

Reply To The Queries From Bursa Malaysia Securities Berhad Dated 31 March 2023 (“Bursa Queries”) Pertaining To The Share Sales Agreement Between Gemi Puncak Sdn Bhd [200301016496 (618916-D)] And Gemi Puncak Quarry Sdn Bhd [200101025475 (561233-P)], Hereinafter Referred As "The Vendors" And BDB Infra Sdn Bhd [197301002843 (16289-A)] ("The Purchaser")

We refer to the announcement dated 29 March 2023 (“**Announcement**”) and to Bursa Queries above. Unless otherwise stated herein, all capitalized terms shall be as defined and used in the Announcement and Share Sale Agreement dated 29 March 2023 (“**SSA**”).

We wish to announce the following additional information as required by Bursa Securities pursuant to Bursa Queries.

1. **Date on which the Shares Sales Agreement (“SSA”) was entered into.**
This agreement signed and dated on 29th March 2023.
2. **Name of the representatives of Gemi Puncak Sdn Bhd (“GP”) and Gemi Puncak Quarry Sdn Bhd (“GPQ”) involved in signing the SSA and to clarify if such representatives are the ultimate owners of the GP and GPQ.**

No	Gemi Puncak Sdn Bhd (Ultimate Owner)	Gemi Puncak Quarry Sdn Bhd (Ultimate Owner)
1	Ishak Bin Mat	Khoo Guan Hua
2	Othman Bin Md Ali	Ooi Chin Tong
3	-	Ng Ooi Chin
4	-	Ooi Chu Shen
5	-	Ooi Li Fey
6	-	Ooi Li Pi

3. **Background information of GP and GPQ including but not limited to, date of incorporation, commencement date of business, principal activities, name of directors and substantial shareholders together with their shareholdings in the respective companies.**

No	Detail	Gemi Puncak Sdn Bhd	Gemi Puncak Quarry Sdn Bhd
1	Date of Incorporation	18 th June 2003	11 th October 2001
2	Commencement Date of Business	18 th June 2003	11 th October 2001
3	Principal Activity	Quarry Manager	Quarry Operator
4	Directors	1. Ishak Bin Mat 2. Othman Bin Md Ali	1. Khoo Guan Hua 2. Ooi Chin Tong 3. Ng Ooi Chin
5	No of Shares	RM100,000	RM250,000
6	Shareholders	1. Ishak Bin Mat (30%) 2. Othman Bin Md Ali (70%)	1. Khoo Guan Hua (15%) 2. Ooi Chin Tong (25%) 3. Ng Ooi Chin (30%) 4. Ooi Chu Shen (10%) 5. Ooi Li Fey (10%) 6. Ooi Li Pi (10%)

4. Financial information of GP and GPQ to be acquired including but not limited to, total assets, net assets and net profits.

4.1 The summary of financial information of GP for the past Financial Year Ended (FYE) 31 May 2021 and 31 May 2020 is as per below:

	2021	2020
	RM	RM
Revenue	1,192,465	807,280
Gross Profit	145,842	130,349
Profit before Tax	69,183	41,121
Profit After Tax	52,449	27,915
Share Capital	100,000	100,000
Total Assets	374,674	338,043
Net Assets	283,800	231,351

4.2 The summary of financial information of GPQ for the past Financial Year Ended (FYE) 31 October 2021 and 31 October 2020 is as per below:

	2021	2020
	RM	RM
Revenue	5,071,195	4,196,795
Gross Profit	1,173,371	723,311
Profit before Tax	779,262	299,542
Profit After Tax	626,782	245,311
Share Capital	250,000	250,000
Total Assets	3,101,563	2,489,154
Net Assets	2,162,064	1,835,282

5. Manner in which the consideration of RM3.5 million and RM9.5 million will be satisfied, together with the relevant details of the payment schedule.

The consideration will be satisfied upon full settlement after agreement become unconditional.

Payment of a 10% deposit upon signing the SSA and the remaining 90% upon completion of the CPs.

6. Source of funding and the breakdown.

The transaction will be financed using internally generated funds.

7. Clarification on what is meant by the “Included Asset subject however to the exclusion of the Excluded Asset and the Current Liabilities” of GP and GPQ respectively together with the amount of such items.

Current assets, current and noncurrent liabilities must be settle by the current owner of GP and GPQ in order for the agreement to become unconditional.

8. Particulars of all liabilities, including contingent liabilities to be assumed by Bina Darulaman Berhad (“BDB”).

None of the aforementioned, as the seller excluded current and noncurrent liabilities from the sale of the companies.

9. Basis and justification in arriving at the consideration of RM3.5 million and RM9.5 million.

The valuation of the assets was conducted by 3rd party valuer. According to the valuation report been prepared by professional valuer, the purchase price of RM13 million is 30% less than market value which is considered as reasonable.

- 10. Further elaboration on the rationale of acquiring GP and GPQ (“Proposed Acquisition”) which shall include information on how the Proposed Acquisition will contribute to the growth of the BDB Group and the prospects of GP and GPQ.**

Increased Production Capacity: By acquiring Gemi Puncak Sdn Bhd and Gemi Puncak Quarry Sdn Bhd, BDB can increase its production capacity and meet growing demand for construction materials. The new quarries can supplement the purchaser’s existing operations, allowing it to extract and process more raw materials, and increase output.

Diversification of Products and Services: The acquisition of Gemi Puncak Sdn Bhd and Gemi Puncak Quarry Sdn Bhd can expand the BDB’s product and service offerings. These companies specialize in the production and supply of aggregates, including granite, which can be used in various construction projects. This can allow the purchaser to offer a broader range of construction materials to its customers, which can help to increase revenue and market share.

Expansion of Geographical Reach: Acquiring Gemi Puncak Sdn Bhd and Gemi Puncak Quarry Sdn Bhd can help the BDB to expand its geographical reach. These companies are based in Malaysia, which can allow the purchaser to enter new markets and take advantage of new business opportunities. Additionally, having a presence in different regions can help to reduce transportation costs and improve delivery times.

- 11. The risks in relation to the Proposed Acquisition including risk factors of the assets or interests to be acquired.**

The potential risk factors relating to the Proposed Acquisition, which may not be exhaustive, are as follows :-

11.1 Contractual Risk

The Proposed Acquisition are conditional upon the fulfilment of the conditions precedent stipulated in the SSA. If any of the conditions precedent are not fulfilled within the stipulated time frame or not waived, then the Proposed Acquisitions will not be completed and our Group will not be able to realise the benefits of the Proposed Acquisitions.

Nevertheless, our Board will endeavour to ensure the satisfaction of these conditions precedent in order to complete the Proposed Acquisitions in a timely manner.

11.2 Financial Risk

BDB will seek internal generated funding for the acquisition of GP and GPQ. External funding may be required to partially fund the proposed acquisition. Its ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, or any restrictions imposed by the Government of Malaysia and political, social and economic conditions in Malaysia.

BDB Group may also be exposed to fluctuations in interest rate movements. Any significant increase in interest rates may also adversely affect the financial performance of BDB Group.

BDB Group will take necessary efforts to mitigate such financing risk by undertaking prudent capital budgeting and manage its cash flow position and funding requirements prudently.

11.3 Investment Risk

The Proposed Acquisition are undertaken with a view to diversify BDB Group's revenue based by investing into new location of quarry. There is no assurance that the Proposed Acquisition will result in an improvement in BDB Group performance or that the duration for BDB Group to recoup its investment will be as anticipated.

The unfavourable market outlook might impacted the overall operation of GP & GPQ in Langkawi. Revenue visibility quarry products are determined by the construction / market outlook in Langkawi. Potential future authority mandate on ESG initiative (i.e. extraction depths limit, quota production, advancement of technology (substitution of quarry products, etc)

Our Board has exercised due care in evaluating the potential risks and benefits associated with the Proposed Acquisitions and will continuously monitor and evaluate

market conditions as well as cash flow arising from the quarry. Our Board believes that the Proposed Acquisitions will be value-accretive to BDB Group and that our Group will be able to realise the expected benefits from the Proposed Acquisitions in the long term.

12. Highest percentage ratio applicable to the Proposed Acquisition.

Persuant to Paragraph 10.02 (g) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad (MMLR), the highest percentage ratio is 2.74%.

13. Where applicable, please provide the confirmation and relevant disclosures in accordance to paragraphs 11.1 and 11.2 of Practice Note 32 of the Main Market Listing Requirements.

Not applicable since the highest percentage ratio is less than 25% and the acquisition does not related to MOG.

14. A statement on whether the Proposed Acquisition is subject to approval of the relevant government authorities and the estimated time frame for submission of the application to such authorities.

The Vendors must obtain approval from the relevant authority to extend the lease tenure of the quarry land for a period of thirty (30) years starting from year 2025 to year 2065. The estimated time frame is within three (3) months from the date of application.

15. A statement by the board of directors, excluding interested directors, stating whether the Proposed Acquisition is in the best interests of the listed issuer.

Our Board, after taking into consideration all aspects of the Proposed Acquisitions, including the rationale, valuation of the Property, risk factors and prospects for the Proposed Acquisitions, is of the opinion that the Proposed Acquisitions are in the best interest of our Company.

16. The estimated time frame to complete the Proposed Acquisition.

Within three months from the date of SSA.

- 17. Clarification that the SSA will be made available for inspection for a period of 3 months from the date of announcement.**

The SSA may be inspected at the Registered Office at Level 9, Menara BDB, 88 Lebuhraya Darulaman, 05100, Alor Setar, Kedah.

- 18. Any penalty clauses relating to the termination of the SSA, together with the relevant details, if applicable.**

The termination is not subject to any penalty. Both parties are covered by CPs.

This announcement is dated 3 April 2023.