



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED
30 JUNE 2024**

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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 2024⁽¹⁾**

	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
REVENUE	46,616	86,294	91,092	157,559
COST OF SALES	(39,401)	(82,884)	(79,828)	(151,247)
GROSS PROFIT	7,215	3,410	11,264	6,312
OTHER INCOME	1,771	972	3,700	1,602
	8,986	4,382	14,964	7,914
ADMINISTRATIVE EXPENSES	(2,748)	(2,121)	(5,655)	(4,230)
OTHER EXPENSES	(451)	(576)	(710)	(1,156)
FINANCE COSTS	-	(14)	(3)	(26)
PROFIT BEFORE TAXATION	5,787	1,671	8,596	2,502
INCOME TAX EXPENSE	(1,624)	(519)	(2,425)	(889)
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	4,163	1,152	6,171	1,613
PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:				
- Owners of the Company	4,161	1,337	6,182	2,004
- Non-controlling Interest	2	(185)	(11)	(391)

**UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024⁽¹⁾ (CONT'D)**

	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
EARNINGS PER SHARE ("EPS") ATTRIBUTABLE TO OWNERS OF THE COMPANY(SEN)				
- Basic EPS	0.44	0.14	0.66	0.21
- Diluted EPS	0.44	0.14	0.66	0.21

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 2023 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024⁽¹⁾**

	As At 30.06.2024	As At 31.12.2023
	Unaudited RM'000	Audited RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	14,020	15,570
CURRENT ASSETS		
Contract assets	100,846	100,418
Trade receivables	117,139	141,737
Other receivables, deposits and prepayments	6,469	10,000
Short-term investments	47,100	22,428
Fixed deposits with licensed banks	7,239	9,969
Cash and bank balances	33,102	46,589
	<u>311,895</u>	<u>331,141</u>
TOTAL ASSETS	<u>325,915</u>	<u>346,711</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	62,564	62,564
Retained profits	112,039	105,857
Equity attributable to owners of the Company	174,603	168,421
Non-controlling interest	821	832
TOTAL EQUITY	<u>175,424</u>	<u>169,253</u>
CURRENT LIABILITIES		
Contract liabilities	12,337	13,298
Trade payables	67,334	69,947
Other payables and accruals	60,201	87,146
Provision	8,371	6,224
Current tax liabilities	2,248	843
TOTAL LIABILITIES	<u>150,491</u>	<u>177,458</u>
TOTAL EQUITY AND LIABILITIES	<u>325,915</u>	<u>346,711</u>
Number of issued shares ('000)	937,500	937,500
Net asset per share attributable to owners of the Company (RM)	<u>0.19</u>	<u>0.18</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 2023 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 2024⁽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 1.1.2023	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
Balance at 31.12.2023 (Audited)	62,564	105,857	168,421	832	169,253
Balance at 1.1.2024	62,564	105,857	168,421	832	169,253
Profit/(Loss) after Taxation/Total comprehensive income/(expense) for the financial period	-	6,182	6,182	(11)	6,171
Balance at 30.06.2024 (Unaudited)	62,564	112,039	174,603	821	175,424

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 2023 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024⁽¹⁾**

	CURRENT FINANCIAL PERIOD ENDED 30.06.2024 RM'000	PRECEDING FINANCIAL PERIOD ENDED 30.06.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,596	2,502
Adjustments for:-		
Depreciation of property, plant and equipment	1,664	2,847
Plant and equipment written off	5	1
Interest expense	3	26
Provision for defect works	2,455	721
Gain on disposal of plant and equipment	(60)	(137)
Interest income	(1,269)	(699)
Reversal of provision for defect works	(308)	(806)
Operating profit before working capital changes	11,086	4,455
Increase in contract assets	(428)	(243)
Decrease in trade and other receivables	26,130	43,001
Increase in contract liabilities	(961)	-
Decrease in trade and other payables	(29,561)	(30,002)
CASH FROM OPERATIONS	6,266	17,211
Income tax paid	(1,021)	(1,954)
NET CASH FROM OPERATING ACTIVITIES	5,245	15,257
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest income received	1,269	699
Proceeds from disposal of plant and equipment	2,099	145
Purchase of plant and equipment	(158)	(1,212)
NET CASH FROM/(FOR) INVESTING ACTIVITIES	3,210	(368)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in pledged fixed deposits with licensed banks	2,730	1,210
NET CASH FROM FINANCING ACTIVITIES	2,730	1,210
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,185	16,099
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	69,017	29,044
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	80,202	45,143



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024⁽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 2023 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 2024

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 2023.

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 2023, 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 2024.

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

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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 121: Lack of Exchangeability

1 January 2025



A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (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
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Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
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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 2023 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 and financial period ended 30 June 2024.



A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONT'D)

A8. Dividend Paid

No dividend was paid during the current financial quarter and financial period ended 30 June 2024.

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 have occurred subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

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 period 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 period under review.

A13. Capital Commitments

	As At 30.06.2024 RM'000	As At 31.12.2023 RM'000
Purchase of plant and equipment	46	-

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (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 30.06.2024	As At 31.12.2023
	RM'000	RM'000
Secured		
Performance bond and tender bond guarantees extended by subsidiaries to third parties	13,500	23,981

A15. Related Party Transactions

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

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

	Quarter Ended			
	30.06.24	30.06.23	Variance	
	RM'000	RM'000	RM'000	%
Revenue	46,616	86,294	(39,678)	(45.98)
PBT	5,787	1,671	4,116	246.32

In the second quarter ended 30 June 2024, GDB recorded a decline in revenue of 45.98% or RM39.68 million, to RM46.61 million from RM86.29 million in the same quarter last year. The decrease is primarily attributed to the completion of Park Regent project in the fourth quarter last year and reduced contribution from the nearing completion Logistic Hub project in Klang. The newly secured Logistic Hub Plot B project in Shah Alam, accepted on 21 June 2024, is in its early stages and did not materially contribute to revenue this quarter.

The Group's profit before tax (PBT) increased 246.32% or RM4.12 million to RM5.79 million in the second quarter from RM1.67 million in the same quarter last year. The improvement is partly attributed to challenges faced in the prior-year quarter, including higher construction material prices, labour costs, project preliminaries and staff costs due to the prolonged contract durations caused by previous movement restrictions. Additionally, the current quarter benefitted from the recognition of improved profit from completed project, higher interest income and lease income.

	Year-To-Date Ended			
	30.06.24	30.06.23	Variance	
	RM'000	RM'000	RM'000	%
Revenue	91,092	157,559	(66,467)	(42.19)
PBT	8,596	2,502	6,094	243.57

In the current financial period ended 30 June 2024, GDB recorded a decline in revenue of 42.19% or RM66.47 million, to RM91.09 million from RM157.56 million in the same period last year. The decrease is primarily attributed to the completion of Park Regent project in the fourth quarter last year, while contribution from the newly secured Logistic Hub in Shah Alam, is in its early stages and did not materially contribute to revenue for the current financial period.

The Group's PBT improved 243.57% or RM6.09 million, to RM8.59 million from RM2.50 million in the same period last year. This improvement is partly attributed to challenges faced in the prior financial period, including higher construction material prices, labour costs, project preliminaries and staff costs due to the prolonged contract durations caused by the previous movement restrictions. Additionally, the current period benefitted from the recognition of improved profit from completed project, higher interest income and lease income.

**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			
	30.06.24 RM'000	31.03.24 RM'000	Variance RM'000	%
Revenue	46,616	44,476	2,140	4.81
Profit Before Taxation	5,787	2,809	2,978	106.02

The Group reported an increase in revenue of 4.81% to RM46.62 million in the second quarter ended 30 June 2024 from RM44.48 million in the immediate preceding financial quarter. The increase is primarily driven by contributions from ongoing projects.

The PBT for the second quarter improved by 106.02% to RM5.79 million, compared to RM2.81 million in the immediate preceding quarter. The improvement aligns with the increase in revenue, and is also attributed to the recognition of improved profit from completed project in the current quarter.

B3. Prospects for the Financial Year Ending 31 December 2024 (“FYE 2024”)

The Group’s order book amounted to RM1.17 billion as at 30 June 2024, comprising its ongoing projects namely the Logistic Hub in Klang, KL International Hospital located in Bukit Jalil and the recently secured Logistic Hub Plot B project in Shah Alam. The substantial order book providing earnings visibility until the financial year ending 31 December 2026.

In line with its growth strategy, the Group continues to pursue new contract opportunities to capitalize on improving market conditions in the building construction sector. To date, the Group has submitted tenders for projects with a total worth of RM1.4 billion, and plans to submit additional bids worth approximately RM2.7 billion by the fourth quarter of year 2024. These tenders encompass a diversified portfolio of projects across various building types, including commercial, data centre, residential, mixed development, hotel and warehouse.

Barring any unforeseen circumstances, the Group maintains a cautiously optimistic outlook for its performance for the financial year ending 31 December 2024.

B4. Profit Forecast

The Group did not issue any profit forecast or guarantee during the current financial quarter and financial period 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	
	30.06.24	30.06.23	30.06.24	30.06.23
	RM'000	RM'000	RM'000	RM'000
Current tax				
- for the financial period	1,624	618	2,425	1,087
Deferred tax				
- realisation of deferred taxation on usage of plant and equipment	-	(99)	-	(198)
	<u>1,624</u>	<u>519</u>	<u>2,425</u>	<u>889</u>
Effective tax rate (%) ⁽¹⁾	<u>28.06</u>	<u>31.06</u>	<u>28.21</u>	<u>35.53</u>

Notes:

- (1) The Group's effective tax rate for the current financial period under review and preceding financial period are 28.21% and 35.53% respectively. The higher effective tax rate compared to the statutory tax rate is mainly due to certain 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 that are still pending completion 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 period under review.

B9. Material Litigation

The pending material litigations are as follows:-

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

The 8 Conlay Project determination since 19 April 2023 has led to the institution of several legal suits initiated by the Group against DCSB aimed at the recovering of the outstanding sum based on certified sums for work performed for the 8 Conlay Project as well as late payment interest which DCSB had failed, refused, and/or neglected to pay GDBSB. Legal action was also taken against KSKL for breach of Corporate Guarantee dated 5 August 2022 provided by KSKL in favour of GDBSB ("Corporate Guarantee").

- (a) The Adjudication Decision dated 10 February 2023 under the Construction Industry Payment Adjudication Act ("CIPAA") 2012 which is in favour of GDBSB with Adjudication Sum of RM97,792,870.96, late payment interest (still accruing until full payment) and adjudication costs of RM90,600 ("Adjudication Decision") ("CIPAA I").

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.



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

B9. Material Litigation (Cont'd)

The pending material litigations are as follows (Cont'd):-

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

On 10 August 2023, GDB filed an Originating Summons and Affidavit in Support at the High Court of Malaya at Kuala Lumpur to enforce the Adjudication Decision pursuant to Section 28 of the CIPAA 2012.

Ad interim order was obtained by DCSB on 21 August 2023 to stay the Adjudication Decision pending hearing and disposal of DCSB's application to set aside and GDBSB's application to enforce the Adjudication Decision.

- (b) 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.
- (c) 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 payments based on a construction contract for construction works carried out but not paid by DCSB ("CIPAA II"). CIPAA II - 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 favour of GDBSB for DCSB to pay GDBSB as follows:
- (i) 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;
 - (ii) Costs arising from and/or in connection with the adjudication proceedings; and
 - (iii) Such further and other reliefs that the Learned Adjudicator may deem fit.

On 26 August 2024, an announcement was made by the Company that the Adjudication Decision dated 20 August 2024 under the CIPAA 2012 [AIAC Reference No. AIAC/D/ADJ-4811-2023] has been released and received on 26 August 2024, the Learned Adjudicator has determined and delivered her decision in favour of GDBSB. The Adjudication Amount of RM59,154,600.34 (consisting of Interim Certificates 19 to 24 and late payment interest pursuant to Clause 30.17 PAM Contract), together with costs of the adjudication proceedings of RM161,613.38, both amounts are to be paid by DCSB to GDBSB on or before 3 September 2024 in one lump sum.



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

B9. Material Litigation (Cont'd)

The pending material litigations are as follows (Cont'd):-

- (1) Disputes between GDBSB and DCSB/KSKL on the 8 Conlay Project (Cont'd)
 - (d) 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):-
 - (i) Outstanding certified sums;
 - (ii) Late payment interest;
 - (iii) Value of uncertified work executed;
 - (iv) Costs, losses, damages, etc.; and
 - (v) Such further and/or other relief as the Arbitrator deems fit and/or appropriate.
 - (e) On 15 May 2023, GDBSB served upon KSKL the sealed copy of the Writ of Summons and Statement of Claim in connection with the Corporate Guarantee to claim against KSKL the following:-
 - (i) The Outstanding Sum due and owing to GDBSB by DCSB;
 - (ii) 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;
 - (iii) Costs; and
 - (iv) Such further and/or other relief as the High Court of Malaya at Kuala Lumpur deems fit and proper to grant.
 - (f) 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.

On a case management on 8 August 2024, the winding up petition has been struck off by the High Court with liberty to file afresh and with no order as to costs.

An announcement was made by the Company of the above matter on 12 August 2024.

The High Court of Kuala Lumpur had been informed that KSKL has been wound up by a creditor of KSKL in the High Court of Seremban, Modern Fusion Enterprise, on 11 July 2024.
 - (g) On 5 April 2024, an announcement was made in relation to an application filed by Stafford Financial Capital Ltd sometime in January 2024 pursuant to Section 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, where the High Court had set aside the said application in favour of GDBDB with costs.



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

B9. Material Litigation (Cont'd)

The pending material ligations are as follows (Cont'd):-

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

- (h) On 15 April 2024, an announcement was made by the Company that a creditor of DCSB and KSKL, namely Fictionist Studio ("FS") has on 1 April 2024 filed an Originating Summons to place DCSB and KSKL under judicial management pursuant to Sections 404 and 405 of the Companies Act 2016.

On 13 May 2024, an announcement was made by the Company that FS' application has been successfully struck off by the High Court.

- (i) On 16 May 2024, an announcement was made by the Company that a creditor of DCSB namely Lime Meridian Sdn Bhd ("LMSB") filed an Originating Summons in the Penang High Court to place DCSB under judicial management pursuant to Sections 404 and 405 of the Companies Act 2016.

On 25 July 2024, an announcement was made by the Company that LMSB's application has been successfully struck off by the High Court.

GDBSB's solicitors are in attendance to challenge the applications that seek to impede the legal proceedings against DCSB and or KSKL. Thus far, GDBSB has been successful in having these applications struck off by the High Court.

The Group will continue with legal proceedings towards its debt recovery from both DCSB and KSKL amidst these challenges.



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

B9. Material Litigation (Cont'd)

The pending material litigations are as follows (Cont'd):-

(2) Disputes between GDBSB and Syarikat Ong Yoke Lin Sdn. Bhd. ("SOYLSB")

- (a) On 22 December 2022, 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 pending the outcome of an arbitration proceedings between GDBSB and SOLYSB as mentioned in item (2)(b) below.

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 21 December 2024.

On 6 June 2023, GDBSB has filed a Notice of Appeal challenging the court's decision regarding the interim injunction.

- (b) 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 2006 for the 8 Conlay Project. GDBSB has accordingly served on SOYLSB its Response to the Notice of Arbitration dated 2 February 2023.

Both GDBSB and SOYLSB had entered into an agreement on 14 August 2024 and amongst the terms and conditions therein contained, both parties are to:

- (i) withdraw their respective notices from Asian International Arbitration Centre ("AIAC");
- (ii) GDBSB to withdraw the Notice of Appeal which in turn SOYLSB's Cross Appeal would also be withdrawn;

and on 16 August 2024, an announcement was made by the Company that the said notices of arbitration have been withdrawn from AIAC and the Notice of Appeal has been withdrawn from the Court of Appeal. (Note that the Director of AIAC had approved the withdrawal of the notices of arbitration on 16 August 2024 after the intention to withdraw the said notices had been filed with AIAC on 14 August 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 quarter and financial period 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:

	Quarter Ended		Year-To-Date Ended	
	30.06.24	30.06.23	30.06.24	30.06.23
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	<u>4,161</u>	<u>1,337</u>	<u>6,182</u>	<u>2,004</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	0.44	0.14	0.66	0.21
- Diluted ⁽¹⁾	<u>0.44</u>	<u>0.14</u>	<u>0.66</u>	<u>0.21</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 period 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	
	30.06.24	30.06.23	30.06.24	30.06.23
	RM'000	RM'000	RM'000	RM'000
Other Income				
Gain on disposal of plant and equipment	26	89	60	137
Interest income:				
- fixed deposits with licensed banks	269	256	598	418
- short-term investments	391	138	671	281
Lease income from plant and equipment	756	58	1,571	79
Scrap sales	120	96	272	128
Others	209	335	528	559
Total Other Income	1,771	972	3,700	1,602

	Quarter Ended		Year-To-Date Ended	
	30.06.24	30.06.23	30.06.24	30.06.23
	RM'000	RM'000	RM'000	RM'000
Administrative Expenses				
Auditors' remuneration:				
- audit fees	31	40	61	68
- other services	1	3	3	4
Directors' remuneration:				
- fees	71	72	140	141
- salaries and other emoluments	416	508	831	983
- defined contribution plan	34	34	68	68
Staff costs:				
- salaries and other emoluments	1,449	918	2,634	1,984
- defined contribution plan	175	109	271	193
Short-term lease expenses	2	22	23	38
Other administrative expenses	569	415	1,624	751
Total Administrative Expenses	2,748	2,121	5,655	4,230

**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	
	30.06.24	30.06.23	30.06.24	30.06.23
	RM'000	RM'000	RM'000	RM'000
Other Expenses				
Depreciation of property, plant and equipment	451	576	710	1,156
Total Other Expenses	<u>451</u>	<u>576</u>	<u>710</u>	<u>1,156</u>
Finance Costs ⁽¹⁾	<u>-</u>	<u>14</u>	<u>3</u>	<u>26</u>
Total Administrative Expenses, Other Expenses and Finance Costs	<u>3,199</u>	<u>2,711</u>	<u>6,368</u>	<u>5,412</u>

Note:

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

BY ORDER OF THE BOARD