



GDB HOLDINGS BERHAD
REGISTRATION NO.: 201301006623 (1036466-U)

ANNUAL REPORT 2020





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 OHSAS 45001:2018 Occupational Health and Safety Management System. GDBSB has also attained QCLASSIC, CONQUAS, BuildQAS as well as SHASSIC safety certification for its projects and also completed the Green 5-S program which is in line with GDBSB's commitment to safety, health, quality, productivity and the environment. Notably, GDBSB is the

first construction company in Malaysia to be certified by Hong Kong 5-S Association Ltd and SIRIM STS in December 2018 for implementing the Construction Green 5S ("CG5S") which consists of 5S and Lean 5S Programs.

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

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

GDB Geotechnics also holds a Grade G7 License from CIDB.



Table of Contents

Vision & Mission	2
Corporate Information	3
Corporate Structure	4
Five-Year Financial Highlights	5
Profile of Directors	7
Key Management Profile	10
Chairman's Statement	12
Management Discussion & Analysis	14
Sustainability Statement	21
Corporate Governance Overview Statement	24
Audit Committee Report	37
Statement on Risk Management and Internal Control	40
Additional Compliance Information	46
Directors' Responsibility Statement	48
Financial Statements	49
List of Property	114
Analysis of Shareholdings	115
Notice of Annual General Meeting	118
Appendix A	122
Administrative Notes For The Eighth Annual General Meeting	126
Proxy Form	



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)

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)

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)

COMPANY SECRETARY

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

REGISTERED OFFICE

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

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
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

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

PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Code : 0198

Corporate Structure



GDB HOLDINGS BERHAD
201301006623 (1036466-U)

INVESTMENT HOLDING COMPANY

100%

GRAND DYNAMIC BUILDERS SDN BHD

200501035889 (718036-T)

PROVISION OF CONSTRUCTION SERVICES

1%

69%

GDB GEOTECHNICS SDN BHD

201101043173 (971293-X)

PROVISION OF CONSTRUCTION SERVICES
SPECIALISING IN GEOTECHNICAL AND
FOUNDATION ENGINEERING WORKS

Five-Year Financial Highlights

Financial Year Ended 31 December	2020	2019	2018	2017	2016
KEY OPERATING RESULTS	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	362,813	322,767	274,559	296,812	276,906
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	40,195	42,768	42,126	34,879	25,162
Profit Before Tax	33,787	37,723	36,949	30,502	21,424
Profit After Tax and Non-Controlling Interest (PATNCI)	25,689	29,132	27,890	22,518	16,092

FINANCIAL POSITION	RM'000	RM'000	RM'000	RM'000	RM'000
Total Assets	264,606	230,725	212,751	152,206	110,433
Total Liabilities	129,243	107,386	108,630	112,289	83,234
Share Capital	62,564	62,564	62,564	20,000	15,000
Equity Attributable to Owners of the Company	133,941	120,753	104,121	39,917	27,199

SHARE INFORMATION					
Earnings Per Share (Sen) ⁽¹⁾	4.11	4.66	4.68	4.50	6.42
Net Assets Per Share (Sen) ⁽²⁾	21.43	19.32	16.66	6.39	4.35
Dividend Yield (%)	2.14	3.25	8.70	NA	NA
Dividend Payout (%)	48.66	42.91	44.82	NA	NA
Share Price - High (RM)	0.980	0.625	0.365	NA	NA
Share Price - Low (RM)	0.380	0.600	0.220	NA	NA
Share price - Close as at 31 December (RM)	0.935	0.615	0.230	NA	NA
Market Capitalisation (RM' Million)	584.38	384.38	143.75	NA	NA

Notes:

⁽¹⁾ Earnings Per Share is calculated based on weighted average number of ordinary share as at year end.

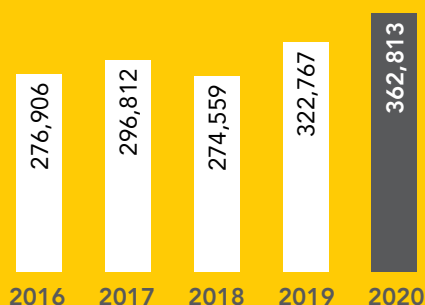
⁽²⁾ Net Assets Per Share is calculated based on issued share capital of 625,000,000 shares.

NA - Not applicable

Five-Year Financial Highlights (cont'd)

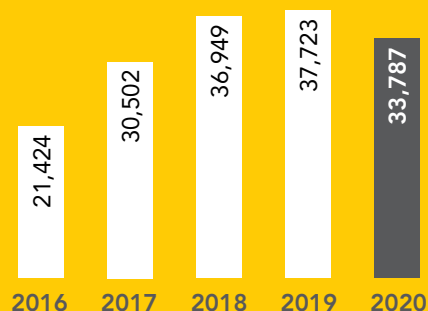
REVENUE

(RM' 000)



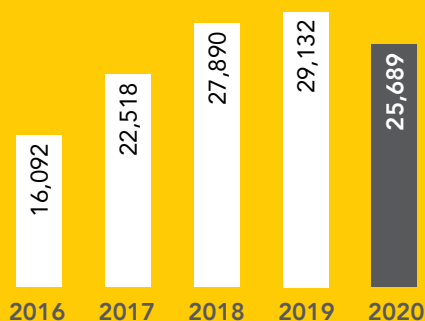
PROFIT BEFORE TAX

(RM' 000)



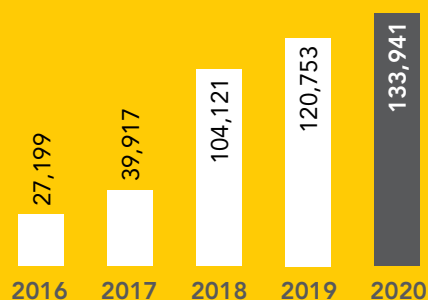
PATNCI

(RM' 000)



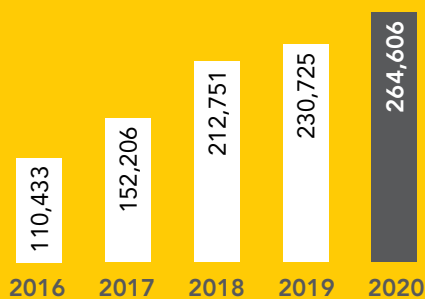
SHAREHOLDERS' FUND

(RM' 000)



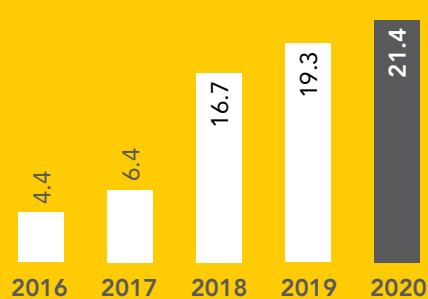
TOTAL ASSETS

(RM' 000)



NET ASSETS PER SHARE

(SEN)*



* Net Assets Per Share is calculated based on issued share capital of 625,000,000 shares

Profile of Directors



TAN SRI DATO' IR. HJ. ZAINI BIN OMAR

Independent Non-Executive Chairman

Tan Sri Dato' Ir. Hj. Zaini bin Omar, male, a Malaysian, aged 72, is our Independent Non-Executive Chairman and was appointed to our Board on 18 September 2017. He is also a member of the Audit Committee, Remuneration Committee, Nomination Committee, and Risk Management Committee.

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

He has vast experience in the electricity sector, the aviation sector, the water supply sector and the public works sector. He has served in various functions including 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. Additionally, he also sits on the board of several private companies.

He attended four (4) out of five (5) Board of Directors' Meetings held during the financial year ended 31 December 2020.

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



CHEAH HAM CHEIA

Group Managing Director

Mr. Cheah Ham Cheia, male, a Malaysian, aged 65, 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 41 years of experience and held multiple positions, including Group Chief Executive Officer of Putrajaya Perdana Berhad where he was responsible for planning strategic business objectives and ensuring positive growth of revenue and profit margins of the Putrajaya Perdana group.

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

He attended all five (5) Board of Directors' Meetings held during the financial year ended 31 December 2020.

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

Profile of Directors (cont'd)



ALEXANDER LO TZONE LEONG
Group Executive Director

Mr. Alexander Lo Tzone Leong, male, a Malaysian, aged 49, 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”).

He graduated with a Certificate in Technology (Building) from Kolej Tunku Abdul Rahman, Malaysia in May 1992. He has spent more than 28 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.

He attended all five (5) Board of Directors’ Meetings held during the financial year ended 31 December 2020.

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



CHEAH JUN KAI
Executive Director

Mr. Cheah Jun Kai, male, a Malaysian, aged 34, is our Executive Director and the Senior Manager for the Finance, Risk Management and Business Development divisions. He was appointed to our Board on 28 February 2013.

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

He attended all five (5) Board of Directors’ Meetings held during the financial year ended 31 December 2020.

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

Profile of Directors (cont'd)



DATUK SR CHIA LUI MENG
Independent Non-Executive Director

Datuk Sr Chia Lui Meng, male, a Malaysian, aged 66, is our Independent Non-Executive Director. He was appointed to our Board on 18 September 2017. He is the Chairman of the Remuneration Committee and the Risk Management Committee, as well as a member of the Audit Committee and the Nomination Committee.

He graduated with a Bachelor of Quantity Surveying (Hons) from Universiti Teknologi Malaysia in April 1978. He was also awarded a Bachelor of Laws (Hons) Degree from the University of London in August 1994 and completed the Certificate of Legal Practice awarded 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 (Kuala Lumpur and Selangor) 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 43 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.

He was involved in the development of the 1,200 acres ECOPARK township by VIHAJICO in Hanoi, Vietnam, Group Director of Naza TTDI Sdn Bhd, CEO of Malton Berhad and is currently the Secretary General of the Real Estate and Housing Developers' Association Malaysia ("REHDA") and the Committee Member of the REHDA Wilayah Persekutuan Branch.

He is a Non-Executive Director of certain 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, Bangi Heights Development 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 2020.

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



KOW POH GEK
Independent Non-Executive Director

Mdm. Kow Poh Gek, female, a Malaysian, aged 64, is our Independent Non-Executive Director. She was appointed to our Board on 14 December 2017. She is also the Chairperson of the Audit Committee and the Nomination Committee, as well as a member of the Remuneration Committee and the Risk Management Committee.

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

She has more than 39 years of experience in accounting and finance, and has served in various sectors such as investment holding, banking, hotels and resorts, direct selling, manufacturing and trading/services. She was the Chief Financial Officer of EITA Resources Berhad from January 2012 to December 2017, where she was responsible for the Group's finance and accounts, investor relations functions and risk management.

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

She attended all five (5) Board of Directors' Meetings held during the financial year ended 31 December 2020.

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

Key Management Profile

TOH FONG ENG

Chief Financial Officer

Mdm. Toh Fong Eng, female, a Malaysian, aged 59, is our Chief Financial Officer since May 2017. She is responsible for the overall corporate finance functions of the Group and oversees the accounting, taxation and treasury functions as well as the statutory compliance and reporting of our Group.

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

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

LIM LEE LING

Senior Manager for Human Resource and Administration

Mdm. Lim Lee Ling, female, a Malaysian, aged 51, is our Senior Manager for Human Resource and Administration since May 2017. She is responsible for our Group's overall human resource and office administrative matters. She joined the Group in May 2013.

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

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

YAP WEI TONG

General Manager for Project

Mr. Yap Wei Tong, male, a Malaysian, aged 47, joined the Group since January 2015. He assists our Group Executive Director in managing the construction division and was the Head of Project for several of our Group's projects.

In January 2021, he was promoted to General Manager for Project.

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 in May 2014.

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

Key Management Profile (cont'd)

WONG CHIN TEE

General Manager for Tenders and Contracts

Mr. Wong Chin Tee, male, a Malaysian, aged 56, was promoted to the position of General Manager for Tenders and Contracts effective from January 2020. He oversees and manages the Group's project costs, tendering of projects, and leads the Tender & Contract Department since he joined the Group in August 2013.

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

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

GOH ENG NGAI

Executive Director for GDB Geotechnics Sdn Bhd

Mr. Goh Eng Ngai, male, a Malaysian, aged 60, is our Executive Director for GDB Geotechnics Sdn Bhd ("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 36 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 joined the Group following the GDB's acquisition of GDB Geotechnics, at which he was serving as the Executive Director of the GDB Geotechnics since September 2013.

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

Chairman's Statement

DEAR SHAREHOLDERS,

It is my privilege to report to you that the year 2020 - which signified our 8th year of operations since the incorporation of GDB Holdings Berhad ("GDB") in 2013 - was distinguished by two key milestones.

Firstly, GDB successfully transferred its listing status to the Main Market of Bursa Malaysia Securities Berhad in April 2020, just two years after being listed on the ACE Market in 2018.

This feat demonstrated the Company and its subsidiaries' ("Group") ability to sustain commendable financial performance, according us a larger playing field amongst the big league of Corporate Malaysia. The listing transfer also opened a channel to a wider investing community in Malaysia and abroad.

Secondly, the Group secured its first Billion-Ringgit contract win namely the 8 Conlay; the single largest undertaking in our corporate history, for the construction of an integrated mixed development in Kuala Lumpur City Centre.

These achievements were even more remarkable as they were clinched in one of the most challenging years in global history, when the COVID-19 pandemic disrupted the world's businesses across all sectors in an unprecedented scale.

On behalf of the Board of Directors of GDB, I am honoured to present to you our annual report and our audited financial statements for the financial year ended 31 December 2020 ("FYE 2020").

2020 ECONOMIC REVIEW

The International Monetary Fund ("IMF") in its April 2021 World Economic Outlook stated that the global economy contracted by 3.3 % in 2020 compared to a minimal 2.8% growth the preceding year, as the highly contagious COVID-19 pandemic prompted impositions of lockdowns of varying degrees and closures of borders across the globe in attempts to contain the spread of COVID-19 virus and safeguard populations.

The ensuing uncertainty in market supply and demand affected global trade, leading analysts to opine that the effect of the pandemic is more severe and devastating than the 2008 subprime economic crisis.

Malaysia was also not immune to the bearish effect of the pandemic. To contain the virus from spreading, the government implemented the first phase of Movement Control Order ("MCO") on 18 March 2020 that came into effect until 3 May 2020, followed by various phases of MCOs.

In addition to the enforcement of movement restrictions and border closures, businesses across all sectors were not permitted to operate except for essential services during the first phase of MCO.

On the construction front, all works at construction sites were halted, except for certain critical works like tunnelling works and the repair of slopes, potholes, and traffic lights. This resulted in delays in progress of construction projects which led to non-productive resources including idle plants and equipment.

Effective from 4 May 2020, the construction sector was permitted to operate but subject to compliance with Standard Operating Procedures ("SOPs") issued by the Authorities, including mandatory COVID-19 tests on workers and sanitisation measures. This allowed contractors to continue working on their projects albeit with greater time and cost pressures.

Unsurprisingly, Bank Negara Malaysia ("BNM") reported overall Malaysia's GDP performance contraction of 5.6% in 2020 as opposed to 4.3% growth in 2019 while annual growth in the construction sector dipped by 19.4%.

Chairman's Statement (cont'd)

2021 OUTLOOK

As per IMF, global economic output is forecasted to expand by 6% in 2021 on account of discovery and rolling out of COVID-19 vaccine in stages in several countries. The ongoing vaccination programme is expected to strengthen global recovery while improving market confidence, consumption, and trade.

However, the anticipated economic growth may be dampened by potential financial stress amid high-debt levels and weaker expansion triggered by a decade-long wave of global debt accumulation that was compounded by the pandemic. Vaccine-related challenges including possible delays in procurement and distribution could also contribute to a further increase in COVID-19 infections, hence creating economic uncertainty.

Back home, the Government imposed MCO 2.0 from 13 January 2021 until 4 March 2021. However, unlike the first MCO, the construction sector is allowed to operate, subject to the construction sector SOP including testing, screening, sanitisation and quarantine measures.

This development is expected to help the construction sector to rebound in 2021 from progress made on construction projects, in addition to implementation and revival of major infrastructure and the government maintaining its commitment to deliver more affordable housing projects, coupled with growth in civil engineering sector.

As outlined by BNM, domestic GDP is expected to climb between 6.0% to 7.5% on improving global and domestic demand and trade, from potential reopening of borders for international travels as well as increasing private consumption and investment.

The economy in 2021 is also anticipated to gain an additional boost from the implementation of the Government's various stimulus packages amounting to RM305 billion, aimed at stimulating public expenditure and cushioning the effects of lower economic output and unemployment.

APPRECIATION

I would like to express my gratitude to the Board of Directors, key senior management, and all employees of GDB for their unwavering efforts and perseverance in sustaining the Group's performance during these difficult times.

My sincere thanks also go to our business partners, associates, suppliers, customers, and valued shareholders for standing by us and providing support in many forms. We hope that you would continue to be with us in pursuit of greater achievements in the future.

Sincerely,

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



Management Discussion & Analysis

DEAR VALUED SHAREHOLDERS,

We are delighted to share that GDB Holdings Berhad (“GDB”) overcame an adversity-filled year by attaining significant corporate and operational milestones.

Our Main Market transfer proved to be timely executed which certainly positioned us favourably in the eyes of all stakeholders, from the investing community, employees, and business associates to our existing and prospective clients.

Undoubtedly, this corporate standing together with our track record of delivering quality buildings earlier than actual completion dates, played a role in GDB winning our single largest contract of RM1.25 billion namely the 8 Conlay project in 2020, on top of making steady progress on our ongoing projects across Klang Valley and in East Malaysia.

The accomplishment of the two significant milestones against the backdrop of an unprecedented COVID-19 pandemic which resulted in a sector-wide operational shutdowns for approximately 1.5 months, followed by a prolonged period of movement controls under varying phases of MCO lends credence to GDB’s inherent corporate and operational resilience.

I am honoured to present to you GDB and its subsidiaries’ (“Group”) performance for the financial year ended 31 December 2020 (“FYE 2020”).

BUSINESS OVERVIEW

GDB, via its 100%-owned Grand Dynamic Builders Sdn Bhd (“GDBSB”), is a construction services provider in Malaysia, specialising in high-rise residential, commercial, and mixed development buildings.

After its incorporation in 2013, the Group was publicly listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 27 March 2018. In April 2020, GDB successfully transferred its listing status to the Main Market of Bursa Securities.

As a main or principal works contractor, GDBSB is responsible for the implementation of construction projects. This includes the engagement of subcontractors as well as daily management of all the works necessary for completing projects on time and in accordance with our customers’ specifications.

GDBSB is registered with the Construction Industry Development Board of Malaysia (“CIDB”) as a Grade G7 contractor, which enables GDBSB to tender for projects with unlimited value in the categories of general building, general civil engineering, and mechanical works.

GDBSB is also equipped with the Sijil Perolehan Kerja Kerajaan as a Grade G7 contractor, which allows us to participate in tenders for Government jobs with contract value above RM10.0 million.

In line with our commitment to comply with stringent quality, safety, and environmental standards, we have obtained multiple certifications such as ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and OHSAS 45001:2018 Occupational Health and Safety Management System. GDBSB has also 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 projects.

GDB winning our single largest contract of RM1.25 billion namely the 8 Conlay project in 2020



GDBSB embraces the use of cutting-edge technology and efficient practices to provide value engineering and deliver projects ahead of their contractual completion dates. These technologies and practices include:

- **Building Information Modelling (BIM)**, which provides “virtual reality” insight throughout the building construction stages. This allows for early clash detection and analysis, which enhances efficiency in implementing large-scale projects and reduces completion time.
- **Industrialised Building System (IBS)**, which is a construction process that utilises techniques, products, components or building system which involves prefabricated components and on-site installation. IBS include pre-cast concrete framing, panel and box systems, steel formwork and steel framework systems, prefabricated timber framing systems as well as block work systems.
- **The Green 5S system** which develops and enhances the practices of Structurise, Systematise, Sanitise, Standardise and Self-discipline with the goal of improving the safety, quality, and environmental aspects of our projects.

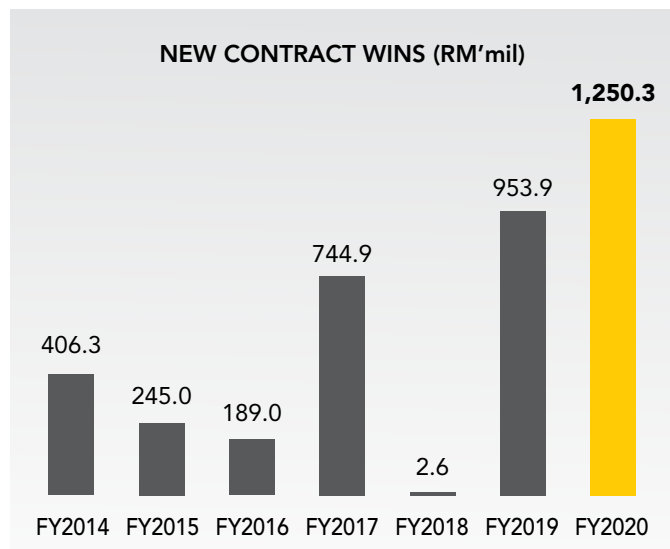
In October 2019, GDB completed the acquisition of a 70% stake in Eco Geotechnics Sdn Bhd, now known as GDB Geotechnics Sdn Bhd (“GDB Geotechnics”). Through the acquisition, GDB added bored piling and foundation services to its list of in-house expertise, hence providing complete substructure and superstructure works.

Similar to GDBSB, GDB Geotechnics holds a Grade 7 License from CIDB Malaysia.

OPERATIONS OVERVIEW

• New contract wins

Against the odds of a tumultuous year, GDB raised the bar in FYE 2020 by setting a new record for the single largest contract secured, of RM1.25 billion. In fact, the value of this contract exceeded that of the Group’s total contract wins per year, which is by all means an impressive accomplishment.



Management Discussion & Analysis (cont'd)



In November 2020, we signed a Letter of Agreement (“LOA”) with Damai City Sdn Bhd, a wholly-owned unit of KSK Land to undertake remaining main building works for the iconic 8 Conlay, an upscale integrated mixed development in Jalan Conlay, Kuala Lumpur situated between KLCC area and the bustling Golden Triangle.

8 Conlay consists of three towers, atop a four-storey experiential retail space. The 34-month contract commenced on 23 November 2020 with a contractual completion date of 22 September 2023. Upon completion, 8 Conlay will be the world’s tallest twin residential towers and will house the first Kempinski Hotel in Malaysia.

This undertaking would certainly showcase our extensive capabilities in carrying out technically challenging jobs as these three high-rise blocks of 56, 61, and 72 storeys are the tallest towers that we have participated in.

- **Steady Progress**

As of 31 December 2020, our orderbook stood at a staggering RM2.1 billion which provides us with positive earnings visibility until the financial year ending 31 December 2023.

We also managed our highest number of ongoing projects simultaneously, comprising eight projects across Peninsular and East Malaysia.

These projects consisted mainly of our major construction projects, namely AIRA Residence Condominium in Damansara Heights, Perla Ara Sentral in Ara Damansara, Park Regent in Desa Parkcity, Hyatt Centric in Kota Kinabalu, Hap Seng Star Mercedes-Benz Autohaus in Setia Alam and Damai City’s 8 Conlay.

Despite the imposition of the Movement Control Order (“MCO”) from 18 March until 3 May 2020 which resulted in work stoppages in construction sites and followed by various phases of MCOs, we still managed to achieve higher revenue with our sizeable order book in hand.

- **Industry-leading operational excellence**

We have also sustained operational excellence and received several certifications from various bodies in tandem with improvements in the health and safety management of our workers and project sites.

GDB proved its continued excellence in this area when our SIRIM certificates were reissued for the third time since 2014 including the ISO 9001:2015 which signifies our achievement in creating and implementing quality management systems across all our project sites, ISO 14001:2015 which certifies the implementation of prudent and ethical environmental management practices across Group’s operations, as well as OHSAS 45001:2018 for placing our employees’ welfare as our top priority.

In demonstrating quality, the Group obtained a high QCLASSIC score of 86% issued by CIDB for our Menara Hap Seng 3 project located in the heart of Kuala Lumpur City Centre, which was completed on 24 December 2019. This benchmarked the quality of our workmanship in construction projects and further reinforced our track record.

Management Discussion & Analysis (cont'd)

FINANCIAL OVERVIEW

Despite the impacts of COVID-19 and MCO on the construction sector, GDB registered 12.4% higher revenue of RM362.8 million in FYE 2020 from RM322.8 million in the previous year.

This commendable growth was attributed to the larger number of ongoing projects during the year.

However, machinery idling costs, fixed and operational staff costs with no revenue contribution during the MCO and the enforcement of the varying phases of MCO from May 2020 onwards resulted in higher operating expenditure. In addition, the Standard Operating Procedures ("SOP") requires the Group to incur high compliance costs such as providing swab tests, sanitisation, and workers' quarantine areas.

Coupled with lower interest income and higher administrative and other expenses in FYE 2020, GDB recorded 10.4% lower profit before tax of RM33.8 million from RM37.7 million previously.

Due to higher effective tax rate on account of non-tax-deductible expenses and adjustment for under provision of tax in previous year, the Group reported a drop in Profit After Tax and Non-controlling Interest of 11.8% to RM25.7 million in FYE 2020, from RM29.1 million in FYE 2019.

Still, I am pleased to state that GDB maintained net cash position as of 31 December 2020 without any outstanding borrowings, as in previous years. In fact, total cash and cash equivalents increased to RM73.4 million from RM65.9 million a year ago, which places us in a favourable position to carry out the jobs in hand.

Furthermore, total assets rose 14.7% from RM230.7 million previously to RM264.6 million mainly due to the increase in contract assets and short-term investments.



Group's REVENUE
RM362.8 million
+12.4% in FYE 2020

The broader base of ongoing projects resulted in a corresponding expansion in trade and other payables and accruals to RM119.9 million from RM95.7 million previously. This led to the total liabilities increasing by 20.4% from RM107.4 million to RM129.2 million.

Driven by higher retained profits by the Group of RM71.4 million, total equity attributable to owners of the Company climbed 10.9% to RM133.9 million in end-December 2020 from RM120.8 million a year ago.

By ending the year with a healthy balance sheet and net cash position, GDB is poised to navigate its way through the vagaries of the fluctuating economy.

CAPITAL EXPENDITURE

Our large base of ongoing projects allowed us to achieve higher utilisation of our machinery fleet and notable progress across projects.

The Group invested RM4.1 million of capital expenditure in FYE 2020 that consisted of one unit of passenger hoist, three units of concrete placing boom, several site equipment namely modular system, scaffolding accessories, cabin, survey equipment, computer hardware and software, as well as office equipment, among others.

Management Discussion & Analysis (cont'd)

Total DIVIDEND Payout

RM **12.5** million
+48.7%

ORDERBOOK

RM **2.1** billion

DIVIDEND

Notwithstanding the difficult circumstances in 2020, GDB kept its word to reward the shareholders with dividends every year.

GDB paid two interim single-tier dividends to shareholders in respect of FYE 2020 totalling 2.0 sen per share. The first interim dividend of 1.0 sen per share was distributed on 18 September 2020 while the second interim dividend of 1.0 sen per share was paid on 26 March 2021.

The total dividend payout of RM12.5 million equalled the payout in the previous year. The 48.7% dividend payout ratio in FYE 2020 net profit exceeded our dividend policy to distribute up to 30% of our annual net profit.

As part of our long-term agenda to strategically build up shareholder value, the dividend also serves as a token of appreciation to all shareholders for remaining with us in this difficult year.

CORPORATE EXERCISE

On 12 April 2021, GDB proposed to undertake a bonus issue of new ordinary shares on the basis of one Bonus Share for every two existing GDB Shares held by shareholders on an entitlement date to be determined later.

Concurrently, GDB also proposed to undertake a bonus issue of free five-year warrants on the basis of two warrants for every five existing shares held by shareholders on the same entitlement date to be determined later.

The 1-for-2 bonus issue of shares would result in the issuance of 312.5 million new shares and increase the Group's share base from 625.0 million shares to 937.5 million. The Group's share capital would remain unchanged at RM62.6 million.

Assuming the full exercise of warrants, the bonus issue of warrants would result in the issuance of 250.0 million new shares in GDB, and further increase the Group's share base to 1,187.5 million. GDB's share capital would expand by RM135.0 million based on the illustrative warrant exercise price of RM0.54 apiece to RM197.6 million.



Management Discussion & Analysis (cont'd)



For illustration, the indicative warrant exercise price will be RM0.54 apiece, denoting a discount of approximately 33.96% based on the 5-day volume weighted average market price of GDB Shares up to and including the latest practicable date of 6 April 2021 of RM0.8177 per GDB share. Hence, the full exercise of warrants may potentially raise up to RM135.0 million in proceeds within the five-year tenure for working capital purposes.

On 21 April 2021, Bursa Securities had vide its letter approved the proposals subject to certain terms and conditions to be complied with. Nonetheless, the proposals are subject to shareholders' approval at the upcoming Extraordinary General Meeting ("EGM").

GROWTH STRATEGIES

Even though we witnessed a decline in the construction sector in 2020, we believe successful implementation of the vaccination programme as well as the Government's measures to bolster the economy could turn the tide. As we anticipate gradual recovery, we will steadfastly carry out the strategies to strengthen our market presence.

Hence, we will be implementing the following plans:

Make Good Progress in Ongoing Projects

The Group had a huge RM2.1 billion orderbook as at 31 December 2020. We endeavour to sustain our track record of delivering projects in a timely manner with the experience and expertise accumulated thus far.

At the same time, we will continue to adhere to the required SOPs, as part of upholding the safety of all workers and quality of our buildings.

Tender for More Jobs

As of March 2021, GDB had a tender book of RM1.3 billion and we have set a target to win RM500 million worth of new jobs in FYE 2021 to further sustain our performance.

With our status as a Main Market-listed company as well as our stellar track record of delivering high-end buildings, we hope to tender for more construction works in other building segments to expand our reach and visibility.

Establish Teams to Enter Civil and Infrastructure Construction Segment

GDB maintains its intention for the establishment of the civil and infrastructure construction segment and continue its effort in sourcing the right key staff for the infrastructure project team to ensure that we bring skilful talents onboard to propel the Group's future venture in this segment.

RISKS

While confident in our track record, financial strength, and in-built resilience since inception in 2013, we will keep on monitoring potential issues and mitigating risks effectively.

TENDER BOOK

RM **1.3** billion
target to win RM500
million worth of new
jobs in FYE 2021

Management Discussion & Analysis (cont'd)

The following are the key risks faced by the Group:

Oversupply of Property Leading to Fewer Launches

The National Property Information Centre stated that the volume and value of overhang property units were persistently high in 2020 compared to 2019. The volume and overhang of property units increased 10.7% and 13.2% respectively in 2020 from 2019.

This could lead to fewer launches in the near term as developers adopt a wait-and-see approach, or become more selective in the timing of future launches.

Nonetheless, the Government has implemented various measures to help spur property sector, including maintaining low Overnight Policy Rate, reintroducing the Home Ownership Campaign, and extending the full stamp duty exemption on instruments of transfer and loan agreement for first-time homebuyers of properties for value of RM500,000 and below, effective for the Sale And Purchase Agreements executed from 1 January 2021 until 31 December 2025.

GDB believes that being selective with clients' projects and diversifying our tender portfolio to incorporate other building segments could help in mitigating this risk.

Keener Competition

As each builder seeks to beef up its list of projects to sustain its operations amidst the challenging outlook, it is foreseeable that tenders for new jobs would see keener competition.

We will rely on our track record of delivering high-end, high quality buildings to remain competitive in this arena.

As GDB possesses the capability to provide full-scale construction from piling and substructure to the superstructure works, we hope that this complete solution offering will position us well in the eyes of potential clients.

Uptrending Costs of Building Materials

As an end-to-end constructor, we face the challenge of managing fluctuating costs of building materials, which consist primarily of steel and cement.

That said, our years of experience and broad network of suppliers help us to tender appropriately, source competitively and ensure availability of resources. This should enable us to take timely delivery of raw materials to continue with the stipulated construction progress.

Economic Risks in Light of COVID-19

Although MCO 2.0 was imposed by the government from 13 January to 4 March 2021, it must be said that the construction sector faced lesser impact as it could continue operating with strict compliance to SOPs.

Moreover, the national vaccination programme which started in February 2021 bodes well for increased economic activity and improved overall sentiment.

However, we are aware of the potential risks of a negative economic outlook. The unabated mutation of the virus that could prompt the reimposition of lockdowns as well as huge decline in economic activity would have a damaging effect on the economic outlook.

In addition, any political issues and conflicts may negatively affect the market sentiment, resulting in high earnings volatility and uncertainty. This may lead to disruption of economic growth in 2021.

We are mindful of these risks, and intend to continue adopting a selective and cautious approach to balance growth and risk. Nonetheless, we are confident that the Group's RM2.1 billion orderbook will help us sustain operations and provide us with steady revenue recognition until FYE 2023.

APPRECIATION

I would like to extend my sincere appreciation to the team members of GDB from the hardworking employees to the dedicated management team for staying together during this testing period while also helping the Group chart new milestones.

My sincere gratitude also goes to our business partners, associates, suppliers, customers, and valued shareholders for putting their trust in us and helping us to reinforce our position as one of the leading builders in Malaysia.

Going forward, we hope to keep this synergy between us and various stakeholders to help GDB reach a greater height and deliver value to all in every aspect.

Sincerely,

CHEAH HAM CHEIA
Group Managing Director

Sustainability Statement

As a responsible corporate citizen that is focused on building an enduring company, GDB Holdings Berhad and its subsidiaries (“GDB” or “Group”) strive to instil elements of sustainability in every aspect of our operations so as to create a wholesome environment for all stakeholders. We have continued our efforts to sustain the beauty of Mother Nature while pursuing excellence, and are guided by our mission statement in this respect.

The Group has established a corporate governance structure that is overseen by our Board of Directors to ensure that we have sufficiently and competently discharge our responsibilities to our customers, regulatory authorities, suppliers, subcontractors, employees, shareholders, and society at large.

We hold strong commitment to carry out our corporate responsibility by contributing to the society in four key areas, namely health, safety and well-being of our *employees*, our *environmental* impact, the enhancement of *communities* where we operate, and the contribution to the *marketplace*.

I. HEALTH, SAFETY AND WELL-BEING OF EMPLOYEES

At GDB, we recognise that our employees form the pillars of the Group’s success, and hence we place the highest priority on their health, safety, and well-being.

We constantly seek new ways to establish and maintain a safe working environment, and reduce potential safety hazards and risks to all personnel working on the construction site across all project teams, subcontractors, and supervisors.

Our focused effort in this area has been recognised to meet the international standard of ISO 45001:2018 for occupational health and safety management in accordance with IQNet and SIRIM QAS International.

Furthermore, in light of the COVID-19 pandemic, we implemented a set of Standard Operating Procedures (“SOP”) in compliance with regulations detailed by the government to mitigate potential risks. These included providing COVID-19 tests for all on-site workers, larger on-site accommodation for workers, undertaking regular temperature checks and carrying out sanitation works.

We will continue to monitor the development of the pandemic, while adhering to the SOP to mitigate the impact of COVID-19 on our operations.

We emphasise the importance of measuring and evaluating the safety performance of individuals, groups and the worksite. Worksite Safety Inspection entails adherence to plant and machinery inspection checklist and safety and health inspection checklist. This is complemented by occupational safety and health meetings including daily briefings, tool-box meetings and regular site occupational safety and health committee meetings.

In light of our works involving mainly the construction of high-rise buildings, we have established a set of safety and health Role & Responsibilities manual to ensure the wellbeing of our team on-site. To enhance further on the safety performance on site, we do have a set of safe work practices to improve the control of the floor opening, steel barricade system for edges protection, top most working floor fall protection, fall prevention systems and overhead protection, site safety access, and electrical safety, amongst others.

Being in a highly progressive age, GDB retains its resolve to promote equality and diversity in the workplace and avoid engaging in any form of discrimination. Employees are rewarded based on their merits and contributions to the Group success.

We have kept up the practice of providing our employees with quality training and fair career advancement opportunities to build their professional skills and working portfolio. In the year under review, we carried out in-house talks in order to build awareness amongst heads of departments and site personnel on safety and COVID-19 SOP compliance measures.

Through various seminars and workshops, it is also in our intention to cultivate teamwork and relationship among the employees as well as top management. We believe that this will bring about a high synergy and cooperation inside GDB.

Sustainability Statement (cont'd)

II. ENVIRONMENT

GDB actively carries out our duty of environmental preservation by conscientiously minimising its carbon and other environmental footprint. GDB has formed and implemented the Environmental Management Programme and Monitoring Plan to guide the Group's activities across project sites namely the management of resources including noise, air, effluents / waste water, and other resources on-site.

We conscientiously monitor the consumption level of resources and ensure that the rate of resource depletion is according to plan. We aim to uphold resource and energy conservation that is commensurate with the project's progress.

We balance the generation and disposal of waste in a responsible manner so as not to result in land contamination. To this end, we adhere to the Department of Environment's Scheduled Waste Guidelines in storing scheduled waste; and comply with Environmental Quality (Scheduled Waste) Regulations 2005 in packaging and labelling scheduled waste. We also ensure that scheduled waste is handled by identified Competent Person, collected by a licensed transporter, and treated by a licensed facilities operator.

In ensuring optimal air quality, we monitor air emission levels to control air quality and minimize or eliminate air pollution. On-ground, we take specific actions such as paving site access routes with suitable materials to reduce dust emission, washing every vehicle to remove dust before leaving the site, providing hoarding where a site boundary adjoins an area accessible to public and disallowing open burning on-site.

We guard against water contamination, spillage and leakage, and undertake the discharge of effluent / waste water responsibly. As part of upholding water quality control, we undertake various actions including adopting a silty water treatment system to treat surface runoff and stormwater from excavation works, and a waste water filter system for sediment settlement, prior to discharge into the public drain. We also put in place measures to prevent the washing away of sand, silt and waste water to the footpath and public road, and construct an oil trap at the concrete pump maintenance area for oils to be treated as scheduled waste.

Furthermore, we practise waste control by segregating timber waste and scrap iron for recycling, collecting construction and domestic waste for disposal, and provide a septic tank to contain sewage while carrying out regular de-sludging.

Where possible, we adopt innovative methods like transforming reusable waste into other products, such as reutilising concrete waste to make concrete road barriers, car stopped, bicycle racks and concrete cubes to be used in project sites.

Given that the majority of the Group's projects are located in the city centre, we take noise and vibration control very seriously. To this end, we use sound blankets to reduce noise pollution when carrying out piling, hacking and drilling works, and obtain permits from the local council authorities where construction activities are to be carried out after normal working hours.

Considerations of the environmental impact play a role in our decision-making process before acquiring new machinery and equipment. The Group ensures its fleet of machinery and equipment maintain high efficiency by performing regular maintenance and assessment.

We prioritise initiatives to increase the usage of eco-friendly materials and validate the sustainability of our building materials sources. Additionally, we are committed in our compliance with the ISO 14001:2015 Environmental Management System international standard to further enhance our environmental performance.

We have continued to prefer the usage of energy saving lightbulbs at our office and construction sites in line with the United Nations ("UN")'s Sustainable Development Goal of adopting affordable and clean energy.

Our employees also make a conscious effort to reduce plastic usage by bringing their own eco-friendly containers for food and beverages, which is in line with the UN's Sustainable Development Goal of keeping the oceans clean and safe by avoiding the use of plastic bags. This is also a good practice in this COVID-19 era which discourages communal sharing at the risk of spreading the virus.

Sustainability Statement (cont'd)

III. COMMUNITY

We have the best interest at heart to help the communities where we operate flourish. In the financial year under review, GDB participated with fellow industry players within the Master Builders Association Malaysia to contribute donations to assist needy communities alleviate the challenges faced due to the pandemic.

Additionally, GDB partnered our business associate Real Project Management Sdn Bhd to provide wardrobes to Lotus Charity Care Centre, a home that assists old folks and poor children.

We adhere to stringent health, safety, and quality standards in our projects to deliver buildings that provide future owners and/or tenants with a better quality of life. Furthermore, we are steadfast in adhering to the ISO 9001:2015 Quality Management System international standard to enhance the quality of workmanship in our projects.

GDB employs 300 people directly, providing them with employment and opportunities to advance their careers. We also cultivate strong relationships with our subcontractors and suppliers, providing them with the support to sustain their operations and provide more employment opportunities in the construction sector.

IV. MARKETPLACE

We always endeavour to reach commercially fair terms for all parties in our negotiations with suppliers and subcontractors. We believe in paying our suppliers and subcontractors reasonably, and we have put in place systems to ensure that our business associates are paid within the agreed dates.

GDB continuously seeks to enhance its competitiveness and strengthen its value proposition. To this end, we have embraced cutting-edge technologies and construction methods to maintain our track record for delivering projects in a timely manner, and in accordance with the requirements of our customers.

For instance, we are early adopters of Industrialised Building System, which is a construction process that speeds up project completion by utilising off-site prefabricated components and on-site installation as well as various types of formwork systems for our projects.

While we aim to constantly hone our competitive edge, we advocate fair competition in the marketplace. Therefore, we do not engage in unethical conduct.

To further underscore this principle, GDB is committed towards the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) and hence adopted a zero-tolerance approach against bribery and corruption of all forms.

This policy and guideline on anti-corruption practices has been adequately communicated and strictly enforced across the Group's operations. All employees are prohibited from dealing, being involved in and/or being a part of any form of corrupt practices, both as giver or receiver of monetary gains or otherwise be it in kind, tangible or intangible, direct, or indirect for personal gains.

The guidelines on anti-corruption practices encompass actions and interactions within the internal Group (i.e., between employees and employers), as well as with external parties, including but not limited to nominated sub-contractors, vendors, agents, business partners, and all parties with whom it has a contractual relationship, to guide activities pertaining to procurement, provision of site instruction and other related services.

Any actual or suspected form of corrupt practices must be promptly reported to the management of GDB. The Whistleblowing Policy is accessible on the Company website (<https://www.gdbhb.com.my/investor-relations/corporate-governance/>) which stipulated the appropriate channels for such reporting. Any employee found to infringe this clause shall be treated with disciplinary action including termination of employment.

GDB is dedicated to protecting shareholders' rights and creating shareholder value. To this end, we will continue to provide material information and corporate development updates in a timely manner, while maintaining transparency when reporting on our financial performance. We also intend to continue our dividend policy of paying up to 30% of our annual net profit as dividends to shareholders, in appreciation for their participation in our success and confidence in the Group.

Corporate Governance Overview Statement

The Board of Directors ("Board") of GDB Holdings Berhad ("Company") is pleased to present this statement to provide shareholders and investors with an overview of the corporate governance practices of the Company during the financial year ended 31 December 2020 ("FYE 2020"). The statement is also presented in compliance with Paragraph 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Corporate Governance Overview Statement ("CG Statement") has adopted and applied best practices from the three (3) principles as set out in the Malaysian Code of Corporate Governance ("MCCG"), which are:

Principle A - Board leadership and effectiveness

Principle B - Effective audit and risk management

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

This CG Statement augmented with a Corporate Governance Report ("CG Report") which provides a detailed articulation on the application of the Company's and its subsidiaries' ("the Group") corporate governance practices as set out in the MCCG throughout the FYE 2020. This CG Report is available on the Company's corporate website at www.gdbhb.com.my, as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1.1 Board and Board Committees

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

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

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

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

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

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.

Corporate Governance Overview Statement (cont'd)

1.2 Chairman of the Board

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

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

- a. To provide leadership to the Board.
- b. To oversee the effective discharge of the Board's supervisory role.
- c. To facilitate the effective contribution of all Directors.
- d. To conduct and chair Board Meetings and General Meetings of the Company.
- e. To manage Board communications and Board effectiveness and effective supervision over Management.
- f. To ensure that quality information to facilitate decision-making is delivered to the Board on 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 to external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments.

1.3 Chairman and Group Managing Director ("GMD")

The roles of the Chairman of the Board and the GMD of the Company are exercised by separate individuals and each has a clear division of responsibilities to ensure that there is a balance of power and authority to promote accountability and unfettered powers in decision making.

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

1.4 Qualified and Competent Company Secretary

The Board is supported by a competent and qualified Company Secretary under Section 235(2) of the Companies Act 2016. The Company Secretary is a member of the Malaysian Association of Companies Secretaries and possesses over 26 years of experience in corporate secretarial practices.

The Company Secretary constantly keeps herself abreast with the latest regulatory changes and/or development in corporate governance by attending the necessary trainings, conferences, seminars and/or workshops to ensure effective discharge of her advisory role to the Board.

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

Corporate Governance Overview Statement (cont'd)

1.5 Access to Information and Advice

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

- a. Members of Senior Management attend Board and/or Board Committees meetings by invitation and report on areas which are within their responsibilities for the Board's decision making and effective discharge of the Board's responsibilities, if required.
- b. The notices of meetings and meeting materials are prepared and circulated to the Directors and/or Board Committees Members at least five (5) working days prior to the scheduled Board Meetings.
- c. Company Secretary or the representative of the Company Secretary attends all the Board and Board Committees' meetings and ensures the deliberation and decision of matters discussed at the Board and Board Committees' meeting are duly recorded and well documented in the minutes of meetings.
- d. Regular updates and advices on new regulations, guidelines or directives issued by Bursa Securities, Securities Commission Malaysia and any other relevant regulatory authorities.
- e. 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 Company has formalised and adopted a Board Charter which sets out the functions, authority, roles and responsibilities of the Board as well as the various internal processes and principles governing the Board. The Board Charter also serves as a source of reference and primary induction literature, providing insights to new Board members.

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

The Board Charter was last reviewed, revised and approved by the Board on 29 May 2020 and is published on the Company's website, www.gdbhb.com.my.

1.7 Code of Ethics and Conduct

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

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

The Board had on 29 May 2020 incorporated the anti-bribery and corruption requirements to be observed by the Directors and employees of the Group.

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

Corporate Governance Overview Statement (cont'd)

1.8 Whistle Blowing Policy

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

The Board had on 29 May 2020 reviewed, revised and approved the relevant amendments in relation to the anti-bribery and corruption measures to the Whistle Blowing Policy.

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

PART II – COMPOSITION OF THE BOARD

2.1 Board Composition

The Board presently has six (6) members comprises of one (1) GMD, one (1) Group Executive Director, one (1) Executive Director and three (3) Independent Non-Executive Directors. This composition is able to provide an unbiased and independent views, advice and judgement to facilitate a balanced and impartial Board decision making process in the Group as well as providing effective check and balance to safeguard the interest of other stakeholders, and ensuring that high standards of conduct and integrity are maintained, which is in compliance with Paragraph 15.02 of the Listing Requirements of Bursa Securities and Practice 4.1 of the MCCG.

The Board members have diverse backgrounds and experiences in various fields. Collectively, they bring a wide range of skills, experience and knowledge to manage the Group's business. The profiles of these Directors are provided on pages 7 to 9 in this Annual Report.

2.2 Tenure of Independent Directors

The Board is fully aware that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. 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 at a general meeting.

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

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

The Company has not adopted a policy which limits the tenure of its Independent Directors to nine (9) years. Notwithstanding that, the assessment of independence of Independent Directors will be conducted annually via Annual Evaluation of Independence of Director 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.

Corporate Governance Overview Statement (cont'd)

2.3 New Appointment to the Board

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

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

2.4 Gender Diversity

The Board recognises and embraces the benefits of having diverse Board and understand that increasing diversity at Board level is an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skill, regional and industry experience, background, race, gender and other distinction between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balance appropriately.

In line with the recommendation under MCCG, the Board has adopted a Gender Diversity Policy on 23 November 2018 which provides a framework for the Company to improve its gender diversity at Board level. The NC regularly assesses the optimum size, required mix of skills, experience, independence and diversity required collectively for the Board to effectively fulfil its role.

2.5 Nomination Committee

The NC comprised of three (3) members, all of whom are Independent Non-Executive Directors and they are responsible to make independent recommendations for new appointments to the Board. The composition of the NC is as follows:-

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

The Terms of Reference of the NC is available at the Company's website, www.gdbhb.com.my.

The NC is responsible for identifying and recommending suitable candidates for Board membership and also assessing the performance of the individual Directors. The Board would have the final decision on the appointment. This process is to ensure the Board membership are determined by the relevant skills, talents and experience in order to support the strategic direction and needs of the Group.

Corporate Governance Overview Statement (cont'd)

During the FYE 2020, the following are the summary of activities undertaken by the NC:-

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

2.6 Annual Evaluation of the Board and Board Committees as a whole

The NC has a formal assessment criterion to assess the effectiveness of the Board and Board Committees as a whole and the contribution of each individual Director. The Board, through the annual review by the NC on the size and composition of the Board, will determine if the Board has the right size and sufficient diversity with independence elements that befit the Company's objectives and strategic goals.

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

In evaluating the performance of Executive Directors, the assessment was carried out against diverse key performance indicators including amongst others, financial, strategic, operations management and business plans, conformance and compliance, shareholders'/investors' relations, succession planning and personal input to the role.

2.7 Attendance of Board and Board Committees Meetings

The Board meets at least once in every quarter on a scheduled basis and additional meetings 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 2020.

The attendance records of the Directors at Board and Board Committees meetings for the FYE 2020 are set out as follows:-

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

Corporate Governance Overview Statement (cont'd)

2.8 Directors' Training

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

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

Relevant guidelines on statutory and regulatory requirements were circulated to the Board from time to time for Board reference. During the FYE 2020, all Directors of the Company have attended in-house training session conducted by the Company Secretary on "Corporate Liability on Corruption under Malaysian Anti-Corruption Act 2009 (Amended 2018)".

The following training programmes were attended by the Directors during the FYE 2020:-

Name of Directors	Training /seminar attended
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	<ul style="list-style-type: none"> Corporate Liability on Corruption under Malaysian Anti-Corruption Act 2009 (Amended 2018)
Datuk Sr Chia Lui Meng	<ul style="list-style-type: none"> Corporate Liability on Corruption under Malaysian Anti-Corruption Act 2009 (Amended 2018)
Mdm. Kow Poh Gek	<ul style="list-style-type: none"> Corporate Liability on Corruption under Malaysian Anti-Corruption Act 2009 (Amended 2018) Fraud Risk Management Workshop by PwC Consulting Services (M) Sdn. Bhd.
Mr. Cheah Ham Cheia	<ul style="list-style-type: none"> Corporate Liability on Corruption under Malaysian Anti-Corruption Act 2009 (Amended 2018) Webinar on 2021 Budget and Navigating the Financial Impact of Covid-19 @ Construction Industry
Mr. Alexander Lo Tzone Leong	<ul style="list-style-type: none"> Corporate Liability on Corruption under Malaysian Anti-Corruption Act 2009 (Amended 2018) Implementing ISO 45001:2018 OSH Management System in Construction Webinar on 2021 Budget and Navigating the Financial Impact of Covid-19 @ Construction Industry
Mr. Cheah Jun Kai	<ul style="list-style-type: none"> Corporate Liability on Corruption under Malaysian Anti-Corruption Act 2009 (Amended 2018) Webinar on 2021 Budget and Navigating the Financial Impact of Covid-19 @ Construction Industry

The Directors will continue to participate in professional development programmes from time to time as necessary to enable them to carry out their roles and duties effectively.

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

The aim of the Remuneration Policy is to:

- a. determine the level of remuneration of Directors and Senior Management;
- b. attract, retain and reward high performing, experienced and qualified Directors and 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 Board, through the RC will conduct a periodic review of the criteria to be used in recommending the remuneration package of Directors and Senior Management to ensure that it is in line with current market practices and needs.

Non-Executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.

Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

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

3.2 Remuneration Committee

The RC consists of all Independent Non-Executive Directors. The members of the RC are as follows:-

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

The RC is primarily responsible for reviewing and recommending the appropriate level of remuneration packages of Executive Directors and Non-Executive Directors.

The remuneration of Executive Directors is structured so as to link rewards to corporate and individual performance in order to attract, retain and motivate the Executive Directors to manage the Group successfully.

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

The Terms of Reference of the RC is available at the Company's website, www.gdbhb.com.my.

Corporate Governance Overview Statement (cont'd)

3.3 Remuneration of Directors

The breakdown of the remuneration of each individual Directors of the Company and of the Group for the FYE 2020 are as follows:-

The Company

Name of Directors	Fees RM'000	Salaries RM'000	EPF RM'000	Benefits in Kind RM'000	Meeting Allowance RM'000	Bonus RM'000	Other Benefits# RM'000	Total RM'000
Tan Sri Dato' Ir. Hj. Zaini								
Bin Omar	78	-	-	-	3	-	-	81
Mr. Cheah Ham Cheia	-	493	23	-	-	-	-	516
Mr. Alexander Lo Tzone Leong	-	473	57	-	-	-	1	531
Datuk Sr Chia Lui Meng	66	-	-	-	4	-	-	70
Mr. Cheah Jun Kai	-	145	17	-	-	-	1	163
Mdm. Kow Poh Gek	72	-	-	-	3	-	-	75
TOTAL	216	1,111	97	-	10	-	2	1,436

The Group

Name of Directors	Fees RM'000	Salaries RM'000	EPF RM'000	Benefits in Kind RM'000	Meeting Allowance RM'000	Bonus RM'000	Other Benefits# RM'000	Total RM'000
Tan Sri Dato' Ir. Hj. Zaini								
Bin Omar	78	-	-	-	3	-	-	81
Mr. Cheah Ham Cheia	-	493	25	-	-	47	195	760
Mr. Alexander Lo Tzone Leong	-	473	67	21	-	86	198	845
Datuk Sr Chia Lui Meng	66	-	-	-	4	-	-	70
Mr. Cheah Jun Kai	-	145	20	-	-	23	38	226
Mdm. Kow Poh Gek	72	-	-	-	3	-	-	75
TOTAL	216	1,111	112	21	10	156	431	2,057

Note:-

Other benefits include project completion reward, petrol card and etc.

Corporate Governance Overview Statement (cont'd)

3.4 Remuneration of Senior Management

The Board is of the view that the disclosure of the Senior Management's remuneration components on named basis would not be in the best interest of the Company as it may be detrimental to the Company's human resource management due to the competitive nature for talents within the construction industry.

The Board also took into consideration of sensitivity and security of the remuneration package of Senior Management, hence, opts not to disclose on named basis the remuneration or in bands of RM50,000 for the Senior Management.

Alternatively, the Board is of the view that the disclosure of the Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the Senior Management of the Group for the FYE 2020 are as follows:-

Remuneration Band	Number of Senior Management
RM100,001 to RM150,000	-
RM150,001 to RM200,000	1
RM200,001 to RM250,000	1
RM250,001 to RM300,000	-
RM300,001 to RM350,000	-
RM350,001 to RM400,000	3

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 situation.

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

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

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

Corporate Governance Overview Statement (cont'd)

The Group has established a transparent and appropriate relationship with the Internal Auditors and External Auditors which facilitates the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group is outsourced to a third party. Similarly to the External Auditors, the Internal Auditors also have direct reporting access to the AC to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence from the Management.

The Board has established the Internal and 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 Internal and External Auditors.

The AC is satisfied with the performance, suitability and independence of the External Auditors of the Company based on the quality of services and sufficiency of resources they provided to the Group, in terms of firm and the professional employees assigned to the audit.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control Framework

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

The internal audit function of the Group is outsourced to an independent professional firm. The findings of the outsourced Internal Auditors are reported directly to the AC which provides the Board with the required assurance in relation to the adequacy and integrity of the Group's system of internal controls.

The Group's risk management and internal control framework are elaborated in the Statement of Risk Management and Internal Control on pages 40 to 45 in this Annual Report.

5.2 Risk Management Committee

The members of the RMC are nominated and appointed by the Board to assist the Board in discharging its fiduciary duties and responsibilities in relation to overseeing and monitoring of risk management activities to ensure that the inherent business risk exposure of the Group is managed within an acceptable and appropriate level. The composition of the RMC consists of the following members, the majority of whom are Independent Non-Executive Directors:-

Name	Designation
Datuk Sr Chia Lui Meng	Chairman, Independent Non-Executive Director
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	Member, Independent Non-Executive Chairman
Mdm. Kow Poh Gek	Member, Independent Non-Executive Director
Mr. Cheah Ham Cheia	Member, Group Managing Director
Mr. Alexander Lo Tzone Leong	Member, Group Executive Director

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

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

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

6.2 Corporate Disclosure Policy

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

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

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.

At the Seventh AGM of the Company held on 16 June 2020, the Chairman of the Board chaired the meeting in an orderly manner and allowed shareholders or proxies to raise questions and all questions raised were responded accordingly by the Board.

Corporate Governance Overview Statement (cont'd)

In line with Practice 12.1 of MCCG, the notice convening the Seventh AGM was issued to shareholders at least 28 days before the AGM date, which gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint proxy to attend and vote on their behalf.

Members of the Board and key management of the Company as well as the External Auditors of the Company are available to respond to shareholders' questions during the meetings.

All resolutions set out in the Notice of Seventh AGM were put to vote by poll and the votes casted 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. A summary of the key matters discussed at the AGM was also published on the Company's website for the shareholders' information.

STATEMENT BY THE BOARD ON CG STATEMENT

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

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

Audit Committee Report

The Board of Directors ("Board") of GDB Holdings Berhad ("Company") is pleased to present the Audit Committee ("AC") Report for the financial year ended 31 December 2020 ("FYE 2020").

1. OBJECTIVES

The primary objective of the AC is to assist the Board in discharging its statutory duties and responsibilities which, amongst others, include providing additional assurance to the Board by giving an objective and independent review of financial, operational and administrative controls and procedures, including establishing and maintaining internal controls. The AC is also tasked with reinforcing the independence of the Company's external and internal auditors, thereby ensuring that the auditors have free reign in the audit process.

2. COMPOSITION

The current members of the AC are as follows:-

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

The Company has complied with Paragraph 15.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities Berhad ("Bursa Securities") and Practice 8.4 under the Principle B of the Malaysian Code of Corporate Governance ("MCCG") where all of the AC members are Independent Non-Executive Directors.

All members are financially literate and 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 satisfies Paragraph 15.09(1)(c)(i) of Listing Requirements of Bursa Securities.

3. TERMS OF REFERENCE

The Terms of Reference of the AC which sets out its duties and responsibilities can be assessed from the Company's website at <https://www.gdbhb.com.my>.

4. ATTENDANCE OF MEETINGS

During the FYE 2020, the AC had held five (5) meetings and attendance of each of the AC members are set out as follows:

AC Members	No. of Meetings Attended	Percentage of Attendance
Mdm. Kow Poh Gek, Chairperson	5/5	100%
Tan Sri Dato' Ir. Hj. Zaini Bin Omar, Member	4/5	80%
Datuk Sr Chia Lui Meng, Member	5/5	100%

Audit Committee Report (cont'd)

4. ATTENDANCE OF MEETINGS (CONT'D)

The External Auditors, Internal Auditors and certain designated Senior Management have attended meetings at the AC's invitation to facilitate direct communication and to provide clarifications on audit issues, area of concerns, operational matters as well as to brief AC on specific issues arising from the internal audit report in respect of the internal controls of the Group.

5. SUMMARY OF WORK

The summary of works undertaken by the AC for the FYE 2020, amongst others, comprised the following:

- a. Reviewed and deliberated with the External Auditors, the audit planning memorandum and scope of the statutory audit of the Group's financial statements for the FYE 2020 before the audit commenced to ensure that the scope of the external audit is comprehensive;
- b. Reviewed the unaudited quarterly financial results of the Group including the announcements pertaining thereto, before presenting its recommendations for approval at the immediate following Board meetings for release of the announcements of quarterly financial results to Bursa Securities;
- c. Reviewed the annual audited financial statements of the Company and of the Group to ensure that the statements comply with the financial reporting standards. Discussion with External Auditors on their audit findings which include any change in accounting policies and practices, significant adjustments arising from the audit and compliance with accounting standards and other legal requirements;
- d. Considered and recommended the re-appointment of Crowe Malaysia PLT and their proposed audit fee to the Board for consideration based on the competency, efficiency and transparency as demonstrated by the External Auditors during their audit;
- e. Reviewed with the Internal Auditors, the adequacy of the scope, methodology employed and functions of the internal audit plan, internal audit reports, follow-up status reports and considered the findings of internal audit and management responses thereto, and ensured that appropriate actions are taken by the Management on the recommendations raised by the Internal Auditors;
- f. Reviewed related party transactions and recurrent related party transaction entered into by the Group (if any) on a quarterly basis, to ensure that such transactions are carried out on arm's length basis;
- g. Reviewed the Corporate Governance Overview Statement, Corporate Governance Report, AC Report and Statement on Risk Management and Internal Control to ensure adherence to legal and regulatory reporting requirements, before recommending to the Board for approval and for inclusion in the Annual Report;
- h. Ensured appropriate measures are taken to identify Corporate Liability Risks including bribery risks, corruption risks and compliance risks;
- i. Self-appraised the performance of the AC for the FYE 2020 and submitted the evaluation form to the Nomination Committee for assessment; and
- j. Evaluated the performance of the External and Internal Auditors for the FYE 2020.

Audit Committee Report (cont'd)

6. INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent consulting firm which assist the Board and AC in discharging its duties and responsibilities in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The outsourced Internal Auditors reports directly to the AC on its activities based on approved internal audit plans.

The internal audit cost incurred by the Group for the outsourced internal audit functions for the FYE 2020 amounted to RM39,000.

The annual internal audit plan as approved by the AC covers key functional areas and business activities of the Group emphasising on best practices and encompasses all business risks with core focus on the following aspects and is subject to evolve with changes in risks profile:

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

The Internal Auditors conducted internal audit reviews on a functional area basis aiming to provide a valuable platform to evaluate processes in providing assurance that all areas of concern, findings and recommendations are put in place and/or enhanced where deemed appropriate by the Management.

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

7. RELATIONSHIP WITH AUDITORS

The Group has established a transparent and appropriate relationship with both the External and Internal Auditors. Such relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. Both the External and Internal Auditors have direct reporting and access to the AC to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of the Management.

The Board, through the AC maintains appropriate, formal and transparent relationship with the External and Internal Auditors. The AC meets with the External and Internal Auditors on separate sessions without the presence of Executive Directors and Management, whenever necessary, which demonstrate their independence, objectivity and professionalism.

Meetings with the External Auditors are held to discuss the Group's audit plans, audit findings, financial statements as well as to seek their professional advice on other related matters.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors (“Board”) is pleased to present its Statement on Risk Management and Internal Control (“Statement”), which outlines the nature and scope of the Company and its subsidiaries (“Group”) risk management and internal control for the financial year ended 31 December 2020. This Statement is prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“Guidelines”) on the issuance of Risk Management and Internal Control Statement pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“Listing Requirements”) and the Malaysian Code on Corporate Governance 2017 (“MCCG”).

BOARD’S RESPONSIBILITY

The Board recognises the importance of good corporate governance and is committed to maintain a sound framework of risk management and internal control in order for the Board to carry out its responsibilities in ensuring the adequacy and effectiveness of the framework and controls put in place to ensure the Group’s assets and shareholders’ interest are safeguarded.

In view of the limitations that are inherent in any system of internal control, the Board noted that the system is designed to manage rather than to eliminate all risks of not adhering to the Group’s policies and objectives. The system provides reasonable, but not absolute assurance against occurrence of any material misstatement, loss, fraud or irregularities.

The Audit Committee (“AC”) reviews the adequacy and effectiveness of the internal controls based on the internal audits conducted by the outsourced Internal Auditor (“IA”) during the year. The IA tabled to the AC of all audit issues and actions taken by Management in addressing the issues/weaknesses raised where it will be deliberated on during the AC meetings.

The Risk Management Committee (“RMC”) provides oversight on risk management matters relating to the Group’s activities to ensure prudent risk management over its business and operations. The IA is also engaged to assist in reviewing and assessing the Group’s risk management framework and to present its findings to the RMC for review and assessment on the efficacy of the controls taken to mitigate, monitor and manage the overall risk exposure of the Group.

The AC and RMC made recommendations to the Board based on internal audit report and risk management report respectively for deliberation and approval.

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 regime which are imperative in ensuring the accomplishment of the Group’s objectives.

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

Statement on Risk Management and Internal Control (cont'd)

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

The Group's identified key risk areas for mitigating processes are implemented in the following aspects:

1. 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 legislations 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 Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 which came into effect on 1 June 2020 and imposes corporate liability on the Group for its anti-bribery, corruption and whistle-blower measures.

2. Political, Legislative and Economic Risk

Ensure that the Group is updated on any changes in the political situation, government economic plans and policies in Malaysia.

3. Financial Risk

Liquidity risk management processes which ensure that the Group effectively and efficiently manages its financial resources and meets its financial obligations and liquidity requirements.

4. Business Risk

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

During the financial year ended 31 December 2020, additional business and operational risks faced by the Group was the COVID-19 pandemic. When Movement Control Order ("MCO") was enforced by the Malaysian Government effective on 18 March 2020 to curb the COVID-19 pandemic, many businesses have been disrupted and impacted. The Group has enhanced its risk management controls and policies to allow preparedness of some continuity in operation aiming to reduce the interruptions in event of a lockdown, its enhancement include IT infrastructure to facilitate management and staff to work from home.

5. Operational Risk

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

6. Security Risk

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

The risk is of particular significance during the MCO periods when staff are working from home.

Statement on Risk Management and Internal Control (cont'd)

7. Environmental, Safety and Health Risk

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

8. Human Capital Risk

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

9. Corporate Liabilities Risk

Implemented Anti-bribery and Corruption Policy as well as the Whistle Blowing Policy to supplement the Group's Code of Ethics. This is also part of the Group's efforts to eliminate corporate liabilities risk in relation to the MACC Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

INTERNAL AUDIT FUNCTION

The responsibility for reviewing the adequacy and integrity of the internal control system has been delegated by the Board to the AC. In turn, the AC assesses the adequacy and integrity of the internal control system and its compliance with the Group's policies and procedures through its outsourced audit function to an independent consulting firm namely Sterling Business Alignment Consulting Sdn. Bhd. ("SBAC"). SBAC has no family relationships and/or conflicts of interest, which could otherwise impair their objectivity and independence of the internal audit function. SBAC does not have any direct operational responsibility or authority over any of the activities audited.

The AC members comprised all Independent Non-Executive Directors. The AC assesses the internal audit function and the extent of internal audit work scope by focusing on the internal audit plan, internal audit reports (including follow-ups) to ensure adoption of a recognised internal audit framework, independence and objective assurance and that internal audit reviews is designed in a systematic, disciplined approach to evaluate and improve the effectiveness of internal controls.

The IA uses the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the Group's internal control systems. The internal audit reviews are conducted according to the risk-based internal audit plan which addresses the critical business processes, internal control gaps, effectiveness and adequacy of the existing state of internal control and recommends possible improvements to the internal control process. The internal audit plans are reviewed and approved by the AC, to provide reasonable assurance that such a system continues to operate satisfactorily and effectively within the Group.

SBAC is accorded with complete and unrestricted access to all documents and records of the Group deemed necessary in performing its function and SBAC independently reviewed the risk identification procedures and control processes implemented by the Management. SBAC also reviewed the internal controls in key activities of the Group's business based on risk profiles of business units in the Group. All findings which arose from the review were discussed primarily with the respective process custodians prior to a formal report being presented to the AC.

SBAC has also made recommendations pertaining to the Group's operational and financial activities to help the Management to develop a more efficient and robust internal control environment and the recommendations have been adopted and implemented by the Management. SBAC renders their opinion based on their findings and recommendations, follow-up reviews on actions taken by the Management to address the identified internal control issues. None of the internal control weaknesses noted has resulted in any material loss, contingency and uncertainty that would require separate disclosure in the Annual Report.

Statement on Risk Management and Internal Control (cont'd)

SBAC tabled the internal audit reports directly to the AC on a quarterly basis during the AC meetings.

For the financial year ended 31 December 2020, three (3) internal audit reviews, one (1) follow-up status review and two (2) risk management reviews had been carried out by SBAC:

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Audited Areas
<i>Follow-Up Status Review</i>			
1 st Quarter (January – March 2020)	June 2020	Grand Dynamic Builders Sdn Bhd	Follow-up review on previously reported audit findings: <ul style="list-style-type: none"> • Safety, Environment and Quality • Management Information Services (“MIS”) / Information Technology (“IT”) • Finance and Accounts • Tender Management • Procurement • Pre-contract Management • Post-contract Management • Human Resources and Administration
<i>Internal Audit Review</i>			
2 nd Quarter (April – June 2020)	August 2020	GDB Geotechnics Sdn Bhd	Internal audit review of the entire operations and departments of the newly secured subsidiary which cover the following: <ul style="list-style-type: none"> • Overall operations – Standard Operating Procedures and compliance with Section 17A MACC • Tender and Contract Management • Project Department • Finance and Accounts • Human Resources • Procurement • Administration; and • Safety and Health • MIS
3 rd Quarter (July – September 2020)	November 2020	Grand Dynamic Builders Sdn Bhd	Internal audit review <ul style="list-style-type: none"> • Project Management • Control of progress claims
4 th Quarter (October – December 2020)	February 2021	Grand Dynamic Builders Sdn Bhd	Internal audit review <ul style="list-style-type: none"> • Tender and Contract Management • Managing Sub-Contractors

Statement on Risk Management and Internal Control (cont'd)

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Audited Areas
<i>Risk Management Review</i>			
1 st half 2020 (January – June 2020)	August 2020	GDB Group	Reviewed and assessed the Group's Risk Management Framework including the reviewing key risk areas recorded in the Risk Register.
2 nd half 2020 (July – December 2020)	February 2021		

The cost incurred in outsourcing the internal audit function and the review of risk management for the financial year ended 31 December 2020 was at RM39,000.

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROLS

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

1. Clearly defined terms of reference, authorities and responsibilities of the various Board committees which include the AC, Nomination Committee, Remuneration Committee and RMC;
2. Well-defined organisational structure with clear lines of authority, limits of authority, accountability and responsibilities of the Senior Management;
3. 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;
4. 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;
5. 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;
6. A fully independent AC comprising exclusively of Independent Non-Executive Directors with full and unrestricted access to both Internal and External Auditors. The quarterly financial results and annual audited report are reviewed by the AC prior to approval by the Board;
7. Decision of the Board to outsource its internal audit function to SBAC for greater independence and accountability in the internal audit function;
8. Anti-bribery and Corruption Policy to supplement the Group's Code of Ethics to eliminate corporate liabilities risk; and
9. 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 secured and confidential manner.

Statement on Risk Management and Internal Control (cont'd)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2020. This Statement appropriately reflects the processes adopted and is supported by the documentation in the Group's internal control system.

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, 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.

ASSURANCE FROM THE MANAGEMENT

Nonetheless, based on the half-yearly reporting by the Management on the risk management review and the quarterly internal audit reporting by the IA as well as the Management's actions and explanations towards all identified audit findings on concerned areas, the Board is satisfied that the Group's risk management framework and system of internal control are in place and are operating adequately and effectively in all material aspects for the financial year ended 31 December 2020.

The Board has received assurance from the Group Managing Director and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively in all material aspects during the financial year under review, based on an internationally recognised risk management framework adopted by the Group.

CONCLUSION

The Board is of the view that the Group's risk management and internal control systems are satisfactory and have no internal control failure nor any significant weaknesses in its risk management system that resulted in any loss to the Group during the financial year under review, the Group's current framework is operating adequately, sound and sufficient in all material aspects to safeguard the Group's assets as well as the shareholders' investments, and the interests of all stakeholders.

Additional Compliance Information

The information set out below are disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"):-

1. RECURRENT RELATED PARTY TRANSACTIONS

The Group did not seek any mandate on RRPT from its shareholders. The recurrent related party transactions of revenue and trading in nature incurred by the Group for the financial year ended 31 December 2020 did not exceed the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Securities.

2. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interest of the Directors or major shareholders, either still subsisting at the end of the financial year ended 31 December 2020 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 financial year ended 31 December 2020 are as follows:

Type of Services	Fee (RM)	
	Company	Group
Audit		
- Financial audit	33,000	108,000
Non-audit		
- Review of Statement on Risk Management and Internal Control	5,000	5,000
- Tax advisory & compliance fees	5,900	40,090
Total	43,900	153,090

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

The Company had on 26 March 2021 made announcement that the Board of Directors has deliberated and resolved to vary the intended purposes for the utilisation of part of the unutilised IPO Proceeds of RM7.525 million ("Variation") and to extend the timeframe for the utilisation of the remaining IPO Proceeds of RM15.525 million for a further twenty-four (24) months period ("Further Extension of Time") until 26 March 2023.

Additional Compliance Information (cont'd)

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

The details of the Variation and Further Extension of Time for utilisation of the IPO Proceeds are set out below:

Description of Utilisation	Utilisation of IPO Proceeds				Timeframe from the Listing Date				
	Initial Allocation as per the Prospectus RM'000	Deviation ^(a) RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Variation RM'000	Balance After Variation RM'000	Initial Intended Timeframe	Previously Revised Timeframe	Further Extension of Time
Capital expenditure:									
- Purchase of new construction machinery and equipment	8,670	-	(1,825)	6,845	(6,845) ^(b)	-	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	-	8,000	Within 1 year	Within 3 years	Within 5 years ^(d)
Working capital:									
- Payment to suppliers and subcontractors	14,900	673	(15,573)	-	7,525	7,525	Within 1 year	No change	Within 5 years ^(d)
- Payment of salaries for new employees (for infrastructure project team) to be based at our head office	680	-	-	680	(680) ^(c)	-	Within 1 year	Within 3 years	No change
Estimated listing expenses	3,500	(673)	(2,827)	-	-	-	Within 3 months	No change	No change
Total	43,750	-	(28,225)	15,525	-	15,525			

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 RM8.67 million allocated for the purchase of new construction machinery and equipment has been re-allocated to payment to suppliers and subcontractors.
- (c) RM0.68 million as allocated for payment of salaries for new employees (for infrastructure project team) to be based at the head office has been re-allocated for payment to suppliers and subcontractors.
- (d) Further extension of time for a another twenty-four (24) months until 26 March 2023.

Directors' Responsibility Statement

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") as well as in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board are responsible to ensure that annual 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 2020, and of the results and cash flows for the financial year.

In preparing the financial statements, the Board ensured that the Management has:

- adopted appropriate and relevant accounting policies and applied them 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 in operational existence for the foreseeable future.

The Board is responsible for:

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



Financial Statements

Directors' Report	50
Statement by Directors	55
Statutory Declaration	55
Independent Auditors' Report	56
Statements of Financial Position	60
Statements of Profit or Loss and Other Comprehensive Income	61
Statements of Changes in Equity	62
Statements of Cash Flows	64
Notes to the Financial Statements	66

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 2020.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	24,524,413	12,863,370
Attributable to:-		
Owners of the Company	25,688,669	12,863,370
Non-controlling interest	(1,164,256)	-
	24,524,413	12,863,370

DIVIDENDS

Dividends paid or declared by the Company since 31 December 2019 are as follows:-

	RM
Ordinary Share	
<u>In respect of the financial year ended 31 December 2019</u>	
A second interim single-tier dividend of RM0.01 per ordinary share, paid on 27 March 2020	6,250,000
<u>In respect of the financial year ended 31 December 2020</u>	
A first interim single-tier dividend of RM0.01 per ordinary share, paid on 18 September 2020	6,250,000
	12,500,000

On 26 February 2021, the Company declared a second interim single-tier dividend of RM0.01 per ordinary share amounting to RM6,250,000 in respect of the current financial year, paid on 26 March 2021, to shareholders whose names appeared in the record of depositors on 15 March 2021. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2021.

Directors' Report (cont'd)

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

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.

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.

Directors' Report (cont'd)

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

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

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

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

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

Directors' Report

(cont'd)

DIRECTORS' INTERESTS

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

	<----- Number Of Ordinary Shares ----->			
	At 1.1.2020	Bought	Sold	At 31.12.2020
The Company				
<i>Direct Interests</i>				
Alexander Lo Tzone Leong	139,142,900	200,000	(7,650,000)	131,692,900
Cheah Jun Kai	200,000	1,300,000	-	1,500,000
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	400,000	-	(50,000)	350,000
Datuk Sr Chia Lui Meng	300,000	-	-	300,000
Kow Poh Gek	300,000	-	-	300,000
<i>Indirect Interests</i>				
Cheah Ham Cheia*	323,750,000	-	(17,850,000)	305,900,000
Cheah Jun Kai [^]	-	50,000	-	50,000
Kow Poh Gek [#]	150,000	-	(150,000)	-

* Deemed interested by virtue of his substantial shareholding in CHC Holdings Sdn. Bhd..

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

[#] Deemed interested by virtue of her son's shareholding in the Company.

By virtue of their shareholdings in the Company, Cheah Ham Cheia and Alexander Lo Tzone Leong are deemed to have interests in shares and 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.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the directors are member, or with a company in which the directors have a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interest as disclosed in Note 32 to the financial statements.

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

Directors' Report (cont'd)

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Notes 23 and 31 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

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

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

The significant events during the financial year and occurring after the reporting period are disclosed in Note 37 to the financial statements.

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 are disclosed in Note 23 to the financial statements.

Signed in accordance with a resolution of the directors dated 26 April 2021.

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 60 to 113 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 2020 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 26 April 2021.

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 60 to 113 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 26 April 2021.

Toh Fong Eng

Before me

Commissioner for Oaths
Datin Hajah Raihela Wanchik
No. W-275

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 as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 60 to 113.

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 2020, 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.

Revenue recognition, contract assets and liabilities Refer to Notes 9 and 20 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
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.	Our procedures included, amongst others:- <ul style="list-style-type: none">• Reviewing the contract value secured and projected budgeted costs;• Assessing the estimated total costs to complete through inquiries with the operational and finance personnel of the Group;• Inspecting documentation to support cost estimates made including contract variations and cost contingencies;• Performing verification on the actual progress billings issued and actual costs incurred for the financial year; and• Performing recomputation on the profit recognised and checked calculation of the percentage of completion.
The determination of the percentage of completion requires the management to exercise significant judgement in estimating the total costs to complete the contracts.	

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

26 April 2021

Ngiam Mia Teck
03000/07/2022 J
Chartered Accountant

Statements Of Financial Position

At 31 December 2020

	Note	The Group		The Company	
		2020 RM	2019 RM	2020 RM	2019 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	25,933,157	25,933,157
Property, plant and equipment	7	25,425,103	27,821,754	9,015,721	9,199,715
Goodwill	8	1,285,825	1,285,825	-	-
		26,710,928	29,107,579	34,948,878	35,132,872
CURRENT ASSETS					
Contract assets	9	112,710,979	90,883,185	-	-
Trade receivables	10	33,265,563	22,980,659	-	-
Other receivables, deposits and prepayments	11	10,164,172	11,003,175	31,130	157,849
Amount owing by subsidiaries	12	-	-	1,590,000	30,000
Current tax assets		-	56,248	-	8,538
Short-term investments	13	64,251,987	53,020,640	34,078,824	34,552,489
Fixed deposits with licensed banks	14	8,395,529	10,823,953	-	-
Cash and bank balances		9,107,465	12,849,509	266,378	740,178
		237,895,695	201,617,369	35,966,332	35,489,054
TOTAL ASSETS		264,606,623	230,724,948	70,915,210	70,621,926
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	62,564,078	62,564,078	62,564,078	62,564,078
Retained profits		71,377,412	58,188,743	8,245,846	7,882,476
Equity attributable to owners of the Company		133,941,490	120,752,821	70,809,924	70,446,554
Non-controlling interest	6	1,422,376	2,586,632	-	-
TOTAL EQUITY		135,363,866	123,339,453	70,809,924	70,446,554
NON-CURRENT LIABILITY					
Deferred tax liability	16	1,483,472	1,879,064	-	-
CURRENT LIABILITIES					
Contract liabilities	9	92,572	2,860,043	-	-
Trade payables	17	39,780,294	44,477,203	-	-
Other payables and accruals	18	80,201,577	51,222,650	97,957	175,372
Provision	19	4,656,471	4,734,175	-	-
Current tax liabilities		3,028,371	2,212,360	7,329	-
		127,759,285	105,506,431	105,286	175,372
TOTAL LIABILITIES		129,242,757	107,385,495	105,286	175,372
TOTAL EQUITY AND LIABILITIES		264,606,623	230,724,948	70,915,210	70,621,926

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 2020

	Note	The Group		The Company	
		2020 RM	2019 RM	2020 RM	2019 RM
REVENUE	20	362,812,977	322,766,826	12,650,000	12,800,000
COST OF SALES	21	(320,798,860)	(279,879,348)	-	-
GROSS PROFIT		42,014,117	42,887,478	12,650,000	12,800,000
OTHER INCOME	22	2,916,552	3,858,654	2,970,921	3,553,885
		44,930,669	46,746,132	15,620,921	16,353,885
ADMINISTRATIVE EXPENSES	23	(8,516,693)	(8,255,747)	(2,511,860)	(2,825,214)
OTHER EXPENSES	24	(2,626,960)	(697,260)	(183,994)	-
FINANCE COST	25	-	(70,291)	-	-
PROFIT BEFORE TAXATION		33,787,016	37,722,834	12,925,067	13,528,671
INCOME TAX EXPENSE	26	(9,262,603)	(8,909,264)	(61,697)	(3,881)
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		24,524,413	28,813,570	12,863,370	13,524,790
PROFIT/(LOSS) AFTER TAXATION/ TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
- Owners of the Company		25,688,669	29,131,871	12,863,370	13,524,790
- Non-controlling interest		(1,164,256)	(318,301)	-	-
		24,524,413	28,813,570	12,863,370	13,524,790
EARNINGS PER SHARE (SEN)					
- Basic	27	4.11	4.66		
- Diluted	27	4.11	4.66		

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

Statements Of Changes In Equity

For The Financial Year Ended 31 December 2020

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 1.1.2019		62,564,078	41,556,872	104,120,950	-	104,120,950
Profit/(Loss) after taxation/Total comprehensive income/(expenses) for the financial year		-	29,131,871	29,131,871	(318,301)	28,813,570
Contributions by and distribution to owners of the Company:						
- Acquisition of a subsidiary	28	-	-	-	2,004,933	2,004,933
- Additional investments by non-controlling interest		-	-	-	900,000	900,000
- Dividends	29	-	(12,500,000)	(12,500,000)	-	(12,500,000)
Total transactions with owners		-	(12,500,000)	(12,500,000)	2,904,933	(9,595,067)
Balance at 31.12.2019/1.1.2020		62,564,078	58,188,743	120,752,821	2,586,632	123,339,453
Profit/(Loss) after taxation/Total comprehensive income/(expenses) for the financial year		-	25,688,669	25,688,669	(1,164,256)	24,524,413
Distribution to owners of the Company:						
- Dividends	29	-	(12,500,000)	(12,500,000)	-	(12,500,000)
Balance at 31.12.2020		62,564,078	71,377,412	133,941,490	1,422,376	135,363,866

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

Statements Of Changes In Equity For The Financial Year Ended 31 December 2020 (cont'd)

The Company	Note	Share Capital RM	Retained Profits RM	Total Equity RM
Balance at 1.1.2019		62,564,078	6,857,686	69,421,764
Profit after taxation/Total comprehensive income for the financial year		-	13,524,790	13,524,790
Distribution to owners of the Company:				
- Dividends	29	-	(12,500,000)	(12,500,000)
Balance at 31.12.2019/1.1.2020		62,564,078	7,882,476	70,446,554
Profit after taxation/Total comprehensive income for the financial year		-	12,863,370	12,863,370
Distribution to owners of the Company:				
- Dividends	29	-	(12,500,000)	(12,500,000)
Balance at 31.12.2020		62,564,078	8,245,846	70,809,924

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

Statements Of Cash Flows

For The Financial Year Ended 31 December 2020

	Note	The Group		The Company	
		2020 RM	2019 RM	2020 RM	2019 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		33,787,016	37,722,834	12,925,067	13,528,671
Adjustments for:-					
Depreciation of property, plant and equipment		6,407,649	4,974,339	183,994	-
Interest expense		-	70,291	-	-
Plant and equipment written off		59,449	33,256	-	-
Provision for defect works		3,334,393	2,300,143	-	-
Dividend income		-	-	(12,650,000)	(12,800,000)
Gain on disposal of plant and equipment		(5,941)	(6,000)	-	-
Interest income		(2,366,132)	(3,168,911)	(1,065,921)	(1,843,885)
Reversal of provision for defect works		(3,412,097)	(4,655,337)	-	-
Operating profit/(loss) before working capital changes		37,804,337	37,270,615	(606,860)	(1,115,214)
Increase in contract assets		(22,642,924)	(23,297,144)	-	-
(Increase)/Decrease in trade and other receivables		(13,249,483)	25,349,294	126,719	(25,779)
Increase in amount owing by subsidiaries		-	-	(1,560,000)	(30,000)
Decrease in contract liabilities		(2,767,471)	(4,719,933)	-	-
Increase/(Decrease) in trade and other payables		28,537,643	(7,876,481)	(77,415)	76,016
CASH FROM/(FOR) OPERATIONS		27,682,102	26,726,351	(2,117,556)	(1,094,977)
Income tax paid		(8,973,729)	(9,715,423)	(54,917)	(17,054)
Income tax refunded		50,877	317,302	9,087	172,087
NET CASH FROM/(FOR) OPERATING ACTIVITIES		18,759,250	17,328,230	(2,163,386)	(939,944)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash and equivalents acquired	28	-	(5,318,832)	-	(5,878,800)
Additional investments in an existing subsidiary	6	-	-	-	(2,070,000)
Dividends received		-	-	12,650,000	19,100,000
Decrease/(Increase) in pledged fixed deposits with licensed banks		2,428,424	(3,593,896)	-	-
Interest income received		2,366,132	3,168,911	1,065,921	1,843,885
Proceeds from disposal of plant and equipment		14,286	6,000	-	-
Purchase of property, plant and equipment		(4,078,792)	(11,096,497)	-	(9,199,715)
NET CASH FROM/(FOR) INVESTING ACTIVITIES		730,050	(16,834,314)	13,715,921	3,795,370

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

Statements Of Cash Flows

For The Financial Year Ended 31 December 2020 (cont'd)

	Note	The Group		The Company	
		2020 RM	2019 RM	2020 RM	2019 RM
CASH FLOWS FOR FINANCING ACTIVITIES					
Acquisition of shares in a subsidiary by non-controlling interest		-	900,000	-	-
Dividends paid	29	(12,500,000)	(12,500,000)	(12,500,000)	(12,500,000)
Interest paid	30(a)	-	(70,291)	-	-
Repayment of lease liabilities	30(a)	-	(1,444,611)	-	-
Advances from related parties		500,003	2,391,272	-	-
NET CASH FOR FINANCING ACTIVITIES		(11,999,997)	(10,723,630)	(12,500,000)	(12,500,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7,489,303	(10,229,714)	(947,465)	(9,644,574)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		65,870,149	76,099,863	35,292,667	44,937,241
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	30(b)	73,359,452	65,870,149	34,345,202	35,292,667

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020

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 issue by the Board of Directors in accordance with a resolution of the directors dated 26 April 2021.

2. HOLDING COMPANY

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

3. PRINCIPAL ACTIVITIES

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

4. BASIS OF PREPARATION

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

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

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

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

4. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendment to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, Plant and Equipment

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

(b) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 8 to the financial statements.

(c) Impairment of Property, Plant and Equipment

The Group determines whether its property, plant and equipment 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. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

(d) Impairment of Contract Assets and Trade Receivables

The Group uses the general 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 customer's financial information, past trend of payment 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 contract assets and trade receivables. The carrying amounts of contract assets and trade receivables as at the reporting date are disclosed in Notes 9 and 10 to the financial statements.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends and forward-looking estimates at the end of each reporting period. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Notes 11 and 12 to the financial statements.

(f) Revenue Recognition for Construction Contracts

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

(g) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of the Group's current tax (liabilities)/assets as at the reporting date is (RM3,028,371) (2019 - RM56,248 and (RM2,212,360)). The carrying amount of the Company's current tax (liabilities)/assets as at the reporting date is (RM7,329) (2019 - RM8,538).

(h) Provision

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(i) **Purchase Price Allocation**

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The fair values of the assets acquired and liabilities assumed under the business combinations made in the previous financial year are disclosed in Note 28 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business.

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.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

(a) Business Combinations

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

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

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

(b) Non-Controlling Interests

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

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

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

(d) Loss of Control

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

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

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.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 GOODWILL

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

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

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

5.4 FUNCTIONAL AND PRESENTATION CURRENCY

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

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

5.5 FINANCIAL INSTRUMENTS

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

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

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

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

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

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

Debt Instruments

(i) Amortised Cost

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

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

(ii) Fair Value through Other Comprehensive Income

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

(iii) Fair Value through Profit or Loss

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

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Equity Instruments

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

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

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

(b) Financial Liabilities

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

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

(ii) Other Financial Liabilities

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

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

(c) Equity Instruments

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

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

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

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

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

(e) Financial Guarantee Contracts

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

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

5.6 INVESTMENTS IN SUBSIDIARIES

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

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

5.7 PROPERTY, PLANT AND EQUIPMENT

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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.

5.8 LEASES

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

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 LEASES (CONT'D)

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

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

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

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

5.9 CONTRACT ASSET AND CONTRACT LIABILITY

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

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

5.10 CASH AND CASH EQUIVALENTS

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

5.11 IMPAIRMENT

(a) Impairment of Financial Assets

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

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.11 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

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 always recognises lifetime expected credit losses for trade receivables and contract assets using the general approach. 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).

For all other financial instruments, 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 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, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

(b) Impairment of Non-financial Assets

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

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

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.12 PROVISIONS

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

5.13 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

5.14 INCOME TAXES

(a) Current Tax

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

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

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from 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.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.14 INCOME TAXES (CONT'D)

(b) Deferred Tax (Cont'd)

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.

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

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

5.15 CONTINGENT LIABILITIES

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

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

5.16 OPERATING SEGMENTS

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

5.17 EARNINGS PER ORDINARY SHARE

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

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.18 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.

5.19 FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

5.20 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 2020 (cont'd)

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.20 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.

5.21 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Interest Income

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

(c) Rental Income

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

6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2020	2019
	RM	RM
Unquoted shares, at cost:-		
At 1 January	25,933,157	17,984,357
Additions during the financial year	-	7,948,800
At 31 December	25,933,157	25,933,157

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (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 Parent		Principal Activities
		2020 %	2019 %	
Grand Dynamic Builders Sdn. Bhd. ("GDBSB")	Malaysia	100	100	Provision of construction services.
GDB Geotechnics Sdn. Bhd. ("GDBGSB")	Malaysia	69	69	Provision of construction services specialising in geotechnical and foundation engineering works.

- (a) In the previous financial year, the Company and its subsidiary, GDBSB, has acquired 69% and 1% equity interests in GDBGSB respectively. The details of the acquisition are disclosed in Note 28 to the financial statements.

The previous statutory financial year end of GDBGSB was 30 September and did not coincide with the Group. GDBGSB has been consolidated based on management account for the 3-month period ended 31 December 2019.

During the financial year, GDBGSB has changed its statutory financial year end to coincide with the Group.

- (b) In the previous financial year, the Company and its subsidiary, GDBSB, have subscribed for additional 2,070,000 and 30,000 ordinary shares respectively for a total purchase consideration of RM2,100,000 in GDBGSB.
- (c) The non-controlling interest at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2020 %	2019 %	2020 RM	2019 RM
GDBGSB	30	30	1,422,376	2,586,632

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	GDBGSB	
	2020 RM	2019 RM
<u>At 31 December</u>		
Non-current asset	1,613,824	2,163,125
Current assets	1,797,283	9,855,387
Current liabilities	(3,367,513)	(9,346,774)
Net assets	43,594	2,671,738
<u>12-month/3-month Period Ended 31 December</u>		
Revenue	1,521,290	942,273
Loss for the financial period	(2,628,144)	(747,827)
Total comprehensive expenses	(2,628,144)	(747,827)
Total comprehensive expenses attributable to non-controlling interest	(788,443)	(224,348)
Net cash flows for operating activities	(4,005,564)	(2,165,919)
Net cash flows for investing activities	(62,914)	(29,581)
Net cash flows from financial activities	1,900,003	3,876,370

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At	Additions	Disposals	Write		Depreciation	At
	1.1.2020			Off	Reclassification		Charges
	RM	RM	RM	RM	RM	RM	RM
2020							
<i>Carrying Amount</i>							
Freehold buildings	9,199,715	-	-	-	-	(183,994)	9,015,721
Computer software and hardware	332,109	318,582	(6,355)	(7,529)	18,337	(173,424)	481,720
Motor vehicles	957,780	7,000	(1,835)	-	38,326	(346,316)	654,955
Office equipment	114,100	162,429	-	(631)	81,993	(89,035)	268,856
Plant and machinery	13,694,249	1,460,100	-	(19,592)	(1,887,568)	(3,636,505)	9,610,684
Renovation	573,963	126,252	-	(18,457)	(100,330)	(116,773)	464,655
Site equipment	2,949,838	2,004,429	(155)	(13,240)	1,849,242	(1,861,602)	4,928,512
	27,821,754	4,078,792	(8,345)	(59,449)	-	(6,407,649)	25,425,103

Notes To The Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

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

The Group	At 1.1.2019 RM	Additions RM	Write Off RM	Depreciation Charges RM	Acquisition of A Subsidiary (Note 28) RM	At 31.12.2019 RM
2019						
<i>Carrying Amount</i>						
Freehold buildings	-	9,199,715	-	-	-	9,199,715
Computer software and hardware	334,804	143,735	(2,771)	(143,659)	-	332,109
Motor vehicles	584,095	507,510	-	(256,330)	122,505	957,780
Office equipment	134,369	24,799	(1,138)	(44,655)	725	114,100
Plant and machinery	5,863,879	476,000	-	(3,031,124)	10,385,494	13,694,249
Renovation	26,744	554,867	-	(7,649)	1	573,963
Site equipment	4,280,236	189,871	(29,347)	(1,490,922)	-	2,949,838
	11,224,127	11,096,497	(33,256)	(4,974,339)	10,508,725	27,821,754

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2020			
Freehold buildings	9,199,715	(183,994)	9,015,721
Computer software and hardware	1,458,795	(977,075)	481,720
Motor vehicles	2,620,725	(1,965,770)	654,955
Office equipment	791,379	(522,523)	268,856
Plant and machinery	41,975,889	(32,365,205)	9,610,684
Renovation	585,089	(120,434)	464,655
Site equipment	11,982,063	(7,053,551)	4,928,512
	68,613,655	(43,188,552)	25,425,103
2019			
Freehold buildings	9,199,715	-	9,199,715
Computer software and hardware	1,130,664	(798,555)	332,109
Motor vehicles	2,587,511	(1,629,731)	957,780
Office equipment	642,601	(528,501)	114,100
Plant and machinery	42,537,078	(28,842,829)	13,694,249
Renovation	697,413	(123,450)	573,963
Site equipment	8,148,456	(5,198,618)	2,949,838
	64,943,438	(37,121,684)	27,821,754

Notes To The Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

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

The Company	At 1.1.2020 RM	Depreciation Charge RM	At 31.12.2020 RM
2020			
<i>Carrying Amount</i>			
Freehold buildings	9,199,715	(183,994)	9,015,721

The Company	At 1.1.2019 RM	Addition RM	At 31.12.2019 RM
2019			
<i>Carrying Amount</i>			
Freehold buildings	-	9,199,715	9,199,715

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2020			
Freehold buildings	9,199,715	(183,994)	9,015,721
2019			
Freehold buildings	9,199,715	-	9,199,715

8. GOODWILL

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

	The Group	
	2020 RM	2019 RM
Cost:-		
At 1 January	1,285,825	-
Acquisition of a subsidiary (Note 28)	-	1,285,825
At 31 December	1,285,825	1,285,825

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

8. GOODWILL (CONT'D)

(a) The Group has assessed the recoverable amount of goodwill allocated and determined that no impairment is required. The recoverable amount of the cash-generating unit is determined using the value in use approach, and this is derived from the present value of the future cash flows computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amount are as follows:-

- Gross margin ranging from 7.3% to 8.0% (2019: 7.7% to 8.0%); and
- Pre-tax discount rate of 13.7% (2019: 12.1%).

- | | | |
|-------|-------------------------|--|
| (i) | Budgeted gross margin | Average gross margin achieved on past experience and actual operating results increased for expected efficiency improvements and cost saving measures. |
| (ii) | Discount rate (pre-tax) | Reflects specific risks relating to the relevant cash-generating unit. |
| (iii) | Growth rate | Based on the expected projection of the construction services and works segments. There is no growth rate in perpetuity to arrive at terminal value. |

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating unit and are based on both external sources and internal historical data.

(b) The directors believe that there is no reasonably possible change in the above key assumptions applied that is likely to materially cause the cash-generating unit carrying amount to exceed its recoverable amount.

9. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2020 RM	2019 RM
Contract assets relating to construction contracts	112,710,979	90,883,185
Contract liabilities relating to construction contracts	(92,572)	(2,860,043)
	112,618,407	88,023,142

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

Included in the contract assets are retention sums receivable amounting to RM53,863,722 (2019 - RM57,568,887). 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 2020 (cont'd)

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

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

	The Group	
	2020 RM	2019 RM
At 1 January	88,023,142	55,137,017
Revenue recognised in profit or loss during the financial year	362,812,977	322,766,826
Billing to customers during the financial year	(338,217,712)	(294,749,749)
Acquisition of a new subsidiary (Note 28)	-	4,869,048
At 31 December	112,618,407	88,023,142
Represented by:-		
Contract assets	112,710,979	90,883,185
Contract liabilities	(92,572)	(2,860,043)
	112,618,407	88,023,142

(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 RM2,057,970,634 (2019 - RM1,149,766,892). These remaining performance obligations are expected to be recognised as below:-

	The Group	
	2020 RM	2019 RM
Within 1 year	844,731,609	478,866,882
Between 1 and 3 years	1,213,239,023	670,900,010
	2,057,970,632	1,149,766,892

10. TRADE RECEIVABLES

The Group's normal trade credit terms range from 30 to 60 (2019 - 30 to 60) days. Other credit terms are assessed and approved on a case-by-case basis.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Other receivables:-				
Third parties	109,452	897,323	-	-
Advances to subcontractors/suppliers	7,168,955	6,798,278	-	-
Goods and Services Tax receivables	-	287,429	-	86,169
	7,278,407	7,983,030	-	86,169
Deposits	2,846,915	2,780,146	31,130	26,630
Prepayments	38,850	239,999	-	45,050
	10,164,172	11,003,175	31,130	157,849

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.

12. AMOUNT OWING BY A SUBSIDIARY

The amount owing is non-trade in nature, unsecured, interest-free and receivable on demand. The amount owing is to be settled in cash.

13. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Money market fund, at fair value	64,251,987	53,020,640	34,078,824	34,552,489
Market value of short-term investments	64,251,987	53,020,640	34,078,824	34,552,489

14. FIXED DEPOSITS WITH LICENSED BANKS

- The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.50% to 2.90% (2019 - 2.55% to 3.25%) per annum. The fixed deposits have a maturity period of 365 (2019 - 365) days.
- The fixed deposits with licensed banks of the Group at the end of the reporting period had been pledged to licensed banks as security for banking facilities granted to the Group.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

15. SHARE CAPITAL

	The Group/The Company			
	2020	2019	2020	2019
	Number of Shares		RM	RM
Issued and Fully Paid-up				
Ordinary Shares				
At 1 January/31 December	625,000,000	625,000,000	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.

16. DEFERRED TAX LIABILITY

The Group	Recognised in		
	At 1.1.2020	Profit or Loss (Note 26)	At 31.12.2020
	RM	RM	RM
2020			
<i>Deferred Tax Liability</i>			
Plant and equipment	2,409,224	(448,872)	1,960,352
<i>Deferred Tax Asset</i>			
Provision	(530,160)	53,280	(476,880)
	1,879,064	(395,592)	1,483,472

The Group	Recognised in			At 31.12.2019
	At 1.1.2019	Profit or Loss (Note 26)	Acquisition of A Subsidiary (Note 28)	
	RM	RM	RM	RM
2019				
<i>Deferred Tax Liability</i>				
Plant and equipment	720,480	(289,218)	1,977,962	2,409,224
<i>Deferred Tax Asset</i>				
Provision	(720,480)	190,320	-	(530,160)
	-	(98,898)	1,977,962	1,879,064

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

17. TRADE PAYABLES

	Note	The Group	
		2020 RM	2019 RM
Trade payables	(a)	11,390,795	16,008,464
Retention sums	(b)	28,389,499	28,468,739
		39,780,294	44,477,203

(a) The normal trade credit terms granted to the Group range from 30 to 60 (2019 - 30 to 60) days.

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

18. OTHER PAYABLES AND ACCRUALS

	Note	The Group		The Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Other payables:-					
Third parties	(a)	2,927,580	4,647,195	-	87,007
Related parties	(b)	515,529	4,343,056	-	-
		3,443,109	8,990,251	-	87,007
Accruals	(c)	76,758,468	42,232,399	97,957	88,365
		80,201,577	51,222,650	97,957	175,372

(a) Included in other payables of the Group are advances from customers amounting to RM2,775,735 (2019 - RM4,198,869).

(b) The amount owing to related parties represent amount owing to a director of a Company's subsidiary, amount owing to a company in which a director has controlling interest and non-controlling interest amounting to Nil, RM15,526 and RM500,003 (2019 - RM3,443,164, RM899,892 and Nil) respectively.

The amount owing to related parties represent unsecured interest-free advances which are repayable on demand. The amount owing is to be settled in cash.

(c) Included in accruals of the Group are accrued costs of construction for projects amounting to RM63,339,713 (2019 - RM28,095,484).

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

19. PROVISION

	The Group	
	2020 RM	2019 RM
At 1 January	4,734,175	6,783,569
Provision made during the financial year	3,334,393	2,300,143
Provision reversed during the financial year	(3,412,097)	(4,655,337)
Acquisition of a subsidiary (Note 28)	-	305,800
At 31 December	4,656,471	4,734,175

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

20. REVENUE

	The Group		The Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Construction contracts	362,812,977	322,766,826	-	-
Dividend income	-	-	12,650,000	12,800,000

21. COST OF SALES

	The Group	
	2020 RM	2019 RM
Depreciation of plant and equipment	3,804,741	4,277,083
Lease expenses:		
- short-term leases	2,798,254	1,914,863
- others	309,500	68,418
Project cost, incentives and related expenses	294,042,201	260,135,461
Provision for defect works	3,334,393	2,300,143
Plant and equipment written off	35,397	33,252
Reversal of provision for defect works	(3,412,097)	(4,655,337)
Staff costs:		
- salaries and other emoluments	18,028,576	14,280,801
- defined contribution plan	1,857,895	1,524,664
	320,798,860	279,879,348

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

22. OTHER INCOME

	The Group		The Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Included in other income are the following items:-				
Gain on disposal of plant and equipment	5,941	6,000	-	-
Interest income:				
- fixed deposits with licensed banks	853,378	606,298	14,587	17,481
- short-term investments	1,512,754	2,562,613	1,051,334	1,826,404
Lease income:				
- office	-	-	180,000	-
- plant and equipment	30,389	22,703	-	-
Management services income	-	-	1,725,000	1,710,000
Scrap sales	307,037	301,542	-	-

23. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Included in administrative expenses are the following items:-				
Auditors' remuneration:				
- audit fees	108,000	88,000	33,000	30,000
- other service:				
- current financial year	5,000	5,000	5,000	5,000
Directors' fees	225,800	209,220	225,800	209,220
Directors' non-fee remuneration:				
- salaries and other emoluments	1,499,475	1,838,658	1,113,547	1,171,315
- defined contribution plan	125,020	157,644	96,748	107,940
Staff costs (including other key management personnel as disclosed in Note 31):				
- salaries and other emoluments	4,107,745	3,523,272	369,417	346,247
- defined contribution plan	470,139	388,816	43,920	41,328
Lease expenses:				
- short-term leases	90,260	23,330	-	-
- others	-	162,400	-	-

Notes To The Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

24. OTHER EXPENSES

	The Group		The Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Depreciation of property, plant and equipment	2,602,908	697,256	183,994	-
Plant and equipment written off	24,052	4	-	-
	2,626,960	697,260	183,994	-

25. FINANCE COST

	The Group	
	2020 RM	2019 RM
Interest expense on lease liabilities	-	70,291

26. INCOME TAX EXPENSE

	The Group		The Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Current tax:				
- for the financial year	8,970,711	8,837,542	62,245	8,516
- under/(over)provision in the previous financial years	687,484	170,620	(548)	(4,635)
	9,658,195	9,008,162	61,697	3,881
Deferred tax (Note 16):				
- realisation of deferred taxation on usage of plant and equipment	(395,592)	(98,898)	-	-
	9,262,603	8,909,264	61,697	3,881

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

26. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit 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	
	2020 RM	2019 RM	2020 RM	2019 RM
Profit before taxation	33,787,016	37,722,834	12,925,067	13,528,671
Tax at the statutory tax rate of 24% (2019 - 24%)	8,108,884	9,053,480	3,102,016	3,246,881
Tax effects of:-				
Non-taxable income	(1,051,957)	(615,027)	(3,288,320)	(3,510,337)
Non-deductible expenses	838,992	520,271	248,549	271,972
Deferred tax assets not recognised during the financial year	679,200	170,640	-	-
Utilisation of deferred tax assets previously not recognised	-	(390,720)	-	-
Under/(Over)provision of current tax in the previous financial years	687,484	170,620	(548)	(4,635)
Income tax expense for the financial year	9,262,603	8,909,264	61,697	3,881

Domestic income tax is calculated at the Malaysian statutory rate of 24% (2019 - 24%) of the estimated assessable profit for the financial year.

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

	The Group	
	2020 RM	2019 RM
Deferred tax assets:-		
Unused tax losses	5,383,000	1,753,000
Unabsorbed capital allowances	3,166,000	3,444,000
Provision for defect works	2,670,000	2,526,000
Other	39,000	-
	11,258,000	7,723,000
Deferred tax liability:-		
Accelerated capital allowances	(852,000)	(147,000)
	10,406,000	7,576,000

The unused tax losses are allowed to be utilised for 7 consecutive years of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

27. EARNINGS PER SHARE

	The Group	
	2020	2019
Profit attributable to owners of the Company (RM)	25,688,669	29,131,871
Weighted average number of ordinary shares in issue	625,000,000	625,000,000
Earnings per share (Sen) attributable to owners of the Company:		
- Basic	4.11	4.66
- Diluted	4.11	4.66

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

28. ACQUISITION OF A SUBSIDIARY

In the previous financial year, the Company and its wholly-owned subsidiary, GDBSB had collectively, entered into share sale agreement to acquire 70% equity interest in GDBGSB with 69% equity interest held by the Company and remaining 1% equity interest held by GDBSB. The acquisition of this subsidiary is to enable the Group to expand its business into bored piling and foundation works speciality. The acquisition was completed on 1 October 2019.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	The Group 2019 RM
Plant and equipment (Note 7)	10,508,725
Contract assets (Note 9)	4,869,048
Trade receivables	2,759,873
Other receivables and deposits	1,261,125
Current tax assets	68,846
Cash and bank balances	645,168
Deferred tax liability (Note 16)	(1,977,962)
Lease liabilities	(1,444,611)
Trade payables	(6,055,665)
Other payables and accruals	(1,361,934)
Provision (Note 19)	(305,800)
Amount owing to a director	(1,793,127)
Amount owing to related parties	(917,520)
Fair value of net identifiable assets acquired	6,256,166
Capital contribution by former shareholders	426,942
Less: Non-controlling interest, measured at the proportionate share of the fair value of the net identifiable assets	(1,876,850)
Less: Non-controlling interest, measured at the proportionate share of the capital contribution by former shareholders	(128,083)
Add: Goodwill on acquisition (Note 8)	1,285,825
Total purchase consideration, to be settled by cash	5,964,000
Less: Cash and cash equivalents of subsidiary acquired	(645,168)
Net cash outflow from the acquisition of a subsidiary	5,318,832

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

28. ACQUISITION OF A SUBSIDIARY (CONT'D)

	The Company 2019 RM
Total purchase consideration, to be settled by cash/Cash outflow from the acquisition of a subsidiary	5,878,800

- (a) The goodwill is attributable mainly to the control premium paid. In addition, the purchase consideration also included benefits derived from the expected revenue growth of the subsidiary, its future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not deductible for tax purposes.
- (b) In the previous financial year, the subsidiary has contributed revenue of RM942,273 and incurred loss after taxation of RM747,827 to the Group since the date of acquisition.

The revenue and profit or loss for the Group, if the acquisition of GDBGSB was effective at the beginning of the previous financial year cannot be reliably measured without undue cost or effort due to the directors have considered the time and costs required to generate the financial results would exceed the benefits for the users of the financial statements.

29. DIVIDENDS

	The Group/The Company 2020 RM	2019 RM
In respect of the financial year ended 31 December 2019/31 December 2018:		
- Second interim single-tier dividend of RM0.01 (2019 - RM0.01) per ordinary share	6,250,000	6,250,000
In respect of the financial year ended 31 December 2020/31 December 2019:		
- First interim single-tier dividend of RM0.01 (2019 - RM0.01) per ordinary share	6,250,000	6,250,000
	12,500,000	12,500,000

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

30. CASH FLOW INFORMATION

- (a) In the previous financial year, the reconciliation of liability arising from financing activity was as follows:-

The Group	Lease Liabilities RM
2019	
At 1 January	-
<u>Non-cash Changes</u>	
Acquisition of a subsidiary (Note 28)	1,444,611
Interest expense recognised in profit or loss	70,291
	1,514,902
<u>Changes in Financing Cash Flows</u>	
Repayment of principal	(1,444,611)
Repayment of interests	(70,291)
	(1,514,902)
At 31 December	-

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

	The Group		The Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Cash and bank balances	9,107,465	12,849,509	266,378	740,178
Fixed deposits with licensed banks	8,395,529	10,823,953	-	-
Short-term investments	64,251,987	53,020,640	34,078,824	34,552,489
	81,754,981	76,694,102	34,345,202	35,292,667
Less: Fixed deposits pledged to licensed banks (Note 14)	(8,395,529)	(10,823,953)	-	-
	73,359,452	65,870,149	34,345,202	35,292,667

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

31. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel 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 key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2020 RM	2019 RM	2020 RM	2019 RM
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	225,800	209,220	225,800	209,220
- salaries and other emoluments	1,348,772	1,794,808	1,113,547	1,171,315
- defined contribution plan	111,720	153,750	96,748	107,940
	1,686,292	2,157,778	1,436,095	1,488,475
<u>Director of a subsidiary</u>				
Short-term employee benefits:				
- salaries and other emoluments	150,703	43,850	-	-
- defined contribution plan	13,300	3,894	-	-
	164,003	47,744	-	-
Total directors' remuneration	1,850,295	2,205,522	1,436,095	1,488,475
Other key management personnel:-				
Short-term employee benefits:				
- salaries and other emoluments	1,048,478	1,146,974	367,847	346,246
- defined contribution plan	119,883	130,811	43,920	41,328
	1,168,361	1,277,785	411,767	387,574

The total project incentives and defined contribution plan paid to the executive directors and other key management personnel amounted to RM349,164 (2019 - RM510,947) and RM164,232 (2019 - RM274,472) respectively.

The estimated monetary value of benefits-in-kind provided by the Group to the directors and other key management personnel were RM21,250 and RM12,500 (2019 - RM21,250 and RM12,500) respectively.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

32. RELATED PARTY DISCLOSURES

32.1 Identities of Related Parties

Parties are considered to be related to the Group if the Group or Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, holding company, key management personnel and entities within the same group of companies.

32.2 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	
	2020 RM	2019 RM	2020 RM	2019 RM
Management fees received from subsidiaries	-	-	(1,725,000)	(1,710,000)
Dividends received from a subsidiary	-	-	(12,650,000)	(12,800,000)
Rental of office receivable from subsidiaries	-	-	(180,000)	-
Store rental expenses paid to a related party	57,000	18,000	-	-

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

33. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their services provided.

The Group is organised into 2 main reportable segments as follows:-

- (i) Construction segment - involved in provision of construction services.
- (ii) Investment holding segment - involved in group-level corporate services.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS

	Construction Segment RM	Investment Holding Segment RM	The Group RM
2020			
Revenue			
External revenue/Consolidated revenue	362,812,977	-	362,812,977
Inter-segment revenue	-	12,650,000	12,650,000
	362,812,977	12,650,000	375,462,977
Consolidation adjustments			(12,650,000)
Consolidated revenue			<u>362,812,977</u>
Represented by:-			
<u>Revenue recognised at a point of time</u>			
- Dividend income	-	12,650,000	12,650,000
<u>Revenue recognised over time</u>			
- Construction contracts	362,812,977	-	362,812,977
	362,812,977	12,650,000	375,462,977
Consolidation adjustments			(12,650,000)
			<u>362,812,977</u>
Results			
Segment profit/(loss)	40,262,689	(2,511,860)	37,750,829
Interest income	1,300,211	1,065,921	2,366,132
Depreciation of property, plant and equipment	(6,223,655)	(183,994)	(6,407,649)
Provision for defect works	(3,334,393)	-	(3,334,393)
Reversal of provision for defect works	3,412,097	-	3,412,097
Consolidated profit/(loss) before taxation	35,416,949	(1,629,933)	33,787,016
Income tax expense	(9,200,906)	(61,697)	(9,262,603)
Consolidated profit/(loss) after taxation	26,216,043	(1,691,630)	<u>24,524,413</u>

Notes To The Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Construction Segment RM	Investment Holding Segment RM	The Group RM
2020			
Assets			
Segment assets/Consolidated total assets	221,214,570	43,392,053	<u>264,606,623</u>
Additions to non-current assets other than financial instrument:			
- Property, plant and equipment	4,078,792	-	<u>4,078,792</u>
Liabilities			
Segment liabilities/Consolidated total liabilities	129,137,471	105,286	<u>129,242,757</u>
2019			
Revenue			
External revenue/Consolidated revenue	322,766,826	-	322,766,826
Inter-segment revenue	-	12,800,000	12,800,000
	<u>322,766,826</u>	<u>12,800,000</u>	<u>335,566,826</u>
Consolidation adjustments			<u>(12,800,000)</u>
Consolidated revenue			<u>322,766,826</u>
Represented by:-			
<u>Revenue recognised at a point of time</u>			
- Dividend income	-	12,800,000	12,800,000
<u>Revenue recognised over time</u>			
- Construction contracts	322,766,826	-	322,766,826
	<u>322,766,826</u>	<u>12,800,000</u>	<u>335,566,826</u>
Consolidation adjustments			<u>(12,800,000)</u>
			<u>322,766,826</u>

Notes To The Financial Statements
For The Financial Year Ended 31 December 2020 (cont'd)

33. OPERATING SEGMENTS (CONT'D)

33.1 BUSINESS SEGMENTS (CONT'D)

	Construction Segment RM	Investment Holding Segment RM	The Group RM
2019			
Results			
Segment profit/(loss)	40,068,573	(2,825,214)	37,243,359
Interest income	1,325,026	1,843,885	3,168,911
Interest expense	(70,291)	-	(70,291)
Depreciation of plant and equipment	(4,974,339)	-	(4,974,339)
Provision for defect works	(2,300,143)	-	(2,300,143)
Reversal of provision for defect works	4,655,337	-	4,655,337
Consolidated profit/(loss) before taxation	38,704,163	(981,329)	37,722,834
Income tax expense	(8,905,383)	(3,881)	(8,909,264)
Consolidated profit/(loss) after taxation	29,798,780	(985,210)	28,813,570
Assets			
Segment assets/Consolidated total assets	186,066,179	44,658,769	230,724,948
Additions to non-current assets other than financial instrument: - Property, plant and equipment	1,896,782	9,199,715	11,096,497
Liabilities			
Segment liabilities/Consolidated total liabilities	107,210,123	175,372	107,385,495

33.2 GEOGRAPHICAL INFORMATION

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

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

33. OPERATING SEGMENTS (CONT'D)

33.3 MAJOR CUSTOMERS

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

	2020 RM	Segment
Customer A	56,941,504	Construction
Customer B	39,633,854	Construction
Customer C	66,786,895	Construction
Customer D	185,844,762	Construction

	2019 RM	Segment
Customer C	134,521,675	Construction
Customer D	160,359,794	Construction

34. CAPITAL COMMITMENTS

	The Group	
	2020 RM	2019 RM
Purchase of plant and equipment	2,068,027	494,944

35. 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	
	2020 RM	2019 RM
Performance bond and tender bond guarantees extended by subsidiaries to third parties	63,690,207	67,122,922

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

36. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

36.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

Interest Rate Risk Sensitivity Analysis

The Group does not have any interest-bearing borrowings and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Equity Price Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the investments at the end of the reporting period, with all other variable held constant:-

	The Group		The Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Effects on Profit After Taxation/ Other Comprehensive Income				
Increase of 10%	6,425,199	5,302,064	3,407,882	3,455,249
Decrease of 10%	(6,425,199)	(5,302,064)	(3,407,882)	(3,455,249)

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and fixed deposits with licensed banks), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from advances to subsidiaries. The Company monitors the results of the subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 4 (2019 - 3) customers which constituted approximately 96% (2019 - 94%) trade receivables at the end of the reporting period.

(ii) 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).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the general approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

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.

For construction contracts, 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 low risk of default as they have a strong capacity to meet their debts.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 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)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:-

The Group	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
2020			
Current (not past due)	25,870,269	-	25,870,269
1 to 30 days past due	3,428,229	-	3,428,229
31 to 60 days past due	139,533	-	139,533
61 to 90 days past due	71,009	-	71,009
More than 90 days past due	3,756,523	-	3,756,523
Trade receivables	33,265,563	-	33,265,563
Contract assets	112,710,979	-	112,710,979
	145,976,542	-	145,976,542
2019			
Current (not past due)	21,367,264	-	21,367,264
1 to 30 days past due	357,054	-	357,054
31 to 60 days past due	420,260	-	420,260
61 to 90 days past due	294,244	-	294,244
More than 90 days past due	541,837	-	541,837
Trade receivables	22,980,659	-	22,980,659
Contract assets	90,883,185	-	90,883,185
	113,863,844	-	113,863,844

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 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. Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers 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. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when the subsidiary is unlikely to repay its advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these advances individually using internal information available.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and adequate working capital to meet the Group's obligation as and when they fall due.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2020			
<u>Non-derivative Financial Liabilities</u>			
Trade payables	11,390,795	11,390,795	11,390,795
Other payables and accruals	77,425,842	77,425,842	77,425,842
	88,816,637	88,816,637	88,816,637
2019			
<u>Non-derivative Financial Liabilities</u>			
Trade payables	16,008,464	16,008,464	16,008,464
Other payables and accruals	47,023,781	47,023,781	47,023,781
	63,032,245	63,032,245	63,032,245
The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2020			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	97,957	97,957	97,957
2019			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	175,372	175,372	175,372

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. The debt-to-equity of the Group at the end of the reporting period is not presented as there is no external borrowing.

36.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2020		2019	
	The Group RM	The Company RM	The Group RM	The Company RM
Financial Assets				
<u>Mandatorily at Fair Value Through Profit or Loss</u>				
Short-term investments	64,251,987	34,078,824	53,020,640	34,552,489
<u>Amortised Cost</u>				
Trade receivables	33,265,563	-	22,980,659	-
Other receivables	109,452	-	897,323	-
Amount owing by subsidiaries	-	1,590,000	-	30,000
Fixed deposits with licensed banks	8,395,529	-	10,823,953	-
Cash and bank balances	9,107,465	266,378	12,849,509	740,178
	50,878,009	1,856,378	47,551,444	770,178
Financial Liability				
<u>Amortised Cost</u>				
Trade payables	11,390,795	-	16,008,464	-
Other payables and accruals	77,425,842	97,957	47,023,781	175,372
	88,816,637	97,957	63,032,245	175,372

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2020		2019	
	The Group RM	The Company RM	The Group RM	The Company RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss by:				
- mandatorily required by MFRS 9	1,512,754	1,051,334	2,562,613	1,826,404
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	853,378	14,587	606,298	17,481

36.5 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:-

The Group	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		
2020					
<u>Financial Asset</u>					
Short-term investments	-	64,251,987	-	64,251,987	64,251,987
2019					
<u>Financial Asset</u>					
Short-term investments	-	53,020,640	-	53,020,640	53,020,640
The Company					
2020					
<u>Financial Asset</u>					
Short-term investments	-	34,078,824	-	34,078,824	34,078,824
2019					
<u>Financial Asset</u>					
Short-term investments	-	34,552,489	-	34,552,489	34,552,489

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 2020 (cont'd)

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND OCCURRING AFTER THE REPORTING PERIOD

- (a) On 25 October 2019, Inland Revenue Board of Malaysia (“IRB”) had issued a notice under Section 81 of the Income Tax Act 1967 to the Company and its subsidiary, GDBSB, detail as follows:
- (i) The Company is required to provide supporting documents for the years of assessment (“YA”) 2014 to 2018, which include among others, computation of income tax and unaudited management accounts.
 - (ii) GDBSB is required to provide the audited accounts, computation of income tax and supporting documents for the YA 2014 to 2018.

The Company and GDBSB had on 11 November 2019 duly submitted the requested documents to IRB.

On 13 March 2020, IRB had requested additional supporting documents from the Company and GDBSB. The Company and GDBSB had on 17 March 2020 duly submitted the requested documents to IRB.

The tax investigation was completed on 16 July 2020 and there was no potential tax issues from their review of the documents submitted for the Company and its subsidiary.

- (b) On 27 December 2019, the Company had submitted application in relation to the proposed transfer from the ACE Market to the Main Market (“Proposed Transfer”) to the Securities Commission Malaysia.

On 30 March 2020, the Company had submitted application in relation to the Proposed Transfer to Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

On 17 April 2020, the Securities Commission Malaysia had vide its letter approved the Proposed Transfer and the resultant equity structure pursuant to the Proposed Transfer. Subsequently, the Proposed Transfer had approved by Bursa Malaysia vide its letter dated 20 April 2020.

On 24 April 2020, the Company had effectively transferred from the ACE Market to the Main Market of Bursa Malaysia.

- (c) On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order (“MCO”) and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The Group’s operations have been disrupted by a series of precautionary and control measures taken by the government and private corporations in response to the emergency of the COVID-19 pandemic.

Although the Group’s operations have been disrupted, its financial performance and cash flows for the current reporting period had not been materially impacted by the COVID-19 pandemic.

Subsequent to the reporting date, the numbers of new COVID-19 cases increased substantially in Malaysia and markets in which the Group operates. As the outbreak is evolving, the full effect of the COVID-19 pandemic is subject to uncertainty and could not be ascertained reliably at this juncture.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2020 (cont'd)

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

- (d) On 12 April 2021, the Company proposed to undertake the following:
- (i) Proposed bonus issue of 312,500,000 new ordinary shares of the Company on the basis of 1 bonus share for every 2 existing ordinary shares held on an entitlement date; and
 - (ii) Proposed bonus issue of 250,000,000 warrants on the basis of 2 warrants for every 5 existing ordinary shares held on the entitlement date.

The entitlement date will be determined and announced at a later date after all relevant approvals for the proposed bonus issue of ordinary shares and warrants have been obtained. For avoidance of doubt, the proposed bonus issue of ordinary shares and warrants shall have the same entitlement date.

The proposal has been submitted to Bursa Malaysia on 13 April 2021.

On 21 April 2021, Bursa Malaysia had vide its letter approved the proposal with certain conditions.

As up to the date of this report, the proposed bonus issue of ordinary shares and warrants have yet to be completed.

List of Property

as at 31 December 2020

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 2020 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 2 years	Built-up: 1,451 square meter	9,015,721

Analysis of Shareholdings

as at 26 March 2021

Class of equity securities : Ordinary Shares ("Shares")
Total number of issued Shares : 625,000,000 Shares
Voting rights : One vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100 Shares	7	0.25	191	0.00
100 - 1,000 Shares	450	15.72	266,909	0.04
1,001 - 10,000 Shares	1,465	51.19	7,762,800	1.24
10,001 - 100,000 Shares	753	26.31	24,990,700	4.00
100,001 - less than 5% of issued Shares	185	6.46	154,386,500	24.70
5% and above of issued Shares	2	0.07	437,592,900	70.02
Total	2,862	100.00	625,000,000	100.00

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Cheah Ham Cheia	-	-	305,900,000 ⁽¹⁾	48.94
Alexander Lo Tzone Leong	131,692,900	21.07	-	-
Cheah Jun Kai	1,500,000	0.24	50,000 ⁽²⁾	0.01
Tan Sri Dato' Ir. Hj. Zaini Bin Omar	350,000	0.06	-	-
Datuk Sr Chia Lui Meng	300,000	0.05	-	-
Kow Poh Gek	300,000	0.05	-	-

Notes:

⁽¹⁾ Deemed interested by virtue of his shareholdings in CHC Holdings Sdn Bhd.

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

Analysis of Shareholdings as at 26 March 2021 (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	305,900,000	48.94	-	-
Cheah Ham Cheia	-	-	305,900,000 ⁽¹⁾	48.94
Alexander Lo Tzone Leong	131,692,900	21.07	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his shareholdings in CHC Holdings Sdn Bhd.

30 LARGEST SECURITIES ACCOUNT HOLDERS

(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	305,900,000	48.94
2	Alexander Lo Tzone Leong	131,692,900	21.07
3	RHB Nominees (Tempatan) Sdn Bhd - OSK Capital Sdn Bhd for Yayasan Islam Terengganu	15,400,000	2.46
4	Maybank Nominees (Tempatan) Sdn Bhd - Affin Hwang Asset Management Berhad for Hong Leong Assurance Berhad (PAR-220082)	12,146,900	1.94
5	Amanahraya Trustees Berhad - PMB Shariah Aggressive Fund	8,800,000	1.41
6	Citigroup Nominees (Tempatan) Sdn Bhd - Urusharta Jamaah Sdn Bhd (AFFIN 2)	8,718,200	1.39
7	Amanahraya Trustees Berhad - PMB Shariah Growth Fund	7,349,500	1.18
8	Citigroup Nominees (Tempatan) Sdn Bhd - Universal Trustee (Malaysia) Berhad for Principal Islamic Small Cap Opportunities Fund	6,755,300	1.08
9	Looi Bian Cheong	5,021,400	0.80
10	Amanahraya Trustees Berhad - AC Principal Islamic Malaysia Opportunities Fund	3,866,400	0.62
11	Amanahraya Trustees Berhad - AC Principal Islamic Enhanced Opportunities Fund	3,854,300	0.62
12	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Principal Small Cap Opportunities Fund (240218)	3,599,000	0.58
13	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Islamic Trustee Berhad - PMB Shariah Dividend Fund	2,600,000	0.42
14	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Commerce Trustee Berhad for Kenanga Growth Opportunities Fund (50154 TR01)	2,494,700	0.40

Analysis of Shareholdings as at 26 March 2021 (cont'd)

30 LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
15	CIMB Group Nominees (Tempatan) Sdn Bhd - Exempt An for Affin Hwang Asset Management Berhad (T)	1,638,300	0.26
16	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Principal Malaysia Opportunities Fund (980050)	1,604,300	0.26
17	Amanahraya Trustees Berhad - AC Principal Malaysia Enhanced Opportunities Fund	1,558,800	0.25
18	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Joseph Ling Yeo Kong (KKINABALU)	1,550,000	0.25
19	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for See Sek Hock (M01)	1,544,700	0.25
20	Maybank Nominees (Tempatan) Sdn Bhd - Affin Hwang Asset Management Berhad for Progressive Insurance Bhd (240373)	1,542,100	0.25
21	Cheah Jun Kai	1,500,000	0.24
22	Lim Say Hock	1,460,000	0.23
23	HLIB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for See Sek Hock	1,430,200	0.23
24	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Exempt An for Affin Hwang Asset Management Berhad (TSTAC/CLNT-T)	1,354,100	0.22
25	Amanahraya Trustees Berhad - AMITIKAL	1,300,000	0.21
26	Maybank Nominees (Tempatan) Sdn Bhd - Affin Hwang Asset Management Berhad for HLA Shareholders' Non Par Fund (211485)	1,216,700	0.19
27	Cartaban Nominees (Asing) Sdn Bhd - Exempt An for Barclays Capital Securities Ltd (SBL/PB)	1,147,200	0.18
28	Amanahraya Trustees Berhad - Affin Hwang Aiiman Quantum Fund	1,140,700	0.18
29	Maybank Nominees (Tempatan) Sdn Bhd - Etiqa Life Insurance Berhad (Life Par)	1,115,000	0.18
30	Sow Tiap	1,100,000	0.18

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting ("8th AGM" or "Meeting") of GDB HOLDINGS BERHAD ("GDB" or "the Company") will be held at Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 9 June 2021 at 10.30 a.m. or at any adjournment thereof, to transact the following businesses:-

A G E N D A

AS ORDINARY BUSINESS :

- | | |
|---|--|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the reports of the Directors and Auditors thereon. | PLEASE REFER TO
EXPLANATORY NOTE 1 |
| 2. To approve the payment of Directors' fees and benefits of up to RM228,600 for the financial year ending 31 December 2021. | ORDINARY RESOLUTION 1 |
| 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. Mdm. Kow Poh Gek | ORDINARY RESOLUTION 2
ORDINARY RESOLUTION 3 |
| 4. To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting ("AGM") and to authorise the Directors to fix their remuneration. | 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 ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | ORDINARY RESOLUTION 5 |
|--|-----------------------|

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval from the Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company."

Notice of Annual General Meeting (cont'd)

6. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

SPECIAL RESOLUTION

“THAT the proposed amendments to the Constitution of the Company as set out in the “Appendix A”, be approved and adopted with immediate effect AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendments for and on behalf of the Company.”

7. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC No.: 201908001272)
Company Secretary

Petaling Jaya, Selangor Darul Ehsan
30 April 2021

Notes:

- a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same right 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 31 May 2021. Only members whose names appear in the General Meeting Record of Depositors as at 31 May 2021 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 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, 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) The members are advised to refer to the Administrative Notes for the 8th AGM on the registration process for the Meeting. The Administrative Notes had taken into account the latest measures to-date to deal with the COVID-19 situation announced and/or implemented in Malaysia which affects the holding or conduct of general meetings. 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. Kindly check Bursa Securities' 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

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of members for the Audited Financial Statements. Hence, Agenda No. 1 will 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 2021 were calculated based on the current Board size and 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 enlarged board size, approval will be sought at the next AGM for the shortfall.

3. Item 5 of the Agenda – General Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 5 proposed under item 5 of the Agenda is a renewal of the general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of Companies Act 2016. This Ordinary Resolution, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued share 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 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 the earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the mandate granted to the Directors at the last AGM held on 16 June 2020 which will lapse at the conclusion of the Meeting.

Notice of Annual General Meeting (cont'd)

4. Item 6 of the Agenda – Proposed Amendments to the Constitution of the Company

The Special Resolution proposed under item 6 of the Agenda in relation to the proposed amendments to the existing Constitution of the Company ("Proposed Amendments"), are made mainly for the following purposes:

- (a) to align the Company's Constitution with the Companies (Amendment) Act 2019 which came into operation on 15 January 2020 in relation to the alteration of share capital;
- (b) to provide more flexibility for the Company and its shareholders on the manner of holding general meetings and lodgement of proxy forms;
- (c) to provide clarity on the objects of the Company; and
- (d) to enhance administrative efficiency.

The Proposed Amendments shall take effect once the special resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the Meeting.

Appendix A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF GDB HOLDINGS BERHAD (“THE COMPANY”)

This is the Appendix A referred to in Agenda 6 of the Notice of Eighth Annual General Meeting (“8th AGM”) of the Company dated 30 April 2021.

Day, Date and time of the 8th AGM : Wednesday, 9 June 2021 at 10:30 a.m.
Venue of the 8th AGM : Greens III, Sports Wing,
 Tropicana Golf & Country Resort, Jalan Kelab Tropicana,
 Off Jalan Tropicana Utama,
 47410 Petaling Jaya, Selangor Darul Ehsan

Clause No.	Existing Clause	Clause No.	Proposed Clause
4.	<p>Subject to the provisions of the Act, this Constitution and any other written law, the Company has: -</p> <p>(a) Full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and</p> <p>(b) For the purposes of Clause 4(a) above, full rights, powers and privileges.</p>	4.	<p>Subject to the provisions of the Act, this Constitution and any other written law, the objects for which the Company is established are: -</p> <p>(a) To carry on the business of an investment holding company and for that purpose to promote or form or assist in promotion of any company or the subsidiary of the Company or otherwise and to acquire and hold for investment shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company or private undertaking; and</p> <p>(b) To carry on or undertake any business activity, to do any act or enter into any transaction or to do all such other things as are incidental or conducive to the attainment of the above objects.</p> <p>Section 21 of the Act shall apply to the Company and the Company shall be capable of exercising all the functions of a body corporate and have the full capacity to carry on or undertake any business or any activity the Directors consider advantageous to the Company and that are not prohibited under any law for the time being enforced in Malaysia.</p>

Appendix A (cont'd)

Clause No.	Existing Clause	Clause No.	Proposed Clause
56.	<p>Subject to the provisions of this Constitution and the Act, the Company may by special resolution:</p> <p>(i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(ii) subdivide its share capital or any part thereof into shares or smaller amounts by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act;</p> <p>(iii) convert and/or re-classify any class of shares into any other class of shares; or</p> <p>(iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.</p>	56.	<p>Subject to the provisions of this Constitution and the Act, the Company may by ordinary resolution:</p> <p>(i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(ii) subdivide its share capital or any part thereof into shares or smaller amounts by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act;</p> <p>(iii) convert and/or re-classify any class of shares into any other class of shares; or</p> <p>(iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.</p>
61.	<p>The meeting of its Members may be held at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue of the meeting.</p>	61.	<p>The meeting of its Members may be held by fully virtual or hybrid at more than one venue using any technology or method that allows the Members of the Company to participate and to exercise their rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and subject to Clause 69, the Chairman shall be present at the main venue of the meeting. For fully virtual general meeting, the broadcast venue shall be the main venue of the meeting and all the provisions of this Constitution as to meetings of Members shall also apply to such fully virtual general meeting.</p>

Appendix A (cont'd)

Clause No.	Existing Clause	Clause No.	Proposed Clause
62.	<p>Every notice convening meetings shall be in writing and shall be given to the Members either in hard copy, or in electronic form, or partly in hard copy and partly in electronic form specify the venue, the date and the time of the meeting and the general nature of the business of the meeting and shall be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business; PROVIDED that a meeting of the Company shall, notwithstanding that it is called by a shorter notice than that specified in this Constitution, be deemed to have been duly called if it is so agreed:-</p> <p>(i) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and</p> <p>(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote thereat, together holding not less than ninety-five per cent (95%) of the issued shares giving that right.</p> <p>NOTWITHSTANDING the foregoing at least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is an annual general meeting, of every such general meeting shall also be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each Stock Exchange on which the Company is listed.</p>	62.	<p>Every notice convening meetings shall be in writing and shall be given to the Members either in hard copy, publication on the Company's website or in electronic form, or partly in hard copy and partly in electronic form specify the venue, the date and the time of the meeting and the general nature of the business of the meeting and shall be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business; PROVIDED that a meeting of the Company shall, notwithstanding that it is called by a shorter notice than that specified in this Constitution, be deemed to have been duly called if it is so agreed:-</p> <p>(i) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and</p> <p>(ii) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote thereat, together holding not less than ninety-five per cent (95%) of the issued shares giving that right.</p> <p>NOTWITHSTANDING the foregoing at least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is an annual general meeting, of every such general meeting shall also be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper.</p>

Appendix A (cont'd)

Clause No.	Existing Clause	Clause No.	Proposed Clause
80.	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 or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting as the case may be, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking the poll, which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member.	80.	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 or at such other place within Malaysia or by way of electronic means or in such other manner as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting as the case may be, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking the poll, which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member.
-	New provision	106A	The provisions of the Third Schedule of the Act shall not apply to the Company except where the same is repeated or contained in this Constitution.

Administrative Notes

For the Eighth Annual General Meeting of GDB Holdings Berhad (“GDB” or “COMPANY”) (“8th AGM” or “Meeting”)

Day & Date	: Wednesday, 9 June 2021
Time	: 10:30 a.m.
Venue	: Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, 47410 Petaling Jaya, Selangor Darul Ehsan

In the interest of the public health including the well-being of our members, members must cooperate with the following precautionary measures put in place by the Company should members or proxies wish to attend the Meeting in person. Your safety and health are the Company’s top priority.

- (a) A member is required to register ahead of the Meeting to allow the Company to make the necessary arrangements in relation to the Meeting, i.e. infrastructure, logistics and meeting venue(s) to accommodate the meeting participants by providing the below details by email to enquiry@gdbhb.com.my:-
- i) Full name;
 - ii) Identity Card or Passport Number;
 - iii) Contact number (optional – for better co-ordination); and
 - iv) CDS account number

The date of Record of Depositors for the 8th AGM is 31 May 2021. As such, only members whose name appears in the Record of Depositors of the Company as at 31 May 2021 shall be entitled to attend the 8th AGM and to participate, speak and vote thereat.

- (b) A health screening counter will be set up for the purpose of health screening and body temperature will be taken for all persons before entering the Meeting venue. A member or proxy who has temperature of 37.5°C or higher or exhibits flu-like symptoms will not be permitted to attend the Meeting.
- (c) Members are encouraged to appoint the Chairman of the Meeting to act as proxy to attend and vote at the Meeting on their behalf by submitting the proxy form with predetermined voting instruction.
- (d) 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.
- (e) Members or proxies are advised to observe/maintain social distancing of at least 1 meter from each other throughout the Meeting.
- (f) Members or proxies are advised to arrive early at the Meeting venue given that the above-mentioned precautionary measures which may cause delay in the registration process.
- (g) **NO door gift** will be provided to the members/proxies.
- (h) 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.

Administrative Notes

For the Eighth Annual General Meeting of GDB Holdings Berhad ("GDB" or "COMPANY") ("8th AGM" or "Meeting")(cont'd)

(i) **Recording/Photography**

By participating in this 8th AGM, you agree that no part of the 8th 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, electronical, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the rights to take appropriate legal actions against anyone who violates this rule.

In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of the Meeting at short notice. Kindly check Bursa Malaysia Securities Berhad's and Company's website at <https://www.gdbhb.com.my/> for the latest updates on the status of the Meeting.

ENQUIRY

If you have any questions regarding the Meeting, please contact the following persons during office hours on Monday to Friday from 9.00 a.m. to 5.30 p.m. (except public holidays) prior to the Meeting: -

For Registration matters:	For Proxy Form matters:
Name : Julie Tan Telephone No. : 603-5103 8162 (Ext. 137) Email : Julie.tan@gdbsb.com	Name : Amira Natasha or Mohamed Sophiee Tel : 603-7890 4720 or 603-7890 4716 Helpdesk No. : 603-7890 4700 Fax : 603-7890 4670 Email : Amira.Natasha@boardroomlimited.com mohamed.sophiee@boardroomlimited.com bsr.helpdesk@boardroomlimited.com

This page is intentionally left blank.



I/We* _____ NRIC/Company No.* _____
(full name in capital letters)

of _____
(full address)

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)

or failing him/her*, _____ NRIC No. _____
(full name in capital letters)

of _____
(full 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 Eighth Annual General Meeting ("8th AGM" or "Meeting") of the Company to be held at Greens III, Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, Off Jalan Tropicana Utama, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 9 June 2021 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 RM228,600 for the financial year ending 31 December 2021.		
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 Mdm. 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 and to authorise the Directors to fix their remuneration.		
5.	To approve the general authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
No.	Special Resolution	For	Against
6.	To approve the proposed amendments to the Constitution of the Company.		

*delete whichever not applicable

Dated this _____ day of _____ 2021

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

Signature of Member(s) / Common Seal

Fold this flap for sealing

Notes:

- a) A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same right 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.

Then fold here

AFFIX
STAMP

The Share Registrar

GDB HOLDINGS BERHAD

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

1st fold here

- f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 31 May 2021. Only members whose names appear in the General Meeting Record of Depositors as at 31 May 2021 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
- g) To 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, 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) The members are advised to refer to the Administrative Notes for the 8th AGM on the registration process for the Meeting. The Administrative Notes had taken into account the latest measures to-date to deal with the COVID-19 situation announced and/or implemented in Malaysia which affects the holding or conduct of general meetings. 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. Kindly check Bursa Securities' 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