



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED
30 JUNE 2023**

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**UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023⁽¹⁾**

	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
REVENUE	86,294	147,509	157,559	316,467
COST OF SALES	(82,884)	(140,910)	(151,247)	(297,224)
GROSS PROFIT	3,410	6,599	6,312	19,243
OTHER INCOME	972	623	1,602	1,234
	4,382	7,222	7,914	20,477
ADMINISTRATIVE EXPENSES	(2,121)	(2,108)	(4,230)	(4,149)
OTHER EXPENSES	(576)	(625)	(1,156)	(1,283)
FINANCE COSTS	(14)	(47)	(26)	(47)
PROFIT BEFORE TAXATION	1,671	4,442	2,502	14,998
INCOME TAX EXPENSE	(519)	(1,245)	(889)	(4,162)
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	1,152	3,197	1,613	10,836
PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:				
- Owners of the Company	1,337	3,440	2,004	11,245
- Non-controlling Interest	(185)	(243)	(391)	(409)

**UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023⁽¹⁾ (CONT'D)**

	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
EARNINGS PER SHARE ("EPS") ATTRIBUTABLE TO OWNERS OF THE COMPANY(SEN)				
- Basic EPS	0.14	0.37	0.21	1.20
- Diluted EPS	0.14	0.37	0.21	1.20

Note:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023⁽¹⁾**

	As At 30.06.2023	As At 31.12.2022
	Unaudited RM'000	Audited RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	19,090	20,734
CURRENT ASSETS		
Contract assets	117,670	117,427
Trade receivables	129,243	165,369
Other receivables, deposits and prepayments	11,979	18,855
Short-term investments	16,125	20,844
Fixed deposits with licensed banks	16,013	17,223
Cash and bank balances	29,018	8,200
	<u>320,048</u>	<u>347,918</u>
TOTAL ASSETS	<u>339,138</u>	<u>368,652</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	62,564	62,564
Retained profits	99,827	97,823
Equity attributable to owners of the Company	162,391	160,387
Non-controlling interest	141	532
TOTAL EQUITY	<u>162,532</u>	<u>160,919</u>
NON-CURRENT LIABILITY		
Deferred tax liability	494	692
CURRENT LIABILITIES		
Trade payables	67,120	109,857
Other payables and accruals	103,277	90,516
Provision	5,281	5,366
Current tax liabilities	434	1,302
	<u>176,112</u>	<u>207,041</u>
TOTAL LIABILITIES	<u>176,606</u>	<u>207,733</u>
TOTAL EQUITY AND LIABILITIES	<u>339,138</u>	<u>368,652</u>
Number of issued shares ('000)	937,500	937,500
Net asset per share attributable to owners of the Company (RM)	<u>0.17</u>	<u>0.17</u>

Note:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023⁽¹⁾**

	Share Capital	Retained Profits	Attributable to Owners of the Company	Non- controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.1.2022	62,564	87,187	149,751	1,491	151,242
Profit/(Loss) after taxation/Total comprehensive income/(expenses) for the financial year	-	17,198	17,198	(959)	16,239
Distribution to owners of the Company: - Dividend	-	(6,562)	(6,562)	-	(6,562)
Balance at 31.12.2022 (Audited)	62,564	97,823	160,387	532	160,919
Balance at 1.1.2023	62,564	97,823	160,387	532	160,919
Profit/(Loss) after taxation/Total comprehensive income/(expenses) for the financial period	-	2,004	2,004	(391)	1,613
Balance at 30.06.2023 (Unaudited)	62,564	99,827	162,391	141	162,532

Note:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023⁽¹⁾**

	CURRENT FINANCIAL PERIOD ENDED 30.06.2023 RM'000	PRECEDING FINANCIAL PERIOD ENDED 30.06.2022 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	2,502	14,998
Adjustments for:-		
Depreciation of property, plant and equipment	2,847	3,359
Plant and equipment written off	1	12
Interest expense	26	47
Provision for defect works	721	1,527
Gain on disposal of plant and equipment	(137)	(142)
Interest income	(699)	(532)
Reversal of provision for defect works	(806)	(300)
Operating profit before working capital changes	4,455	18,969
Increase in contract assets	(243)	(20,505)
Decrease/(Increase) in trade and other receivables	43,001	(26,265)
Increase in contract liabilities	-	1,195
(Decrease)/Increase in trade and other payables	(30,002)	5,689
CASH FROM/(FOR) OPERATIONS	17,211	(20,917)
Income tax paid	(1,954)	(3,617)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	15,257	(24,534)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest income received	699	532
Proceeds from disposal of plant and equipment	145	142
Purchase of plant and equipment	(1,212)	(1,018)
NET CASH FOR INVESTING ACTIVITIES	(368)	(344)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Decrease/(Increase) in pledged fixed deposits with licensed banks	1,210	(6,950)
Dividend paid	-	(6,563)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	1,210	(13,513)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	16,099	(38,391)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	29,044	76,880
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	45,143	38,489



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023⁽¹⁾ (CONT'D)

Note:

- (1) The basis of preparation of the Unaudited Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.



A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

A1. Basis of Preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting, International Financial Reporting Standards (“IFRS”) 34, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2022.

A2. Changes in Accounting Policies

The accounting policies adopted by the Group in the preparation of the interim financial report are consistent with those adopted in the preparation of the Group’s audited financial statements for the financial year ended 31 December 2022, except for the following which were adopted at the beginning of the current financial year:

MFRSs and/or IC Interpretations (including the Consequential Amendments) which came into effect for the financial periods beginning on or after 1 January 2023.

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9

- Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) are either not applicable or do not have any material impact on the unaudited consolidated financial statements of the Group upon their initial application.

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 but are not yet effective for the current financial year:

Standards issued but not yet effective:

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

Effective for annual periods on or after

Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current

1 January 2024



A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)

A2. Changes in Accounting Policies (Cont'd)

Standards issued but not yet effective (Cont'd):

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective for annual periods on or after
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
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) are either not applicable or is expected to have no material impact on the financial statements of the Group upon their initial application.

A3. Auditors' Report

The audited financial statements for the financial year ended 31 December 2022 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The business operations of the Group during the current financial period under review have not been materially affected by any seasonal or cyclical factors.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items for the current financial period under review.

A6. Changes in Estimates

There were no material changes in accounting estimates that would materially affect the accounts for the current financial period under review.

A7. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter ended 30 June 2023.

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)****A8. Dividend Paid**

No dividend was paid during the current financial quarter ended 30 June 2023.

A9. Segmental Reporting

No segmental reporting is available as the Group is primarily engaged in the business of provision of construction services in Malaysia.

A10. Significant Event Subsequent to the End of the Interim Financial Period

There are no significant events subsequent to the end of the interim financial period up to 16 August 2023 (the latest practicable date which is not earlier than 7 days from the date of this interim report) except as disclosed in B9 Material Litigation item (1) (vi) and (vii) as announced by the Company on 27 July 2023 and 10 August 2023 respectively.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

A12. Fair Value of Financial Instruments

There were no significant gain or losses arising from fair value changes for all financial assets and liabilities for the current financial quarter under review.

A13. Capital Commitments

	As At 30.06.2023 RM'000	As At 31.12.2022 RM'000
Purchase of plant and equipment	<u>6</u>	<u>56</u>

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONT'D)****A14. Contingent Liabilities**

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:

	As At 30.06.2023	As At 31.12.2022
	RM'000	RM'000
Secured		
Performance bond and tender bond guarantees extended by subsidiaries to third parties	<u>60,846</u>	<u>64,539</u>

A15. Related Party Transactions

There was no material transaction with related parties during the current financial quarter under review.

**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance**

	Quarter Ended			
	30.06.23	30.06.22	Variance	
	RM'000	RM'000	RM'000	%
Revenue	86,294	147,509	(61,215)	(41.50)
PBT	1,671	4,442	(2,771)	(62.38)

For the current financial quarter ended 30 June 2023, GDB recorded a decline in revenue of 41.50% (or -RM61.22 million) to RM86.29 million from RM147.51 million in the same quarter last year, mainly due to the impact of work suspension on the 8 Conlay Project from 16 August 2022 with the partial resumption only on 9 January 2023 for façade work of the Tower A and on 24 March 2023 for the remobilisation and recommencement of Tower A, followed by the determination of the 8 Conlay contract on 19 April 2023 ("8 Conlay Determination").

The Group registered a decline of 62.38% (or -RM2.77 million) in profit before tax (PBT) to RM1.67 million from RM4.44 million for the same quarter last year. This is in tandem with the decline in revenue, as well as lower profit margins from on-going projects as a result of the increase in construction material prices and labour costs, higher project preliminaries and staff costs due to the prolongation of contract durations caused by the previous COVID movement restrictions as well as incurring preliminaries and overheads during the period when works for the 8 Conlay Project are under full suspension or major portion of the project are under suspension as well as the period after the 8 Conlay Determination.

	Year-To-Date Ended			
	30.06.23	30.06.22	Variance	
	RM'000	RM'000	RM'000	%
Revenue	157,559	316,467	(158,908)	(50.21)
PBT	2,502	14,998	(12,496)	(83.32)

For the current financial period ended 30 June 2023, revenue declined by RM158.91 million (or 50.21%) to RM157.56 million as compared to RM316.47 million in the corresponding period last year. The decline is mainly due to the impact of work suspension on the 8 Conlay Project from 16 August 2022 with the partial resumption only on 9 January 2023 for façade work of the Tower A and on 24 March 2023 for the remobilisation and recommencement of Tower A, followed by the 8 Conlay Determination.

The PBT also recorded a decline by RM12.50 million to RM2.50 million from RM15.00 million for the same corresponding period last year. This is in tandem with the decline in revenue, as well as lower profit margins from on-going projects as a result of the increase in construction material prices and labour costs, higher project preliminaries and staff costs due to the prolongation of contract durations caused by the previous COVID movement restrictions as well as incurring preliminaries and overheads during the period when works for the 8 Conlay Project were under full suspension or major portion of the project are under suspension as well as the period after the 8 Conlay Determination.

**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B2. Comparison with the Immediate Preceding Financial Quarter**

	Quarter Ended			
	30.06.23 RM'000	31.03.23 RM'000	Variance RM'000	%
Revenue	86,294	71,265	15,029	21.09
Profit Before Taxation	1,671	831	840	101.08

Group revenue in the current financial quarter under review improved by 21.09% (or RM15.03 million) to RM86.29 million compared to the immediate preceding financial quarter of RM71.26 million, mainly attributed to higher execution of construction activities for ongoing projects namely the Logistic Hub in Klang and Park Regent in Desa ParkCity.

The increase in PBT by 101.08% (or RM0.84 million) to RM1.67 million is in tandem with the increase in revenue as compared to the immediate preceding financial quarter as well as higher other income for the current quarter under review.

B3. Prospects for the Financial Year Ending 31 December 2023 (“FYE 2023”)

The Group’s outstanding order book totals RM247.3 million, comprising Logistic Hub in Klang and Park Regent in Desa ParkCity which provides earnings visibility until financial year ending 31 December 2024. Simultaneously, the Group strives to bolster its future prospects by actively tendering for contracts amidst the prevailing uptrend in the building construction sector. To this end, the Group has submitted tenders with a total worth of RM2.1 billion, and will be submitting an additional RM3.4 billion worth of bids for construction projects by year 2023. These tenders include projects across various building types including commercial, residential, mixed development, hospital and warehouse projects.

The Group had previously allocated resources for the expected full resumption of the 8 Conlay Project in early April 2023 subject to full settlement of the outstanding sum payable by DCSSB. However, the Determination of Contract on 19 April 2023 has disrupted business and resources planning of the Group. While the financial performance for FYE 2023 is expected to be challenging, the Group is actively pursuing new contract opportunities to spearhead the Group’s business performance.

B4. Profit Forecast

The Group did not issue any profit forecast or guarantee during the current financial quarter under review.

**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B5. Income Tax Expense**

The breakdown of income tax expense is as follows:

	Quarter Ended		Year-To-Date Ended	
	30.06.23	30.06.22	30.06.23	30.06.22
	RM'000	RM'000	RM'000	RM'000
Current tax				
- for the financial period	618	1,344	1,087	4,360
Deferred tax				
- realisation of deferred taxation on usage of plant and equipment	(99)	(99)	(198)	(198)
	<u>519</u>	<u>1,245</u>	<u>889</u>	<u>4,162</u>
Effective tax rate (%) ⁽¹⁾	<u>31.06</u>	<u>28.03</u>	<u>35.53</u>	<u>27.75</u>

Notes:

- (1) The Group's effective tax rate for the current financial period under review and corresponding period last year are 35.53% and 27.75% respectively. The higher effective tax rate than the statutory tax rate for current financial period is mainly due to lower profit to mitigate the other taxable statutory income as well as non-deductible expenses.
- (2) Income tax expense is recognised based on management's best estimate.

B6. Utilisation of Proceeds Raised from Public Issue

The Company had on 13 March 2023 resolved to vary the intended purposes for the utilisation of part of the unutilised IPO Proceeds ("Variation") and to extend the timeframe for the utilisation of the remaining unutilised IPO Proceeds for a further thirty-six (36) months period ("Further Extension of Time") until 26 March 2026.

**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B6. Utilisation of Proceeds Raised from Public Issue (Cont'd)**

Details of the Variation, Further Extension of Time and status of utilisation of the IPO proceeds are as set out below:

Description of Utilisation	Utilisation of IPO Proceeds					Timeframe from the Listing Date		
	Initial Allocation	Deviation ^(a)	Variation	Actual Utilisation	Balance Unutilised	Initial Intended Timeframe	Previously Revised Timeframe	Further Extension of Time
	RM'000	RM'000	RM'000	RM'000	RM'000			
Capital expenditure:								
- Purchase of new construction machinery and equipment	8,670	-	(6,845) ^(b)	(1,825)	-	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 ^(d)	Within 1 year	Within 5 years	Within 8 years
Working capital:								
- Payment to suppliers and subcontractors	14,900	673	7,525	(23,098)	-	Within 1 year	Within 5 years	No change
- Payment of salaries for new employees (for infrastructure project team) to be based at the head office	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	-	-	(35,750)	8,000			



B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B6. Utilisation of Proceeds Raised from Public Issue (Cont'd)

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 RM8.670 million budgeted for the purchase of new construction machinery and equipment has been re-allocated as payment to suppliers and subcontractors.
- (c) RM0.68 million as budgeted for the payment of salaries for new employees (for infrastructure project team) to be based at the head office has been re-allocated as payment to suppliers and subcontractors.
- (d) Timeframe for utilisation of the RM8.0 million is by 26 March 2026.

B7. Status of Corporate Proposals

There were no corporate proposals announced by the Company but not completed as at the date of this report.

B8. Group Borrowings and Debt Securities

There are no borrowings and debt securities by the Group for the current financial quarter under review.

B9. Material Litigation

- (1) Disputes and differences between GDBSB and DCSB on the 8 Conlay Project

Following the Determination of the Contract on the 8 Conlay Project on 19 April 2023, GDBSB had on 25 April 2023 issued a Notice of Demand to DCSB for the outstanding sum of RM102,076,171.93 based on certified sums and late payment interest ("Outstanding Sum") which DCSB is required to pay GDBSB on or before 2 May 2023 but DCSB has failed, refused, and/or neglected to pay GDBSB the said Outstanding Sum.

- (i) On 2 May 2023, an announcement was made by the Company pertaining to the Notice of Arbitration dated 28 April 2023 from DCSB pursuant to clause 34 of the PAM Contract which is a notice on commencing arbitration proceedings against GDBSB. In that respect, GDBSB had on 11 May 2023 issued a reply to DCSB in response to the Notice of Arbitration, stating that the Notice of Arbitration by DCSB was issued under the wrong arbitration rules and GDBSB contends that the Purported Notice of Arbitration by DCSB was defective and flawed.
- (ii) On 3 May 2023, GDBSB has issued a Payment Claim under the Section 5 of CIPAA 2012 to DCSB to claim for due and outstanding payment based on a construction contract for construction works carried out but not paid by DCSB on 2 May 2023.



B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B9. Material Litigation (Cont'd)

- (1) Disputes and differences between GDBSB and DCSB on the 8 Conlay Project (Cont'd)
- (iii) Based on legal advice by solicitors, GDBSB has on 11 May 2023 issued the Notice of Arbitration to DCSB to claim amongst others, the following relief and remedy (not exhaustive):-
- (a) Outstanding certified sums;
 - (b) Late payment interest;
 - (c) Value of uncertified work executed;
 - (d) Costs, losses, damages, etc.; and
 - (e) Such further and/or other relief as the Arbitrator deems fit and/or appropriate.
- (iv) On 12 May 2023, GDBSB filed a Writ of Summons and Statement of Claim at the High Court of Malaya at Kuala Lumpur against KSK Land Sdn. Bhd. ("KSK"). GDBSB served upon KSK the sealed copy of the Writ of Summons and the Statement of Claim on 15 May 2023.
- The Writ of Summons and Statement of Claim are to claim against KSK the following:-
- (a) The total outstanding sum of RM102,076,171.93 due and owing to GDBSB under, arising out of, or in connection with the Corporate Guarantee made by KSK in favour of GDBSB on 5 August 2022 ("Corporate Guarantee");
 - (b) Interest at a rate of 5% per annum (or at such other rate the High Court of Malaya at Kuala Lumpur deems fit and reasonable) on the judgment sum from the date of the judgment until the date of the final and full settlement is paid to GDBSB or GDBSB's solicitors;
 - (c) Costs, and
 - (d) Such further and/or other relief as the High Court of Malaya at Kuala Lumpur deems fit and proper to grant.
- (v) On 19 May 2023 GDBSB, has served a Notice of Adjudication pursuant to Sections 7 and 8 of the CIPAA 2012 to DCSB, seeking the remedy of an adjudication decision in favor of GDBSB for DCSB to pay GDBSB as follows:
- (a) The due and outstanding certified sums under the Interim Certificates for the 8 Conlay construction contract together with outstanding late payment interests accrued pursuant to Clause 30.17 of the PAM Contract;
 - (b) Costs arising from and/or in connection with the adjudication proceedings; and
 - (c) Such further and other reliefs that the Learned Adjudicator may deem fit.
- (vi) On 26 July 2023, GDBSB has been notified by its solicitors that Adjudication Decision dated 10 February 2023 under the CIPAA 2012 has been released and received for the adjudication proceeding held by GDBSB against DCSB which was commenced on 10 November 2022 ("Adjudication Decision").



B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B9. Material Litigation (Cont'd)

(1) Disputes and differences between GDBSB and DCSB on the 8 Conlay Project (Cont'd)

The Adjudicator has determined and delivered his Decision in favour of GDBSB, brief details of the Adjudication Decision is as follows:-

- (a) DCSB to pay to GDBSB for the sum of RM97,792,870.96 ("Adjudicated Sum");
- (b) Pay interest at a rate of 4% per annum on the Adjudicated Sum calculated from the date of the decision until full payment;
- (d) Pay to GDBSB the costs of RM30,000;
- (e) Pay to GDBSB the sum of RM30,300 as GDBSB's portion of the Adjudication Costs; and
- (f) Pay to GDBSB the sum of RM30,300 where GDBSB has paid for DCSB's portion of the Adjudication Costs.

DCSB has previously paid the sum of RM60.0 million out of the Adjudicated Sum which was for payment of the Interim Certificate No. 14, 15, 16 and part of 17(R1), and it does not include the payment of late payment interest.

- (vii) GDBSB was informed by its solicitors that on 4 August 2023, DCSB served the cause papers under Originating Summons to Stay and Set-Aside the Adjudication Decision pursuant to Sections 15 and 16 of the CIPAA 2012.

On 10 August 2023, GDBSB filed an Originating Summons and Affidavit in Support at the High Court of Malaya at Kuala Lumpur in respect of an enforcement proceedings pursuant to Section 28 of CIPAA 2012 to enforce the Adjudication Decision as if it is a judgment of court.

(2) Syarikat Ong Yoke Lin Sdn Bhd vs GDBSB

- (i) On 22 December 2022, Syarikat Ong Yoke Lin Sdn Bhd ("SOYLSB"), the nominated sub-contractor for the supply, delivery, installation, testing and commissioning of air conditioning, mechanical ventilation and building management system for the 8 Conlay Project ("Sub-Contract"), had filed a court action at the High Court of Malaya at Kuala Lumpur for an *ex-parte* interim injunction to restrain GDBSB and its directors, etc. from calling on a Bank Guarantee (defined below) pending the outcome of an arbitration proceedings between SOYLSB and GDBSB.

Under the Sub-Contract, SOYLSB is to provide a bank guarantee as a performance bond equivalent to five percent (5%) of the Sub-Contract sum amounting to RM1,991,164.57 ("Bank Guarantee") which SOYLSB had provided to GDBSB under the Bank Guarantee issued by Standard Chartered Bank Malaysia Berhad for a validity period until 23 December 2023.



B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B9. Material Litigation (Cont'd)

(2) Syarikat Ong Yoke Lin Sdn Bhd vs GDBSB (Cont'd)

- (ii) SOYLSB had on 3 January 2023 served GDBSB with a Notice of Arbitration in relation to the disputes arising from the Letter of Acceptance dated 3 February 2021 read together with PAM Sub-Contract 2003 for the 8 Conlay Project. GDBSB has accordingly served on SOYLSB its Response to the Notice of Arbitration dated 2 February 2023.

The Asian International Arbitration Centre (Malaysia) will be administering the arbitration proceedings.

- (iii) In respect of the interim injunction, the High Court Judge has on 12 May 2023 ordered, amongst others, as follows:

- (a) an interim injunction is allowed in favour of SOYLSB where GDBSB whether by themselves, or the directors, managers, officers, employees, servants, agents, shareholders or otherwise is restrained from making a demand on the Bank Guarantee subject to SOYLSB providing a renewed Bank Guarantee on the same terms 3 working days before the expiry of the Bank Guarantee.
- (b) In the event that SOYLSB fails to provide the renewed Bank Guarantee on the same terms 3 working days before the expiry of the Bank Guarantee, the interim injunction granted by the High Court will automatically lapse; and
- (c) Costs in the sum of RM15,000.00 subject to allocator to be paid by GDBSB to SOYLSB in respect of the Originating Summons and no order as to costs in respect of the Notice of Application.

Following the court decision above, GDBSB will be consulting with its solicitors to discuss ways forward and GDBSB may consider lodging an appeal against the decision by the High Court Judge.

B10. Dividend

No dividend has been declared or recommended for the current financial quarter under review.

**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B11. Earnings Per Share**

The basic and diluted earnings per share for the current financial quarter and year-to-date are computed as follows:

	Quarter Ended		Year-To-Date Ended	
	30.06.23	30.06.22	30.06.23	30.06.22
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	<u>1,337</u>	<u>3,440</u>	<u>2,004</u>	<u>11,245</u>
Weighted average number of ordinary shares in issue ('000)	<u>937,500</u>	<u>937,500</u>	<u>937,500</u>	<u>937,500</u>
Earnings per share (Sen) attributable to owners of the Company				
- Basic	0.14	0.37	0.21	1.20
- Diluted ⁽¹⁾	<u>0.14</u>	<u>0.37</u>	<u>0.21</u>	<u>1.20</u>

Note:

- (1) The diluted EPS per share is similar to the basic EPS as there is no potential dilutive ordinary share outstanding arising from the exercise of GDB Warrants as at end of the current financial quarter under review.

**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B12. Notes to the Statements of Profit or Loss and Other Comprehensive Income**

Profit before taxation is arrived at after charging/crediting the following items:

	Quarter Ended		Year-To-Date Ended	
	30.06.23	30.06.22	30.06.23	30.06.22
	RM'000	RM'000	RM'000	RM'000
Other Income				
Gain on disposal of plant and equipment	89	-	137	142
Interest income:				
- fixed deposits with licensed banks	256	144	418	239
- short-term investments	138	113	281	293
Lease income from plant equipment	58	28	79	40
Scrap sales	96	217	128	354
Others	335	121	559	166
Total Other Income	972	623	1,602	1,234

	Quarter Ended		Year-To-Date Ended	
	30.06.23	30.06.22	30.06.23	30.06.22
	RM'000	RM'000	RM'000	RM'000
Administrative Expenses				
Auditors' remuneration:				
- audit fees	40	29	68	57
- other services	3	2	4	3
Directors' remuneration:				
- fees	72	63	141	126
- salaries and other emoluments	508	446	983	889
- defined contribution plan	34	33	68	67
Staff costs:				
- salaries and other emoluments	918	973	1,984	2,025
- defined contribution plan	109	129	193	215
Short-term lease expenses	22	16	38	32
Other administrative expenses	415	417	751	735
Total Administrative Expenses	2,121	2,108	4,230	4,149

**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B12. Notes to the Statements of Profit or Loss and Other Comprehensive Income (Cont'd)**

Profit before taxation is arrived at after charging/crediting the following items (Cont'd):

	Quarter Ended		Year-To-Date Ended	
	30.06.23	30.06.22	30.06.23	30.06.22
	RM'000	RM'000	RM'000	RM'000
Other Expenses				
Depreciation of property, plant and equipment	576	631	1,156	1,264
Fair value loss on short-term investments	-	(6)	-	19
Total Other Expenses	<u>576</u>	<u>625</u>	<u>1,156</u>	<u>1,283</u>
Finance Costs ⁽¹⁾	<u>14</u>	<u>47</u>	<u>26</u>	<u>47</u>
Total Administrative Expenses, Other Expenses and Finance Costs	<u>2,711</u>	<u>2,780</u>	<u>5,412</u>	<u>5,479</u>

Note:

- (1) Finance cost arising from advance from non-controlling interest to a subsidiary for working capital purposes.

BY ORDER OF THE BOARD