



**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED  
31 DECEMBER 2023**

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**UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023<sup>(1)</sup>**

	<b>CURRENT YEAR QUARTER</b>	<b>PRECEDING YEAR QUARTER</b>	<b>CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR TO DATE</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
REVENUE	81,053	64,836	319,649	510,055
COST OF SALES	(76,913)	(61,346)	(306,226)	(480,175)
GROSS PROFIT	4,140	3,490	13,423	29,880
OTHER INCOME	4,335	540	8,577	2,337
	8,475	4,030	22,000	32,217
ADMINISTRATIVE EXPENSES	(1,787)	(1,821)	(8,701)	(7,879)
OTHER EXPENSES	(423)	(576)	(2,314)	(2,481)
FINANCE COSTS	(14)	(7)	(55)	(61)
PROFIT BEFORE TAXATION	6,251	1,626	10,930	21,796
INCOME TAX EXPENSE	(810)	41	(2,596)	(5,557)
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR	5,441	1,667	8,334	16,239
<b>PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:</b>				
- Owners of the Company	4,584	2,019	8,034	17,198
- Non-controlling Interest	857	(352)	300	(959)

**UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023<sup>(1)</sup> (CONT'D)**

	<b>CURRENT YEAR QUARTER</b>	<b>PRECEDING YEAR QUARTER</b>	<b>CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR TO DATE</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>EARNINGS PER SHARE ("EPS") ATTRIBUTABLE TO OWNERS OF THE COMPANY(SEN)</b>				
- Basic EPS	0.49	0.22	0.86	1.83
- Diluted EPS	0.49	0.22	0.86	1.83

**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 31 DECEMBER 2023<sup>(1)</sup>**

	<b>As At 31.12.2023</b>	<b>As At 31.12.2022</b>
	<b>Unaudited RM'000</b>	<b>Audited RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	15,570	20,734
<b>CURRENT ASSETS</b>		
Contract assets	100,418	117,427
Trade receivables	141,737	165,369
Other receivables, deposits and prepayments	10,000	18,855
Short-term investments	22,428	20,844
Fixed deposits with licensed banks	9,969	17,223
Cash and bank balances	46,589	8,200
	<u>331,141</u>	<u>347,918</u>
<b>TOTAL ASSETS</b>	<b><u>346,711</u></b>	<b><u>368,652</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	62,564	62,564
Retained profits	105,857	97,823
Equity attributable to owners of the Company	168,421	160,387
Non-controlling interest	832	532
<b>TOTAL EQUITY</b>	<b><u>169,253</u></b>	<b><u>160,919</u></b>
<b>NON-CURRENT LIABILITY</b>		
Deferred tax liability	-	692
<b>CURRENT LIABILITIES</b>		
Contract liabilities	13,298	-
Trade payables	69,947	109,857
Other payables and accruals	87,146	90,516
Provision	6,224	5,366
Current tax liabilities	843	1,302
	<u>177,458</u>	<u>207,041</u>
<b>TOTAL LIABILITIES</b>	<b><u>177,458</u></b>	<b><u>207,733</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>346,711</u></b>	<b><u>368,652</u></b>
Number of issued shares ('000)	937,500	937,500
Net asset per share attributable to owners of the Company (RM)	<u>0.18</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 YEAR ENDED 31 DECEMBER 2023<sup>(1)</sup>**

	<b>Share Capital</b>	<b>Retained Profits</b>	<b>Attributable to Owners of the Company</b>	<b>Non- controlling Interest</b>	<b>Total Equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
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)
<b>Balance at 31.12.2022 (Audited)</b>	<b>62,564</b>	<b>97,823</b>	<b>160,387</b>	<b>532</b>	<b>160,919</b>
Balance at 1.1.2023	62,564	97,823	160,387	532	160,919
Profit after taxation/ Total comprehensive income for the financial year	-	8,034	8,034	300	8,334
<b>Balance at 31.12.2023 (Unaudited)</b>	<b>62,564</b>	<b>105,857</b>	<b>168,421</b>	<b>832</b>	<b>169,253</b>

**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 YEAR ENDED 31 DECEMBER 2023<sup>(1)</sup>**

	<b>CURRENT FINANCIAL YEAR ENDED 31.12.2023 RM'000</b>	<b>PRECEDING FINANCIAL YEAR ENDED 31.12.2022 RM'000</b>
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
Profit before taxation	10,930	21,796
Adjustments for:-		
Depreciation of property, plant and equipment	5,212	6,545
Plant and equipment written off	9	17
Interest expense	55	61
Provision for defect works	3,406	2,687
Gain on disposal of plant and equipment	(3,084)	(229)
Interest income	(1,570)	(1,122)
Reversal of provision for defect works	(2,549)	(2,361)
Operating profit before working capital changes	12,409	27,394
Decrease in contract assets	17,009	26,807
Decrease/(Increase) in trade and other receivables	32,486	(103,340)
Increase/(Decrease) in contract liabilities	13,298	(652)
(Decrease)/Increase in trade and other payables	(43,335)	24,177
<b>CASH FROM/(FOR) OPERATIONS</b>	<b>31,867</b>	<b>(25,614)</b>
Income tax paid	(3,758)	(8,525)
Income tax refunded	12	-
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>	<b>28,121</b>	<b>(34,139)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income received	1,570	1,122
Proceeds from disposal of plant and equipment	4,815	257
Purchase of plant and equipment	(1,787)	(1,150)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>4,598</b>	<b>229</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Decrease/(Increase) in pledged fixed deposits with licensed banks	7,254	(7,364)
Dividend paid	-	(6,562)
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<b>7,254</b>	<b>(13,926)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>39,973</b>	<b>(47,836)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>29,044</b>	<b>76,880</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>69,017</b>	<b>29,044</b>



**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2023<sup>(1)</sup> (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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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

Amendments to MFRS 112: Internatioanal Tax Reform – Pillar Two Model Rules

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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)****A2. Changes in Accounting Policies (Cont'd)**

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

<b>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective for annual periods on or after</b>
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 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
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 year under review.

**A6. Changes in Estimates**

There were no material changes in accounting estimates that would materially affect the accounts for the current financial year 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 and financial year ended 31 December 2023.

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)****A8. Dividend Paid**

No dividend was paid during the current financial quarter and financial year ended 31 December 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 occurring after the end of the interim financial period up to 21 February 2024 (the latest practicable date which is not earlier than 7 days from the date of this interim report), apart from those disclosed in the Note B9 on Material Litigation, item (1)(xiii) to (1)(xvi).

**A11. Changes in the Composition of the Group**

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

**A13. Capital Commitments**

	<b>As At 31.12.2023 RM'000</b>	<b>As At 31.12.2022 RM'000</b>
Purchase of plant and equipment	-	56

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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:

	<b>As At 31.12.2023</b>	<b>As At 31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>		
Performance bond and tender bond guarantees extended by subsidiaries to third parties	23,981	64,539

**A15. Related Party Transactions**

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

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

	Quarter Ended			
	31.12.23 RM'000	31.12.22 RM'000	Variance RM'000	%
Revenue	81,053	64,836	16,217	25.01
PBT	6,251	1,626	4,625	284.44

During the current financial quarter ended 31 December 2023, GDB recorded a 25% revenue growth, rising by RM16.22 million to RM81.05 million from RM64.84 million in the corresponding quarter of the previous year. The increase is primarily attributed to ongoing projects, while the previous year's quarter was impacted by the work suspension of the 8 Conlay Project.

The Group's profit before tax (PBT) rose by RM4.63 million, marking a 284% increase to RM6.25 million from RM1.63 million in the same quarter of the previous year. This growth is consistent with the rise in revenue and is bolstered by increased other income, attributed to gain from the disposal of plant and equipment, as well as lease income from plant and equipment in the current financial quarter.

	Year-To-Date Ended			
	31.12.23 RM'000	31.12.22 RM'000	Variance RM'000	%
Revenue	319,649	510,055	(190,406)	(37.33)
PBT	10,930	21,796	(10,866)	(49.85)

In the current financial year ended 31 December 2023, GDB reported a 37% decrease in revenue, reducing by RM190.41 million to RM319.65 million from RM510.05 million in the corresponding financial year. The decline is primarily 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 on 19 April 2023.

The PBT declined by RM10.87 million, representing a 50% decrease to RM10.93 million from RM21.80 million in the corresponding financial year. This decline is in tandem with the decrease in revenue and is further exacerbated by higher project costs incurred from a recent completed project due to increased construction material prices and labour costs. Additionally, higher project preliminaries and staff costs resulted from contract duration prolonged by previous COVID movement restrictions also is further impacted by preliminaries and overheads incurred during the period when works for the 8 Conlay Project were under full suspension or major portion of the project were under suspension as well as the period after the 8 Conlay Determination. The decline in PBT was partially offset by an increase in other income for the current financial year.

**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			
	31.12.23 RM'000	30.09.23 RM'000	Variance RM'000	%
Revenue	81,053	81,037	16	0.02
Profit Before Taxation	6,251	2,177	4,074	187.14

In the current financial quarter under review, the Group's revenue saw a slight increase of 0.02%, reaching RM81.05 million compared to RM81.04 million in the immediate preceding financial quarter.

Nevertheless, the PBT for the current financial quarter is recorded with a noted improvement of 187%, rising to RM6.25 million from RM2.18 million in the immediate preceding financial quarter. The improvement in PBT is primarily stemming from gain on the disposal of plant and equipment in the current financial quarter.

**B3. Prospects for the Financial Year Ending 31 December 2024 ("FYE 2024")**

The Group's order book stands at RM398 million, including the Logistic Hub in Klang and a recently secured contract for the KL International Hospital located in Bukit Jalil, which provides earnings visibility until financial year ending 31 December 2026. Concurrently, the Group is actively seeking new contract opportunities to enhance its future prospects amid the prevailing uptrend in the building construction sector. To this end, the Group has submitted tenders with a total worth of RM1.7 billion, and will be submitting an additional RM4.8 billion worth of bids for construction projects by first half of year 2024. These tenders include projects across various building types including commercial, data center, residential, mixed development, hotel and warehouse projects.

**B4. Profit Forecast**

The Group did not issue any profit forecast or guarantee during the current financial quarter and financial year 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:

	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>31.12.23</b>	<b>31.12.22</b>	<b>31.12.23</b>	<b>31.12.22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax				
- for the financial period/year	1,205	58	3,290	6,298
- over provision in prior year	-	-	(2)	(345)
Deferred tax				
- realisation of deferred taxation on usage of plant and equipment	(395)	(99)	(692)	(396)
	<u>810</u>	<u>(41)</u>	<u>2,596</u>	<u>5,557</u>
Effective tax rate (%) <sup>(1)</sup>	<u>12.96</u>	<u>-</u>	<u>23.75</u>	<u>25.50</u>

**Notes:**

- (1) The Group's effective tax rate for the current financial year under review and preceding financial year are 23.75% and 25.50% respectively. The lower effective tax rate than the statutory tax rate for current financial year is mainly due to certain non-taxable income.
- (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 <sup>(a)</sup>	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			
<b>Capital expenditure:</b>								
- Purchase of new construction machinery and equipment	8,670	-	(6,845) <sup>(b)</sup>	(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 <sup>(d)</sup>	Within 1 year	Within 5 years	Within 8 years
<b>Working capital:</b>								
- 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) <sup>(c)</sup>	-	-	Within 1 year	Within 3 years	No change
<b>Estimated listing expenses</b>	3,500	(673)	-	(2,827)	-	Within 3 months	No change	No change
<b>Total</b>	<b>43,750</b>	<b>-</b>	<b>-</b>	<b>(35,750)</b>	<b>8,000</b>			



**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 and financial year under review.

**B9. Material Litigation**

- (1) Disputes between GDBSB and DCSB/KSKL 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/KSKL 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. ("KSKL"), the holding company of DCSB. GDBSB served upon KSKL 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 KSKL 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 KSKL 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/KSKL 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 are 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 filed by DCSB 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, for a three-month period expiring on 30 November 2023.
- (ix) On 2 October 2023, an announcement was made by the Company in relation to an *ex-parte* application made by KSKL 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 KSKL respectively meant all legal proceedings including arbitration and adjudication proceedings had to be suspended by the respective Orders of the High Court.
- (xi) On 5 December 2023, an announcement was made by the Company regarding the *ex-parte* application as mentioned on item (viii) above, that the High Court has granted DCSB's application for an extension period from 1 December 2023 to 30 January 2024 for the High Court Order.



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**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/KSKL on the 8 Conlay Project (Cont'd)

- (xii) On 21 December 2023, an announcement was made by the Company that the High Court has granted leave to GDBSB to intervene, for intitlements of cause papers to include GDBSB's name, and ordered that the Court Order to summon a creditors' meeting for purposes of a scheme of arrangement, and the Court Order to restrain further proceedings in any action or proceeding against KSKL, be set aside with costs to GDBSB.
- (xiii) On 2 January 2024, an announcement was made by the Company that the High Court has granted leave to GDBSB to intervene, and ordered that the Court Order to summon a creditors' meeting for purposes of a scheme of arrangement, and the Court Order to restrain further proceedings in any action or proceeding against DCSB, be set aside with costs to GDBSB.
- (xiv) On 9 January 2024, an announcement was made by the Company that GDBSB has filed an application of winding-up petition against KSKL pursuant to Section 465(1)(e) and/or Section 465(1)(h) of the Companies Act 2016 in the High Court of Malaya at Kuala Lumpur.
- (xv) On 9 January 2024, an announcement was made by the Company that a creditor of DCSB namely, KCJ Properties Sdn Bhd, had on 7 January 2024 filed an *ex-parte* application for a judicial management order to place DCSB under the judicial management of a judicial manager pursuant to Sections 404 and 405 of the Companies Act 2016.
- (xvi) On 13 February 2024, an announcement was made by the Company that a court order dated 8 February 2024 in relation to an *ex-parte* application made by Stafford Financial Capital Limited under Sections 366 and 368 of the Companies Act 2016 as well as Order 7, Order 28 and Order 88 of the Rules of Court 2012 affecting KSK Group Berhad, KSKL and DCSB (collectively referred as to "KSK Group")



**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (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.

The Asian International Arbitration Centre is currently administering the arbitration proceedings.

- (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.
- (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.
- (iv) On 6 June 2023, GDBSB has filed a Notice of Appeal challenging the court’s decision regarding the interim injunction. The court has scheduled the hearing for the appeal of the interim injunction on 18 September 2024.
- (v) SOYLSB has in December 2023 provided the renewed Bank Guarantee, which is valid until 21 December 2024.

**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 year 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>31.12.23</u>	<u>31.12.22</u>	<u>31.12.23</u>	<u>31.12.22</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>4,584</u>	<u>2,019</u>	<u>8,034</u>	<u>17,198</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	0.49	0.22	0.86	1.83
- Diluted <sup>(1)</sup>	<u>0.49</u>	<u>0.22</u>	<u>0.86</u>	<u>1.83</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 and financial year 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:

	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>31.12.23</b>	<b>31.12.22</b>	<b>31.12.23</b>	<b>31.12.22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Other Income</b>				
Gain on disposal of plant and equipment	2,768	35	3,084	229
Interest income:				
- fixed deposits with licensed banks	276	161	987	546
- short-term investments	169	155	583	576
Lease income from plant equipment	849	11	1,822	67
Scrap sales	47	28	285	447
Others	226	150	1,816	472
<b>Total Other Income</b>	<b>4,335</b>	<b>540</b>	<b>8,577</b>	<b>2,337</b>

	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>31.12.23</b>	<b>31.12.22</b>	<b>31.12.23</b>	<b>31.12.22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Administrative Expenses</b>				
Auditors' remuneration:				
- audit fees	22	28	122	113
- other services	-	1	6	5
Directors' remuneration:				
- fees	70	61	281	250
- salaries and other emoluments	406	378	1,800	1,691
- defined contribution plan	33	32	131	131
Staff costs:				
- salaries and other emoluments	844	998	3,777	3,934
- defined contribution plan	60	90	343	402
Short-term lease expenses	14	16	75	64
Other administrative expenses	338	217	2,166	1,289
<b>Total Administrative Expenses</b>	<b>1,787</b>	<b>1,821</b>	<b>8,701</b>	<b>7,879</b>

**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):

	<b>Quarter Ended</b>		<b>Year-To-Date Ended</b>	
	<b>31.12.23</b>	<b>31.12.22</b>	<b>31.12.23</b>	<b>31.12.22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Other Expenses</b>				
Depreciation of property, plant and equipment	423	576	2,314	2,462
Plant and equipment written off	#	-	#	#
Fair value loss on short-term investments	-	-	-	19
<b>Total Other Expenses</b>	<u>423</u>	<u>576</u>	<u>2,314</u>	<u>2,481</u>
<b>Finance Costs <sup>(1)</sup></b>	<u>14</u>	<u>7</u>	<u>55</u>	<u>61</u>
<b>Total Administrative Expenses, Other Expenses and Finance Costs</b>	<u><b>2,224</b></u>	<u><b>2,404</b></u>	<u><b>11,070</b></u>	<u><b>10,421</b></u>

**Notes:**

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

# Amount below RM1,000.

BY ORDER OF THE BOARD