



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED
30 SEPTEMBER 2023**

CONTENTS

	PAGE
Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive Income	1 - 2
Unaudited Consolidated Statements of Financial Position	3
Unaudited Consolidated Statements of Changes in Equity	4
Unaudited Consolidated Statements of Cash Flows	5 - 6
Explanatory Notes to the Interim Financial Report	7 - 10
Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad	11 - 21

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

	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
REVENUE	81,037	128,752	238,596	445,219
COST OF SALES	(78,066)	(121,605)	(229,313)	(418,829)
GROSS PROFIT	2,971	7,147	9,283	26,390
OTHER INCOME	2,640	563	4,242	1,797
	5,611	7,710	13,525	28,187
ADMINISTRATIVE EXPENSES	(2,684)	(1,909)	(6,914)	(6,058)
OTHER EXPENSES	(735)	(622)	(1,891)	(1,905)
FINANCE COSTS	(15)	(7)	(41)	(54)
PROFIT BEFORE TAXATION	2,177	5,172	4,679	20,170
INCOME TAX EXPENSE	(897)	(1,436)	(1,786)	(5,598)
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	1,280	3,736	2,893	14,572
PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:				
- Owners of the Company	1,446	3,934	3,450	15,179
- Non-controlling Interest	(166)	(198)	(557)	(607)

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

	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
EARNINGS PER SHARE ("EPS") ATTRIBUTABLE TO OWNERS OF THE COMPANY(SEN)				
- Basic EPS	0.15	0.42	0.37	1.62
- Diluted EPS	0.15	0.42	0.37	1.62

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 SEPTEMBER 2023⁽¹⁾**

	As At 30.09.2023	As At 31.12.2022
	Unaudited RM'000	Audited RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	17,888	20,734
CURRENT ASSETS		
Contract assets	112,481	117,427
Trade receivables	126,186	165,369
Other receivables, deposits and prepayments	9,264	18,855
Short-term investments	16,258	20,844
Fixed deposits with licensed banks	13,301	17,223
Cash and bank balances	38,043	8,200
	<u>315,533</u>	<u>347,918</u>
TOTAL ASSETS	<u>333,421</u>	<u>368,652</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	62,564	62,564
Retained profits	101,273	97,823
Equity attributable to owners of the Company	163,837	160,387
Non-controlling interest	(25)	532
TOTAL EQUITY	<u>163,812</u>	<u>160,919</u>
NON-CURRENT LIABILITY		
Deferred tax liability	396	692
CURRENT LIABILITIES		
Contract liabilities	2,830	-
Trade payables	70,614	109,857
Other payables and accruals	88,984	90,516
Provision	6,763	5,366
Current tax liabilities	22	1,302
	<u>169,213</u>	<u>207,041</u>
TOTAL LIABILITIES	<u>169,609</u>	<u>207,733</u>
TOTAL EQUITY AND LIABILITIES	<u>333,421</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)	0.17	0.17

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 SEPTEMBER 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	-	3,450	3,450	(557)	2,893
Balance at 30.09.2023 (Unaudited)	62,564	101,273	163,837	(25)	163,812

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 SEPTEMBER 2023⁽¹⁾**

	CURRENT FINANCIAL PERIOD ENDED 30.09.2023 RM'000	PRECEDING FINANCIAL PERIOD ENDED 30.09.2022 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	4,679	20,170
Adjustments for:-		
Depreciation of property, plant and equipment	4,177	5,008
Plant and equipment written off	6	13
Interest expense	41	54
Provision for defect works	3,795	4,188
Gain on disposal of plant and equipment	(316)	(195)
Interest income	(1,125)	(806)
Reversal of provision for defect works	(2,398)	(316)
Operating profit before working capital changes	8,859	28,116
Decrease in contract assets	4,946	11,557
Decrease/(Increase) in trade and other receivables	48,773	(92,913)
Increase/(Decrease) in contract liabilities	2,830	(652)
(Decrease)/Increase in trade and other payables	(40,815)	31,525
CASH FROM/(FOR) OPERATIONS	24,593	(22,367)
Income tax paid	(3,362)	(7,552)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	21,231	(29,919)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest income received	1,125	806
Proceeds from disposal of plant and equipment	326	202
Purchase of plant and equipment	(1,347)	(1,057)
NET CASH FROM/(FOR) INVESTING ACTIVITIES	104	(49)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Decrease/(Increase) in pledged fixed deposits with licensed banks	3,922	(7,281)
Dividend paid	-	(6,563)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	3,922	(13,844)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	25,257	(43,812)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	29,044	76,880
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	54,301	33,068



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 September 2023.

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

No dividend was paid during the current financial quarter ended 30 September 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 10 November 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) (ix) as announced by the Company 2 October 2023.

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 30.09.2023 RM'000	As At 31.12.2022 RM'000
Purchase of plant and equipment	-	56



A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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:

	<u>As At 30.09.2023</u> RM'000	<u>As At 31.12.2022</u> RM'000
Secured		
Performance bond and tender bond guarantees extended by subsidiaries to third parties	<u>60,656</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			
	30.09.23 RM'000	30.09.22 RM'000	Variance RM'000	%
Revenue	81,037	128,752	(47,715)	(37.06)
PBT	2,177	5,172	(2,995)	(57.91)

In the current financial quarter ended 30 September 2023, GDB recorded a revenue decrease of 37.06% (equivalent to -RM47.71 million), with revenue amounting to RM81.04 million compared with RM128.75 million in the corresponding quarter of the previous 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 determination of the 8 Conlay contract on 19 April 2023 ("8 Conlay Determination").

The Group's profit before tax (PBT) declined by RM2.99 million (representing a decrease of 57.91%) to RM2.18 million compared with RM5.17 million in the corresponding quarter of the previous 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.

	Year-To-Date Ended			
	30.09.23 RM'000	30.09.22 RM'000	Variance RM'000	%
Revenue	238,596	445,219	(206,623)	(46.41)
PBT	4,679	20,170	(15,491)	(76.80)

In the current financial period ended 30 September 2023, GDB reported a revenue decrease of 46.41% (equivalent to -RM206.62 million), with total revenue amounting to RM238.60 million compared with RM445.22 million in the corresponding period of the previous 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 declined by RM15.49 million (representing a decrease of 76.80%) to RM4.68 million compared with RM20.17 million in the corresponding period of the previous 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			
	30.09.23 RM'000	30.06.23 RM'000	Variance RM'000	%
Revenue	81,037	86,294	(5,257)	(6.09)
Profit Before Taxation	2,177	1,671	506	30.28

In the current financial quarter under review, the Group's revenue decreased by 6.09% (amounting to -RM5.26 million), settling at RM81.04 million compared with the immediate preceding financial quarter of RM86.30 million. The decline is primarily attributed to the 8 Conlay Determination.

In contrast, the PBT for the current financial quarter improved by 30.28% (equivalent to RM0.51 million) to RM2.18 million when compared with RM1.67 million in the immediate preceding financial quarter. The improvement in PBT is mainly attributed by higher other income in the current financial quarter under review.

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

The Group's outstanding order book totals RM169.18 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 RM3.9 billion worth of bids for construction projects. These tenders include projects across various building types including commercial, data center, 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 the full settlement of the outstanding sum payment from DCSB. Unfortunately, the Determination of Contract on 19 April 2023 has caused a disruption in the Group's business and resources planning. While the financial performance for FYE 2023 is anticipated to be challenging, the Group is actively seeking new contract opportunities to drive its 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	
	30.09.23	30.09.22	30.09.23	30.09.22
	RM'000	RM'000	RM'000	RM'000
Current tax				
- for the financial period	998	1,880	2,085	6,240
- over provision in prior year	(2)	(345)	(2)	(345)
Deferred tax				
- realisation of deferred taxation on usage of plant and equipment	(99)	(99)	(297)	(297)
	<u>897</u>	<u>1,436</u>	<u>1,786</u>	<u>5,598</u>
Effective tax rate (%) ⁽¹⁾	<u>41.20</u>	<u>27.76</u>	<u>38.17</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 38.17% 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 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 had 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 Construction Industry Payment Adjudication Act ("CIPAA") 2012 to DCSB to claim for due and outstanding payments based on a construction contract for construction works carried out but not paid by DCSB.



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

B9. Material Litigation (Cont'd)

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

(iii) Based on legal advice by solicitors, GDBSB had on 11 May 2023 issued the Notice of Arbitration to DCSB to claim amongst others, the following reliefs and remedies (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"), the holding company of DCSB. 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 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 had 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 between GDBSB and DCSB on the 8 Conlay Project (Cont'd)

The Adjudicator had 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 Certificates No. 14, 15, 16 and part of 17(R1), and such sums did 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 to 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.

- (viii) On 8 September 2023, an announcement was made by the Company in relation to an *ex-parte* application made by DCSB made pursuant to Section 366 and Section 368 of the Companies Act 2016 as well as Order 7, Order 28 and Order 88 of the Rules of Court 2012.
- (ix) On 2 October 2023, an announcement was made by the Company in relation to an *ex-parte* application made by KSK made pursuant to Section 366 and Section 368 of the Companies Act 2016 as well as Order 7, Order 28 and Order 88 of the Rules of Court 2012.
- (x) The effect of the *ex-parte* applications by DCSB and KSK respectively meant all legal proceedings including arbitration and adjudication proceedings had to be suspended by Order of the High Court.



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

- (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.

- (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 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 has consulted with its solicitors to discuss ways forward.

**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B10. Dividend**

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

B11. Earnings Per Share

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

	<u>Quarter Ended</u>		<u>Year-To-Date Ended</u>	
	<u>30.09.23</u>	<u>30.09.22</u>	<u>30.09.23</u>	<u>30.09.22</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit attributable to owners of the Company	<u>1,446</u>	<u>3,934</u>	<u>3,450</u>	<u>15,179</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	0.15	0.42	0.37	1.62
- Diluted ⁽¹⁾	<u>0.15</u>	<u>0.42</u>	<u>0.37</u>	<u>1.62</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	
	30.09.23 RM'000	30.09.22 RM'000	30.09.23 RM'000	30.09.22 RM'000
Other Income				
Gain on disposal of plant and equipment	179	53	316	195
Interest income:				
- fixed deposits with licensed banks	293	146	711	385
- short-term investments	133	128	414	421
Lease income from plant equipment	894	16	973	56
Scrap sales	110	65	238	419
Others	1,031	155	1,590	321
Total Other Income	2,640	563	4,242	1,797

	Quarter Ended		Year-To-Date Ended	
	30.09.23 RM'000	30.09.22 RM'000	30.09.23 RM'000	30.09.22 RM'000
Administrative Expenses				
Auditors' remuneration:				
- audit fees	32	28	100	85
- other services	2	1	6	4
Directors' remuneration:				
- fees	70	63	211	189
- salaries and other emoluments	411	424	1,394	1,313
- defined contribution plan	30	32	98	99
Staff costs:				
- salaries and other emoluments	949	911	2,933	2,936
- defined contribution plan	90	97	283	312
Short-term lease expenses	23	16	61	48
Other administrative expenses	1,077	337	1,828	1,072
Total Administrative Expenses	2,684	1,909	6,914	6,058

**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	
	30.09.23	30.09.22	30.09.23	30.09.22
	RM'000	RM'000	RM'000	RM'000
Other Expenses				
Depreciation of property, plant and equipment	735	622	1,891	1,886
Fair value loss on short-term investments	-	-	-	19
Total Other Expenses	<u>735</u>	<u>622</u>	<u>1,891</u>	<u>1,905</u>
Finance Costs ⁽¹⁾	<u>15</u>	<u>7</u>	<u>41</u>	<u>54</u>
Total Administrative Expenses, Other Expenses and Finance Costs	<u>3,434</u>	<u>2,538</u>	<u>8,846</u>	<u>8,017</u>

Note:

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

BY ORDER OF THE BOARD