



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED
30 SEPTEMBER 2024**

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**UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024⁽¹⁾**

	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
REVENUE	72,903	81,037	163,995	238,596
COST OF SALES	(50,139)	(78,066)	(129,967)	(229,313)
GROSS PROFIT	22,764	2,971	34,028	9,283
OTHER INCOME	1,624	2,640	5,324	4,242
	24,388	5,611	39,352	13,525
ADMINISTRATIVE EXPENSES	(2,983)	(2,684)	(8,638)	(6,914)
OTHER EXPENSES	(5,261)	(735)	(5,971)	(1,891)
FINANCE COSTS	-	(15)	(3)	(41)
PROFIT BEFORE TAXATION	16,144	2,177	24,740	4,679
INCOME TAX EXPENSE	(5,116)	(897)	(7,541)	(1,786)
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	11,028	1,280	17,199	2,893
PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:				
- Owners of the Company	11,036	1,446	17,218	3,450
- Non-controlling Interest	(8)	(166)	(19)	(557)

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

	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
EARNINGS PER SHARE ("EPS") ATTRIBUTABLE TO OWNERS OF THE COMPANY(SEN)				
- Basic EPS	1.18	0.15	1.84	0.37
- Diluted EPS	1.18	0.15	1.84	0.37

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 SEPTEMBER 2024⁽¹⁾**

	As At 30.09.2024	As At 31.12.2023
	Unaudited RM'000	Audited RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	13,323	15,570
CURRENT ASSETS		
Contract assets	125,701	100,418
Trade receivables	110,008	141,737
Other receivables, deposits and prepayments	6,829	10,000
Short-term investments	47,494	22,428
Fixed deposits with licensed banks	9,917	9,969
Cash and bank balances	17,813	46,589
	<u>317,762</u>	<u>331,141</u>
TOTAL ASSETS	<u>331,085</u>	<u>346,711</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	62,564	62,564
Retained profits	123,075	105,857
Equity attributable to owners of the Company	185,639	168,421
Non-controlling interest	813	832
TOTAL EQUITY	<u>186,452</u>	<u>169,253</u>
CURRENT LIABILITIES		
Contract liabilities	-	13,298
Trade payables	57,681	69,947
Other payables and accruals	74,151	87,146
Provision	6,766	6,224
Current tax liabilities	6,035	843
TOTAL LIABILITIES	<u>144,633</u>	<u>177,458</u>
TOTAL EQUITY AND LIABILITIES	<u>331,085</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>0.20</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 SEPTEMBER 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	-	17,218	17,218	(19)	17,199
Balance at 30.09.2024 (Unaudited)	62,564	123,075	185,639	813	186,452

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 SEPTEMBER 2024⁽¹⁾**

	CURRENT FINANCIAL PERIOD ENDED 30.09.2024 RM'000	PRECEDING FINANCIAL PERIOD ENDED 30.09.2023 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit before taxation	24,740	4,679
Adjustments for:-		
Depreciation of property, plant and equipment	2,492	4,177
Plant and equipment written off	5	6
Interest expense	3	41
Provision for defect works	2,420	3,795
Impairment on receivables	5,000	-
Gain on disposal of plant and equipment	(64)	(316)
Interest income	(1,854)	(1,125)
Reversal of provision for defect works	(1,878)	(2,398)
Operating profit before working capital changes	<u>30,864</u>	<u>8,859</u>
(Decrease)/Increase in contract assets	(25,282)	4,946
Decrease in trade and other receivables	27,900	48,773
(Decrease)/Increase in contract liabilities	(13,298)	2,830
Decrease in trade and other payables	<u>(25,265)</u>	<u>(40,815)</u>
CASH (FOR)/FROM OPERATIONS	<u>(5,081)</u>	<u>24,593</u>
Income tax paid	<u>(2,348)</u>	<u>(3,362)</u>
NET CASH (FOR)/FROM OPERATING ACTIVITIES	<u>(7,429)</u>	<u>21,231</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	1,854	1,125
Proceeds from disposal of plant and equipment	2,103	326
Purchase of plant and equipment	<u>(290)</u>	<u>(1,347)</u>
NET CASH FROM INVESTING ACTIVITIES	<u>3,667</u>	<u>104</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in pledged fixed deposits with licensed banks	<u>52</u>	<u>3,922</u>
NET CASH FROM FINANCING ACTIVITIES	<u>52</u>	<u>3,922</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(3,710)</u>	<u>25,257</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>69,017</u>	<u>29,044</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u><u>65,307</u></u>	<u><u>54,301</u></u>



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 and the Company have 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
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025



A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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
Annual Improvements to MFRS: Accounting Standards – Volume 11	1 January 2026
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 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 September 2024.

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024 (CONT'D)****A8. Dividend Paid**

No dividend was paid during the current financial quarter and financial period ended 30 September 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 30.09.2024 RM'000	As At 31.12.2023 RM'000
Purchase of plant and equipment	<u>1,624</u>	<u>-</u>

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 30.09.2024	As At 31.12.2023
	RM'000	RM'000
Secured		
Performance bond and tender bond guarantees extended by subsidiaries to third parties	112,292	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			
	30.09.24	30.09.23	Variance	
	RM'000	RM'000	RM'000	%
Revenue	72,903	81,037	(8,134)	(10.04)
PBT	16,144	2,177	13,967	641.57

In the third quarter ended 30 September 2024, GDB recorded a decline in revenue of 10.04% or RM8.13 million, to RM72.90 million from RM81.04 million in the corresponding quarter last year. The decrease is primarily attributed to the completion of certain projects namely the Park Regent project in Desa Parkcity and the Logistic Hub project in Klang. The ongoing projects specifically the KL International Hospital in Bukit Jalil and the Logistic Hub Plot B project in Shah Alam, accepted on 31 January 2024 and 21 June 2024 respectively, are still in their early stages of construction and have not significantly contributed to revenue during current quarter.

However, the Group's profit before tax (PBT) rose by 641.57% or RM13.97 million to RM16.15 million in the current quarter compared to RM2.18 million in the corresponding 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. The current quarter's performance benefited from profit contributions from ongoing projects, as well as some improved profit from completed projects, although it was partially offset by higher administrative and other expenses recognised during this quarter.

	Year-To-Date Ended			
	30.09.24	30.09.23	Variance	
	RM'000	RM'000	RM'000	%
Revenue	163,995	238,596	(74,601)	(31.27)
PBT	24,740	4,679	20,061	428.75

In the current financial period ended 30 September 2024, GDB recorded a decline in revenue of 31.27% or RM74.60 million, to RM164.00 million from RM238.60 million in the corresponding period last year. The decrease is primarily attributed to the completion of certain projects namely the Park Regent project in Desa Parkcity and the Logistic Hub project in Klang. The ongoing projects specifically the KL International Hospital in Bukit Jalil and the Logistic Hub Plot B in Shah Alam are still in their early stages of construction and have not significantly contributed to revenue during the current financial period.

However, the Group's PBT improved by 428.75% or RM20.06 million, to RM24.74 million compared to RM4.68 million in the corresponding 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. The current financial period's performance benefited from profit contributions from ongoing projects, as well as some improved profit from completed projects, also higher interest and lease income, although it was partially offset by higher administrative and other expenses recognised during the current financial period.

**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			
	30.09.24 RM'000	30.06.24 RM'000	Variance RM'000	%
Revenue	72,903	46,616	26,287	56.39
PBT	16,144	5,787	10,357	178.97

The Group reported an increase in revenue of 56.39% to RM72.90 million in the third quarter ended 30 September 2024 compared to RM46.62 million in the immediate preceding financial quarter. The increase is primarily driven by contributions from ongoing projects.

The PBT for the third quarter rose by 178.97% to RM16.15 million, compared to RM5.79 million in the immediate preceding quarter. The improvement aligns with the increase in revenue, and is also attributed to the recognition of some improved profit from completed projects, although it was partially offset by higher administrative and other expenses recognised this current quarter.

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

The Group's order book amounted to RM1.10 billion as at 30 September 2024, comprising its ongoing projects namely the 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 RM2.0 billion, and plans to submit additional bids worth approximately RM0.8 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 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	
	30.09.24	30.09.23	30.09.24	30.09.23
	RM'000	RM'000	RM'000	RM'000
Current tax				
- for the financial period	5,124	998	7,549	2,085
- over provision in prior year	(8)	(2)	(8)	(2)
Deferred tax				
- realisation of deferred taxation on usage of plant and equipment	-	(99)	-	(297)
	<u>5,116</u>	<u>897</u>	<u>7,541</u>	<u>1,786</u>
Effective tax rate (%) ⁽¹⁾	<u>31.69</u>	<u>41.20</u>	<u>30.48</u>	<u>38.17</u>

Notes:

- (1) The Group's effective tax rate for the current financial period under review and corresponding period last year are 30.48% and 38.17% 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 Grand Dynamic Builders Sdn Bhd (“GDBSB”) and Damai City Sdn Bhd (“DCSB”) / KSK Land Sdn Bhd (“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 was 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 [AIAC Reference No: AIAC/D/ADJ-4479-2022] (“CIPAA I Adjudication Decision”).



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)

On 4 August 2023, DCSB served the cause papers under Originating Summons to stay and to set-aside the CIPAA I Adjudication Decision pursuant to Sections 15 and 16 of the CIPAA 2012.

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

On 11 October 2024, an announcement was made by the Company that the High Court of Kuala Lumpur has delivered its decision on the following:-

- (i) the Setting Aside OS by DCSB have been dismissed with costs payable by DCSB to GDBSB;
- (ii) the Stay OS filed by DCSB have been dismissed with costs payable by DCSB to GDBSB; and
- (iii) the Enforcement OS filed by GDBSB have been allowed with costs in favour of GDBSB.

As a result of the above High Court decisions, the CIPAA I Adjudication Decision has been enforced by virtue of Section 28 of CIPAA 2012 as if it is a judgment or order of the High Court.

- (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"). 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.



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 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 ("CIPAA II Adjudication Decision").

On 10 September 2024, an announcement was made by the Company that DCSB has served the cause papers unto the solicitors to Stay and Set-Aside the CIPAA II Adjudication Decision. GDBSB on the other hand, filed an Originating Summons 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 said CIPAA II Adjudication Decision as if it is a judgment of court.

(d) On 3 October 2024 an announcement has been made by the Company that GDBSB has on 2 October 2024 filed a Writ of Summons of Claim at the High Court of Malaya at Kuala Lumpur to claim against DCSB amongst others, the following reliefs and remedies (not exhaustive):-

- (i) outstanding certified sums;
- (ii) late payment interest;
- (iii) value of uncertified work executed;
- (iv) retention sum;
- (v) post determination losses and damages;
- (vi) general damages;
- (vii) costs; and
- (viii) such further and/or other relief as the Honourable Court deems fit and/or appropriate.

The filing was made upon advisement by solicitors as a result of DCSB's deemed repudiation of the arbitration agreement allowing GDBSB to escalate the dispute resolution to the High Court for recovery of debts.



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)

(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 12 August 2024, an announcement was made by the Company that the winding up petition has been struck off by the High Court with liberty to file afresh and with no order as to costs.

(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 GDBSB with costs.

(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.



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)

- (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.

- (j) On 2 September 2024, an announcement was made by the Company that GDBSB has on 29 August 2024 filed a Writ of Summons and Statement of Claim at the High Court of Malaya at Kuala Lumpur against Paradise City Sdn. Bhd. ("PCSB") vide Suit Number WA-22NCvC-573-08/2024, seek to, amongst others, compel PCSB to register a charge over the land held under Grant 25711, Lot 240, Seksyen 63, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, in favour of GDBSB under the National Code 1965. PCSB is a related company to DCSB whereby PCSB and DCSB are wholly owned subsidiaries of KSKL.

- (k) On 7 October 2024, an announcement was made by the Company that GDBSB has on 4 October 2024 issued a Notice of Adjudication to DCSB under the CIPAA 2012 in relation to the disputes and differences arising between GDBSB and DCSB to claim against DCSB the following reliefs and remedies (not exhaustive):-

- (i) outstanding certified sums in the final account claim;
- (ii) outstanding uncertified sums in the final account claim;
- (iii) retention sum;
- (iv) late payment interest;
- (v) interests and costs; and
- (vi) such further and/or other relief as the Adjudicator deems fit and/or appropriate.

GDBSB's solicitors have in the past been successful in meeting the challenges of DCSB's and KSKL's applications that seek to impede the legal proceedings against DCSB and/or KSKL by 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:

	<u>Quarter Ended</u>		<u>Year-To-Date Ended</u>	
	<u>30.09.24</u>	<u>30.09.23</u>	<u>30.09.24</u>	<u>30.09.23</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>11,036</u>	<u>1,446</u>	<u>17,218</u>	<u>3,450</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	1.18	0.15	1.84	0.37
- Diluted ⁽¹⁾	<u>1.18</u>	<u>0.15</u>	<u>1.84</u>	<u>0.37</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	
	30.09.24	30.09.23	30.09.24	30.09.23
	RM'000	RM'000	RM'000	RM'000
Other Income				
Gain on disposal of plant and equipment	4	179	64	316
Interest income:				
- fixed deposits with licensed banks	190	293	788	711
- short-term investments	395	133	1,066	414
Lease income from plant and equipment	761	894	2,332	973
Scrap sales	119	110	391	238
Others	155	1,031	683	1,590
Total Other Income	1,624	2,640	5,324	4,242

	Quarter Ended		Year-To-Date Ended	
	30.09.24	30.09.23	30.09.24	30.09.23
	RM'000	RM'000	RM'000	RM'000
Administrative Expenses				
Auditors' remuneration:				
- audit fees	30	32	91	100
- other services	2	2	5	6
Directors' remuneration:				
- fees	70	70	210	211
- salaries and other emoluments	484	411	1,315	1,394
- defined contribution plan	39	30	107	98
Staff costs:				
- salaries and other emoluments	1,357	949	3,991	2,933
- defined contribution plan	152	90	423	283
Short-term lease expenses	2	23	25	61
Other administrative expenses	847	1,077	2,471	1,828
Total Administrative Expenses	2,983	2,684	8,638	6,914

**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	
	30.09.24	30.09.23	30.09.24	30.09.23
	RM'000	RM'000	RM'000	RM'000
Other Expenses				
Depreciation of property, plant and equipment	261	735	971	1,891
Impairment on receivables	5,000	-	5,000	-
Total Other Expenses	<u>5,261</u>	<u>735</u>	<u>5,971</u>	<u>1,891</u>
Finance Costs ⁽¹⁾	<u>-</u>	<u>15</u>	<u>3</u>	<u>41</u>
Total Administrative Expenses, Other Expenses and Finance Costs	<u>8,244</u>	<u>3,434</u>	<u>14,612</u>	<u>8,846</u>

Note:

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

BY ORDER OF THE BOARD