to “PROXY” and click on “Submit eProxy Form”
- e. Read the Terms & Conditions and confirm the Declaration.
- f. Enter your CDS Account number and the total number of securities held.
- g. Select your proxy – either the Chairman of the Meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies).
- h. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your votes.
- i. Review and confirm your proxy(ies) appointment.
- j. Click submit.
- k. 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 11th 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](mailto: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 11th 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](mailto: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 11th AGM is 4 June 2024. As such, only members whose name appears in the Record of Depositors of the Company as at 4 June 2024 shall be entitled to attend the 11th AGM and to present, participate, speak and vote thereat.

# ADMINISTRATIVE NOTES FOR THE ELEVENTH ANNUAL GENERAL MEETING OF GDB HOLDINGS BERHAD (“GDB” OR “COMPANY”) (“11TH 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 11th AGM, you agree that no part of the 11th 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.

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 8.30 a.m. to 5.30 p.m. (except public holidays) prior to the Meeting: -

For Registration matters:		For Proxy Form matters:	
Name	: Julie Tan	Name	: Nursyahirah
Telephone No.	: 603-5103 8162 (Ext. 137)	Telephone No.	: 603-7890 4754
Email	: Julie.tan@gdbsb.com	Helpdesk No.	: 603-7890 4700
		Fax	: 603-7890 4670
		Email	: 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 Eleventh Annual General Meeting ("11th AGM" or "Meeting") of the Company to 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 Monday, 10 June 2024 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 RM285,000.00 for the financial year ending 31 December 2024.		
2.	To re-elect Tan Sri Dato' Ir. Hj. Zaini Bin Omar as Director who retires by rotation in accordance with Clause 85 of the Company's Constitution.		
3.	To re-elect Madam Kow Poh Gek 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 of the Company 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.		

\*delete whichever is not applicable

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

\_\_\_\_\_  
 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 member may appoint any person to be his proxy. 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 4 June 2024. Only members whose names appear in the General Meeting Record of Depositors as at 4 June 2024 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

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AFFIX  
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The Share Registrar

**GDB HOLDINGS BERHAD**

c/o Boardroom Share Registrars Sdn Bhd  
11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan

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- g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting: -
  - (i) In hard copy form  
In the case of an appointment made in hardcopy 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](http://www.gdbhb.com.my)