

Team Coverage

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Recommendation:	BUY
Current Price:	RM 0.45
Previous Target Price:	RM 0.58
Target Price:	↓ RM 0.53
Capital Upside/ Downside:	19.1%
Dividend Yield (%)	6.2%
Total Upside/ Downside	25.3%

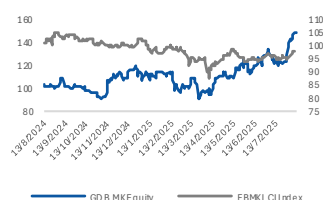
Stock Information

Board	MAIN
Sector	Construction
Bursa / Bloomberg Code	0198 / GDB MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	937.5
Market Cap (RM' m)	417.2
52-Week Price Range (RM)	0.495-0.265
Beta (x)	1.4
Freefloat (%)	23.2
3M Average Volume (m)	2.4
3M Average Value (RM' m)	1.0

Top 3 Shareholders

	(%)
Chc Holdings Sdn Bhd	48.9
Lo Tzone Leong	21.1
Khing Kong Goon	4.4

Share Price Performance



	1M	3M	12M
Absolute (%)	2.3	25.4	45.9
Relative (%)	-0.5	17.7	46.4

Earnings Summary

FYE Dec	FY24	FY25F	FY26F
Revenue (RM'm)	258.2	792.2	723.3
PATAMI (RM'm)	26.8	86.9	68.0
CNP (RM'm)	36.7	86.9	68.0
EPS - core (sen)	3.6	8.4	6.6
P/E(x)	12.6	5.3	6.8

Source: Company, Apex Securities

GDB Holdings Bhd

Private Placement for RM39.3m

- GDB has proposed a private placement of 93.8m new shares, representing 10% of its existing share base. At an issue price of RM0.419 per share, the placement is expected to raise gross proceeds of RM39.3m to fund the Group's working capital requirements for upcoming infrastructure-related projects and ongoing developments.
- We are Neutral on the proposed placement, which strengthens GDB's financial position but dilutes FY26F EPS by c.9%. Despite limited need for new funding given its debt-free RM81.1m net cash, the move aligns with its long-term infrastructure expansion plan.
- We have raised our FY26F CNP by 1%, reflecting higher interest income from the enlarged cash balance following the proposed private placement.
- Maintain our BUY recommendation with a lower TP of RM0.53 (from RM0.58 previously), based on 8.0x FY26F EPS of 6.6 sen.

Proposed Placement. GDB has proposed a private placement of 93.8m new shares, representing 10% of its existing share base, to Dato' Sri Chan Leng Sam and Dato' Sri Voon Thien Loong at an issue price of RM0.419 per share, raising total proceeds of RM39.3m. The funds will be utilised for working capital to support upcoming infrastructure-related projects and ongoing developments, including Metrohub 4 (Klang), Logistics Hub Plot B (Shah Alam), and KL International Hospital (Bukit Jalil). A portion of the proceeds will also cover fees and expenses related to the placement exercise (Table 1). The placement is targeted for completion by 4QCY25.

Table 1: Utilisation of Proceeds

Purposes	RM'm	%
Working capital	39.0	99.3%
Estimated fees and expenses in relation to the Private Placement	0.3	0.7%
Total	39.3	

Source: Company, Apex Securities

Table 2: Pro Forma Effects of the Proposed Private Placement

	Audited as at 31 Dec 2024 (RM'm)	After the Private Placement
Share capital	62.6	101.8
Retained profits	132.6	132.4
Equity attributable to the owners of the Company	195.2	234.2
No. of GDB Shares	937.5	1031.3
NA per Share (RM)	0.21	0.23

Source: Company, Apex Securities

Our Take. We maintain a **Neutral** view on the proposed placement. While the exercise will strengthen GDB's financial position by boosting its cash reserves, it will also result in an estimated **c.9% dilution** to our FY26F EPS, lowering our fair value to **RM0.53** (from RM0.58) on a fully diluted basis. We see limited necessity for additional fund-raising, given GDB's healthy balance sheet, being debt-free with RM81.1m net cash as of FY24, which we deem sufficient to fund working capital and upcoming projects. Nonetheless, we view the placement as a strategic move consistent with management's long-term expansion into infrastructure projects, which could materialise earlier than anticipated.

Prospects Remain Intact. GDB's orderbook of RM1.0bn (3.8x FY24 revenue) remains solid, anchored by three ongoing projects that provide earnings visibility through FY26. The Group plans to submit approximately RM2.0bn worth of new tenders by 4QFY25, primarily in the warehouse (44.7%), residential (16.6%), commercial (12.6%), and mixed-use (26.1%) segments, potentially expanding its tenderbook to around RM5.0bn. Assuming a 15% win rate for FY25F-FY26F, we estimate annual contract wins of roughly RM705m, supporting steady orderbook replenishment and sustaining medium-term earnings visibility.

Earnings Revision. We have raised our FY26F core net profit (CNP) by 1%, reflecting higher interest income from the enlarged cash balance following the proposed private placement, while maintaining our FY25F earnings forecasts unchanged.

Valuation & Recommendation. Factoring in the dilution from the proposed private placement, we maintain our **BUY** call with a lower TP of **RM0.53** (from RM0.58 previously), based on 8.0x FY26F EPS of 6.6 sen, supported by a three-star ESG rating. We remain positive on GDB's prospects, underpinned by **(i) three major projects in its RM1bn orderbook entering peak revenue recognition phases, (ii) potential new contract wins from a sizable tenderbook, expected to reach c.RM5bn by year-end; and (iii) long-term expansion plans into infrastructure construction services.**

Risks. Rising material prices, failure to secure new contracts, and risk of Liquidated Ascertained Damages (LAD).

Company Update

Wednesday, 08 Oct, 2025

Financial Highlights

Income Statement

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	510.1	319.6	258.2	792.2	723.3
Gross Profit	29.9	13.4	55.8	130.7	104.7
EBITDA	28.4	16.2	43.4	122.9	97.0
Depreciation & Amortisation	-6.5	-5.2	-3.4	-4.0	-3.4
EBIT	21.9	11.0	40.0	118.9	93.6
Net Finance Income/ (Cost)	-0.1	-0.1	0.0	0.0	0.0
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	21.8	10.9	40.0	118.9	93.6
Tax	-5.6	-2.6	-13.3	-32.1	-25.6
Profit After Tax	16.2	8.3	26.7	86.8	68.0
(-) Minority Interest	-1.0	0.3	0.0	0.0	0.0
Net Profit	17.2	8.0	26.8	86.9	68.0
(-) Exceptionals	0.2	3.1	-9.9	0.0	0.0
Core Net Profit	17.0	5.0	36.7	86.9	68.0

Key Ratios

FYE Dec	FY22	FY23	FY24	FY25F	FY26F
Revenue Growth (%)	20.0%	-37.3%	-19.2%	206.8%	-8.7%
CNP Growth (%)	-43.2%	-70.8%	640.1%	136.7%	-21.7%
Core EPS (sen)	1.6	0.5	3.6	8.4	6.6
P/E(x)	27.3	93.6	12.6	5.3	6.8
P/B(x)	2.9	2.7	2.4	1.6	1.4
EV/EBITDA(x)	14.7	23.8	8.8	2.9	2.9
DPS (sen)	0.7	0.0	0.0	2.5	2.0
Dividend Yield (%)	1.6%	0.0%	0.0%	5.6%	4.4%
EBITDA margin (%)	5.6%	5.1%	16.8%	15.5%	13.4%
EBIT margin (%)	4.3%	3.4%	15.5%	15.0%	12.9%
PBT margin (%)	4.3%	3.4%	15.5%	15.0%	12.9%
PAT margin (%)	3.2%	2.6%	10.4%	11.0%	9.4%
NP margin (%)	3.4%	2.5%	10.4%	11.0%	9.4%
CNP margin (%)	3.3%	1.6%	14.2%	11.0%	9.4%
ROE (%)	10.6%	2.9%	18.7%	29.3%	19.8%
ROA (%)	4.6%	1.4%	9.8%	13.9%	10.4%
Gearing (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Assumptions

Orderbook replenishment (RM m)*	0.0	9.0	902.0	705.0	705.0
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*Historical numbers reflect actual orderbook replenishment

Valuations

Core EPS (RM)	0.066
P/E multiple(x)	8.0
Fair Value (RM)	0.53
ESG premium/discount	0.0%
Implied Fair Value (RM)	0.53

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Cash	46.3	79.0	81.1	104.8	181.4
Receivables	184.2	151.7	153.4	271.0	247.4
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	117.4	100.4	123.5	233.4	213.1
Total Current Assets	347.9	331.1	358.1	609.2	641.9
Fixed Assets	20.7	15.6	14.6	13.6	12.6
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Total Non-Current Assets	20.7	15.6	14.6	13.6	12.6
Short-term debt	0.0	0.0	0.0	0.0	0.0
Payables	200.4	157.1	161.7	308.0	288.0
Other current liabilities	6.7	20.4	15.0	18.8	22.8
Total Current Liabilities	207.0	177.5	176.7	326.7	310.9
Long-term debt	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	0.7	0.0	0.0	0.0	0.0
Total Non-Current Liabilities	0.7	0.0	0.0	0.0	0.0
Shareholder's equity	160.4	168.4	195.2	295.3	342.9
Minority interest	0.5	0.8	0.8	0.8	0.8
Total Equity	160.9	169.3	196.0	296.0	343.6

Cash Flow

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Pre-tax profit	21.8	10.9	40.0	118.9	93.6
Depreciation & amortisation	6.5	5.2	3.4	4.0	3.4
Changes in working capital	-53.0	21.5	-45.5	-81.1	23.9
Others	-9.5	-7.5	2.2	-30.4	-24.1
Operating cash flow	-34.1	30.1	0.1	11.4	96.8
Net capex	-0.9	1.0	-0.4	-3.0	-2.4
Others	1.1	1.6	2.4	2.0	2.6
Investing cash flow	0.2	2.6	2.0	-1.0	0.2
Dividends paid	-6.6	0.0	0.0	-26.1	-20.4
Others	-7.4	7.3	0.8	39.3	0.0
Financing cash flow	-13.9	7.3	0.8	13.2	-20.4
Net cash flow	-47.8	40.0	2.9	23.7	76.6
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash & cash equivalent	76.9	29.0	69.0	71.9	95.6
Ending cash & cash equivalent	29.0	69.0	71.9	95.6	172.2
Fixed deposits with licensed banks	17.2	10.0	9.2	9.2	9.2
Total cash & deposits	46.3	79.0	81.1	104.8	181.4

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Conduct life cycle analyses to identify opportunities for reducing energy use across construction activities. Sources materials locally to reduce the energy required for transportation and logistics, thereby lowering overall carbon footprint produced.
Waste & Effluent	★★★	Recycled 60.6% of waste generated in FY2024, a significant improvement from 27% in FY23. Zero water discharge into rivers, lakes, streams, or ponds in FY24, with all effluents channelled into public sewer systems.
Energy	★★★	Total energy consumption stood at 23,050.44 GJ in FY24, a 29% decrease from 32,673.44 GJ in FY23.
Water	★★★	Conducts periodic water quality surveys at key locations across all project sites, measuring parameters such as Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), and suspended solids. The results are benchmarked against Malaysia's National Water Quality Standards to ensure compliance.
Compliance	★★★	In compliance with local environmental regulations.

Social

Diversity	★★	Male-dominated workforce, 71% male and 29% female composition for office-based employees.
Human Rights	★★★	0 human rights violations and incidence of non-compliance with regards to labour matters recorded in FY24.
Occupational Safety and Health	★★	Possesses ISO 45001:2018 certification and project-specific SHASSIC certifications. 1 fatal accident at work site recorded in FY24.
Labour Practices	★★★	Meets the standards mandated by the Workers' Minimum Standards of Housing, Accommodations, and Amenities (Amendment) Act 2019.

Governance

CSR Strategy	★★★	Channelled 99.98% (RM185.2m) of its supplier spending to local businesses while also contributing RM14,400 to charitable and community initiatives benefiting four external organisations.
Management	★★★	1/6 female board composition, 3/6 independent directors.
Stakeholders	★★★	Major announcements and financial reports were announced in timely manner.

Overall ESG Scoring: ★★★

Recommendation Framework:

BUY: Total returns* are expected to exceed 10% within the next 12 months.

HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.

SELL: Total returns* are expected to be below -10% within the next 12 months.

TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.

TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.

*Capital gain + dividend yield

Sector Recommendations:

OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.

NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.

UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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(a) nil.