



GDB's FY2018 net profit soars 23.9% to RM27.9 million

- *Optimistic of effectively navigating the challenging environment prevailing in the construction sector*
- *Declares 2nd interim single tier dividend of 1.0 sen per share in respect of FY2018; ex-date 8 March 2019, payment date 29 March 2019*

Selangor, Malaysia, 22 February 2019 - Construction services firm **GDB Holdings Berhad** (GDB, GDB 控股有限公司, Bloomberg: GDB:MK, Reuters: GDBH.KL) saw the early completion of construction projects propel group net profit by 23.9% to RM27.9 million in the financial year ended 31 December 2018 (FY2018) compared to RM22.5 million in the previous financial year.

The growth in net profit was driven by lower amounts incurred for preliminaries compared to budgeted figures due to early deliveries of Etiqa Office Tower on 13 July 2018 and Westside III on 20 October 2018. Preliminaries include site management cost, utilities, rental expense of machinery and equipment, and other related project maintenance and overhead expenses.

“We are optimistic that we will be able to effectively navigate the challenging environment prevailing in the construction sector due to our strong financial position.

GDB stands out from the competition due to its track record of consistently delivering projects ahead of their contractual completion dates for reputable customers that prioritize high quality workmanship. Furthermore, it is noteworthy that we have delivered ahead without comprising on safety measures, as the projects achieved high safety assessment scores from industry authorities.

These aspects will prove crucial to securing new contracts, especially in an environment where property developers and project owners have their pick of main contractors.

Going forward, we will continue to identify ways to further enhance the competitiveness of our bids, including raising the bar in employing cutting-edge technologies and construction methods to achieve quicker project delivery times and better overall quality in our construction works.”

Mr. Cheah Ham Cheia (谢汉正)
Managing Director, GDB Holdings Berhad



Despite the increase in net profit, FY2018 revenue decreased by 7.5% to RM274.6 million from RM296.8 million in the financial year ended 31 December 2017 due to lower revenue contribution from the Westside III and Etiqa Office Tower projects, which were completed during the year.

For the fourth quarter ended 31 December 2018, GDB's revenue decreased by 21.6% to RM69.3 million from RM88.5 million in the previous financial quarter on similar factors above. Net profit dipped 9.2% in 4Q18 to RM5.4 million from RM6.0 million in the preceding year financial quarter. Net profit decreased at a slower pace compared to revenue due to lower amounts incurred for preliminaries as compared to budgeted figures.

The Board of Directors declared a second interim single tier dividend of 1.0 sen per share in respect of FY2018, with ex-date on 8 March 2019 and payable on 29 March 2019. Together with the earlier-paid first interim single tier dividend of 1.0 sen per share, total interim dividends in respect of FY2018 amounted to 2.0 sen per share with total payout of RM12.5 million or 44.8% of FY2018 net profit.

On the Group's prospects, Cheah said: "We are optimistic of achieving positive growth momentum in the financial year ending 31 December 2019, given that we have surpassed the initial stage of structural construction for both AIRA Residence and Menara Hap Seng 3. Moving into 2019, we are now able to accelerate the pace of works including architectural and mechanical and electrical works, which would propel revenue recognition."

"As per past projects, we aim to complete our works ahead of contractual completion date, to enjoy a greater degree of cost-efficiency and reinforce our track record further," concluded Cheah.



About GDB Holdings Berhad (www.gdbhb.com.my)

Established since 2013, **GDB** is involved in the implementation of large-scale construction projects, with emphasis on environment, quality, and safety.

GDB is equipped with multiple certifications such as ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and OHSAS 18001:2007 Occupational Health and Safety Management System. **GDB** has also obtained the QCLASSIC, CONQUAS, BQUAS, SHASSIC, and Green 5-S programme certifications for its various projects.

GDB is registered with the Construction Industry Development Board of Malaysia as a Grade G7 contractor, which allows **GDB** to tender for projects with unlimited value in the categories of general building, general civil engineering, and mechanical works. **GDB** also obtained the Sijil Perolehan Kerja Kerajaan as a Grade G7 contractor that enables it to participate in tenders for Government projects with contract value of RM10.0 million and above.

Issued for and on behalf of GDB HOLDINGS BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd. For media enquiries, please contact:

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