



GDB HOLDINGS BERHAD

201301006623 (1036466-U)

(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE TWELFTH ANNUAL GENERAL MEETING (“12TH AGM”) OF GDB HOLDINGS BERHAD (“GDB” OR “THE COMPANY”) HELD AT BALLROOM V, MAIN WING, TROPICANA GOLF & COUNTRY RESORT, JALAN KELAB TROPICANA, OFF JALAN TROPICANA UTAMA, 47410 PETALING JAYA, SELANGOR DARUL EHSAN ON MONDAY, 11 JUNE 2025 AT 10:30 A.M.

- Q1. By referring to page 19 of the Annual Report 2024 (“AR 2024”), noted that the Company has secured three (3) major contracts with a combined value of RM1.47 billion. What is the progress of these projects, and what are the current balance outstanding order book?**

The progress of the ongoing projects is as follows:-

- International Hospital, KL Wellness City: The progress is currently at approximately 33%, with completion expected by April 2026.
- Logistics Hub Plot B, Shah Alam: The progress is currently at approximately 30%, with completion expected by December 2026.
- Metrohub 4 Logistic Hub, Klang: The progress is currently at approximately 10%, with completion expected by August 2026.

The Company has announced in the Quarterly Report for the first quarter of year 2025, and the Group’s order book stood at approximately RM1.17 billion, with a significant portion scheduled delivery within this year. As a result, the revenue for the current year is expected to be higher than the previous years.

- Q2. By referring to page 20 of the AR 2024, noted that the Company has submitted tenders for jobs worth about RM1.8 billion, and an additional RM2.8 billion to be submitted in the first half of year 2025. What is the breakdown of the tenders of RM2.8 billion?**

The Group has submitted tenders valued at approximately RM1.6 billion as per the Quarterly Report for the first quarter of year 2025, which comprise a mix of projects including commercial, residential, mixed development and warehouse.

In addition, the Company plans to submit further tenders by the end of the second quarter of 2025. These upcoming bids will primarily include warehouse developments, serviced apartments, and data centre facilities, aligning with current market demand and the Company’s project execution capabilities.

- Q3. What is the Group’s historical tender success rate, and why has there been a slowdown in new contract wins this year?**

The Group’s historical tender success rate stands at approximately 15%. Although there are currently only three (3) active projects, a substantial portion of the RM1.17



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billion order book is scheduled for execution within year 2025. Consequently, the Group’s immediate operational focus has been on ensuring the timely delivery of these projects. This has led to a more selective approach in participating in tenders, which may have contributed to a slower pace of securing new contracts.

Following the termination of the 8 Conlay project in 2023, the Group implemented various cost-optimisation initiatives, including the streamlining of its workforce. With the recent award of new contracts, Management is now in the process of rebuilding its operational capacity to meet project demands.

Q4. How will the recently announced Sales and Service Tax (SST) expansion on construction services impact the Group?

The SST expansion which include construction services is still in its early stages, and the industry is awaiting further clarification on its scope and application. As of the date of the Meeting, the financial impact cannot be determined, as implementation details have yet to be reviewed. Management will assess and take appropriate action once clearer relevant guidelines are available.

Q5. By referring to page 119 of the AR 2024, what is the basis for the RM10 million allowance for impairment, and how was the amount determined in light of the increase in trade receivables?

The trade receivables includes amounts from both completed and ongoing projects. The increase from RM141 million in financial year ended 31 December 2023 to RM156 million in financial year ended 31 December 2024 attributed by the higher contribution from the ongoing projects.

The impairment allowance of RM10 million was determined based on Management’s assessment of the recoverability of trade receivables. This assessment considered factors such as the status of ongoing material litigation, potential risk of non-recovery, and available information. A prudent approach was adopted, taking into account the age of the receivables and other relevant risk indicators.

The RM10 million provision was made as a prudent measure, based on information available at the time of preparation of the financial statements.



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Q6. Will the Company refine its dividend policy?

The Company's current dividend policy remains unchanged since its listing, with a payout of up to 30% of profit after tax, subject to cash flow availability and funding requirements for any expansion plans.

The Board confirmed that the policy continues to be applied consistently. In the recent two (2) quarters, the Company recorded healthy cash flows and, accordingly, declared dividends in line with the policy. The Company will continue to reward shareholders where feasible, based on future cash flow performance.

Q7. What is the impact of the recent material litigation update concerning the 8 Conlay project, and will it result in further impairment losses this year?

The Board clarified that while the recovery prospects remain positive, litigation processes often involve delays such as applications for stays and appeals. As such, a court award does not immediately equate to final recovery. The Company will continue to monitor developments and assess any potential need for further impairment, subject to the status of litigation and any material changes in the debt recovery outlook.

Q8. On page 118 of the AR 2024, under item 8, the contract liability was reported as zero. What is the reason that led to this outcome?

The contract liability is mainly attributed to timing differences between revenue recognition and certified billings. Revenue recognition is based cost of completion basis while billing is certified generally about a month after the revenue is recognised.

Q9. What is the reason for the Company's shift from high-rise residential projects to warehouse and healthcare-related developments?

The shift is a strategic response to evolving market demand. With a slowdown in residential developments, the Group is diversifying into other growth areas such as warehouses and healthcare facilities. Warehousing projects in particular offer attractive contract values and shorter delivery timelines. Based on the track record, such as completing a warehouse project ahead of schedule, the Company positions itself competitively in this segment. This diversification supports business continuity and sustains revenue visibility.



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- Q10. In light of the experience with the 8 Conlay project, what key lessons were learned, and has this influenced the Group’s approach to evaluating and selecting clients?**

The 8 Conlay situation was an unfortunate episode as the client had initially indicated that financing was in place for the project. Moving forward, the Management has tightened the client selection criteria and will adopt a more rigorous assessment of paymasters’ financial strength. It is worth noting that this was the only project with such an issue in the Company’s track records.

- Q11. The Company has reported industry-leading profit margins. What are the key drivers, and is this performance sustainable?**

The improved margins reported in recent quarters were largely attributed to the finalisation of accounts for the completed projects, with favourable outcomes through main contract claims and cost savings of the construction costs. While such margins may not be consistently replicable, nonetheless the Group remains focused on disciplined project execution and effective cost management to strive for achieving healthy profitability.

- Q12. With data centers being a new focus, what steps has the Company taken to ensure effective delivery?**

Data centers present unique challenges, particularly the need for rapid execution. Structurally, they are simpler than high-rise developments, but demand significant resources due to compressed timelines. The Company has to make necessary preparations to ensure adequate manpower and technical capabilities are in place to deliver data center projects efficiently and to high standards.

- Q13. The AR 2024 mentioned plans to enter the civil and infrastructure sector. When is the Group expecting its first breakthrough in this space?**

While the civil and infrastructure sector remains a component of the Group’s potential growth plan, the current focus is on identifying suitable talent to lead this segment. Presently, the Group’s resources are primarily allocated to building projects. As and when the right opportunity arises, the Group will assemble a new team to lead this new segment.



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Q14. What is the reason for the increase in directors’ fees despite mention of cash flow considerations?

The proposed directors’ fees for the financial year ending 31 December 2025, presented for approval by the shareholders, have been increased in view of the fact that there has been no revision in the previous year. The adjustment also reflects the contributions made by the Independent Non-Executive Directors and improved financial performance of the Company.

Q15. Page 90 of the AR 2024 stated that the Directors do not recommend the payment of any further dividends for the financial year. Does this mean no dividend will be declared for the current year?

The statement on page 90 of the AR 2024 refers specifically to the financial year ended 31 December 2024, for which no final dividend has been proposed. However, this does not preclude the Company from declaring dividends in 2025, subject to the Group’s financial performance, cash flow position and other relevant factors at the time.

The Company has declared a first interim dividend of 0.5 sen per ordinary share on 28 May 2025 in respect of the financial year ending 31 December 2025.

Q16. Will the Board consider providing any form of reimbursement to shareholders attending the Meeting, given the travel expenses incurred?

The Board acknowledges and appreciates shareholders’ efforts in attending the Meeting. While there is currently no policy in place for travel reimbursements, the Board values the feedback and will take it into consideration when reviewing arrangements for future meetings.

Q17. How long can a director remain in office before being required to stand for re-election? Is there a maximum tenure under the Company’s Constitution?

The re-election of directors is governed by the Company’s constitution. Directors are subjected to re-election based on a rotation schedule, whereby each director must stand for re-election at least once every three (3) years. Independent Directors are subject to a tenure limit of nine (9) years. Retention of an Independent Director beyond



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nine (9) years requires shareholders’ annual approval through a two-tier voting process.