

GABUNGAN AQRS BERHAD

(Company No: 201001028608 (912527-A))

(Incorporated in Malaysia)

Quarterly Unaudited Results of the Group for the Second Quarter ended 30 June 2023

A Explanatory Notes in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

A2. Changes in Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in the consolidated financial statements for the financial year ended 31 December 2022 except as described below.

a. Accounting pronouncements that have been newly adopted for this interim financial period:

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) effective on 1 January 2023.

Amendments to MFRS 3	Business Combinations (Reference to the Conceptual Framework)
Amendments to MFRS 9	Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
Amendments to Illustrative Examples accompanying MFRS 16	Leases (Annual Improvements to MFRS Standards 2018–2020)
Amendments to MFRS 116	Property, Plant and Equipment (Property, Plant and Equipment–Proceeds before Intended Use)
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts–Cost of Fulfilling a Contract)

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements.

b. Accounting pronouncements that are not yet effective are set out below:

Description	Effective for annual periods beginning or after
MFRS 17 Insurance Contracts and Amendments to MFRS 17	1 January 2023
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16 ‘Lease liability in a sale and leaseback	1 January 2024
Amendments to MFRS 101 ‘Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A3. Qualification of Financial Statements

The auditors' report for the preceding audited financial statements was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's operations were not materially affected by any seasonal or cyclical factors.

A5. Nature and Amount of Unusual Items

There were no unusual items for the current quarter and financial year-to-date.

A6. Nature and Amount of Changes in Estimates

There were no changes in estimates of amounts in the prior financial years that have a material effect in the current quarter and financial year-to-date.

A7. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations and shares held as treasury shares for the current quarter.

As at the end of the current quarter, a total of 1,165,744 shares were held as treasury shares.

A8. Dividend Paid

No dividend has been paid during the current quarter.

A9. Segmental Information

The Company and its subsidiaries are principally engaged in construction, property development and investment holding.

The Company has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

(i) Construction

Securing and carrying out construction contracts.

(ii) Property development

Development of residential and commercial properties.

Other operating segments that do not constitute a reportable segment comprise investment holding.

A9. Segmental Information (Cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by segment:

6 months ended 30 June 2023	Construction RM'000	Property Development RM'000	Other RM'000	Inter-segment Elimination RM'000	Total RM'000
Segment Revenue					
External	98,587	57,034	600	-	156,221
Inter-segment	41,813	-	3,360	(45,173)	-
Total revenue	140,400	57,034	3,960	(45,173)	156,221
Interest income	1,137	106	2,490	(3,498)	660
Finance cost	(3,061)	(2,782)	(3,364)	3,600	(5,607)
Net finance expense	(1,924)	(2,676)	(874)	102	(4,947)
Share of profit of an associate	370	-	-	-	370
Share of profit of a joint venture	-	-	729	-	729
Segment profit/(loss) before taxation	6,928	6,106	(3,049)	(1,422)	8,563
Taxation	(1,741)	-	-	(35)	(1,776)
Segment profit/(loss) after taxation	5,186	6,106	(3,049)	(1,456)	6,787
Other material non-cash item:					
- Depreciation	(2,580)	(222)	(1,080)	708	(3,174)
Additions to non-current assets other than financial instruments and deferred tax assets	654	42	11	-	707
Segment assets	1,007,468	554,055	610,720	(802,882)	1,369,361
Segment liabilities	746,456	479,476	177,526	(542,456)	861,002
6 months ended 30 June 2022	Construction RM'000	Property Development RM'000	Other RM'000	Inter-segment Elimination RM'000	Total RM'000
Segment Revenue					
External	89,866	53,862	7,079	-	150,807
Inter-segment	35,419	-	3,252	(38,671)	-
Total revenue	125,285	53,862	10,331	(38,671)	150,807
Interest income	2,099	100	880	(2,369)	710
Finance cost	(1,840)	(2,592)	(1,701)	2,512	(3,621)
Net finance expense	259	(2,492)	(821)	143	(2,911)
Share of loss of an associate	137	-	-	-	137
Share of profit of a joint venture	-	-	235	-	235
Segment profit/(loss) before taxation	5,359	7,585	(836)	964	13,072
Taxation	(1,344)	(483)	(267)	54	(2,040)
Segment profit/(loss) after taxation	4,015	7,102	(1,103)	1,018	11,032
Other material non-cash item:					
- Depreciation	(3,057)	(221)	(997)	714	(3,561)
Additions to non-current assets other than financial instruments and deferred tax assets	2,609	17	118	-	2,744
Segment assets	988,935	591,117	531,646	(681,411)	1,430,287
Segment liabilities	734,237	529,859	95,045	(422,808)	936,333

A10. Valuation of Property, Plant and Equipment

There is no valuation of property, plant and equipment performed in the current quarter and financial year-to-date.

A11. Acquisition/Disposal of Property, Plant and Equipment

There was no material acquisition or disposal of property, plant and equipment during the current quarter and financial year-to-date.

A12. Material Subsequent Event

There were no material events subsequent to the end of the current quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A13. Changes in the Composition of the Group

There were no changes to the composition of the Group for the current quarter.

A14. Capital Commitment

There are no material capital commitments for the current quarter and financial year-to-date.

A15. Contingent Liabilities

	As at 30 June 23 RM'000	As at 31 Dec 22 RM'000
Bank guarantees given by financial institutions in respect of construction and property projects	<u>84,342</u>	<u>95,137</u>

B Explanatory Notes in Compliance with listing Requirements of the Bursa Malaysia

B1. Review of Performance

Performance of current quarter against the preceding year corresponding quarter

Group

	Individual Period (2 nd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30/6/2023	30/6/2022		30/6/2023	30/6/2022	
	RM'000	RM'000		RM'000	RM'000	
Revenue	70,990	79,083	(10.2)	156,221	150,807	3.6
Profit Before Tax	3,548	6,451	(45.0)	8,563	13,072	(34.5)
Profit After Taxation	3,285	5,513	(40.4)	6,787	11,032	(38.5)

The Group reported revenue of RM71.0 million in 2Q23, representing a 10.2% decrease compared to 2Q22. Our reported PBT for the current quarter stood at RM3.5 million, compared to a PBT of RM6.5 million registered in 2Q2022. The decrease in PBT is attributable to the higher recognition of LADs and lower contributions from construction division.

PAT for the current quarter stood at RM3.3 million, representing a 40.4% decrease compared to 2Q22. Included in the PAT is the recognition of LADs amounting to RM3.9 million. Excluding the LADs, the Group's core PAT stood at RM7.2 million.

In 2Q23, the Group incurred operating costs of RM6.7 million, representing a 12.0% decrease compared to 2Q22.

Construction segment

	Individual Period (2 nd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30/6/2023	30/6/2022		30/6/2023	30/6/2022	
	RM'000	RM'000		RM'000	RM'000	
Revenue	56,047	62,076	(9.7)	140,400	125,285	12.1
Profit Before Tax	638	1,772	(64.0)	6,928	5,359	29.3
Profit After Taxation	442	1,336	(66.9)	5,186	4,015	29.2

B1. Review of Performance (Cont'd)

Performance of current quarter against the preceding year corresponding quarter (Cont'd)

Construction segment (Cont'd)

The construction division reported a revenue of RM56.0 million in 2Q23, compared to RM62.1 million in 2Q22, representing a decrease of 9.7%. This quarter, revenue was mainly contributed by the Light Rail Transit 3 (LRT3), E'Island Lake Haven and Bandar Enstek School projects. The higher revenue in corresponding quarter of the preceding financial year was due to the acceleration of construction progress to achieve their project completion in the first half of 2022.

The construction division reported a PAT of RM0.4 million in 2Q23, decreasing by 66.9% compared to the 2Q22 PAT of RM1.3 million. The lower PAT is driven by the lower revenue and gross profit as most of the existing active projects are tail end of completion.

Property Development segment

	Individual Period (2 nd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30/6/2023	30/6/2022		30/6/2023	30/6/2022	
	RM'000	RM'000		RM'000	RM'000	
Revenue	28,026	28,761	(2.6)	57,034	53,862	5.9
Profit Before Tax	3,264	4,727	(30.9)	6,106	7,585	(19.5)
Profit After Taxation	3,264	4,244	(23.1)	6,106	7,102	(14.0)

The property development division reported revenue of RM28.0 million in 2Q23, 2.6% lower compared to 2Q22 revenue of RM28.8 million. PAT for the division stood at RM3.3 million, 23.1% lower compared to 2Q22. The lower PAT is due to the recognition of LADs amounting to RM3.9 million. Excluding the recognition of LADs, core PAT for the property development division stood at RM7.2 million.

B2. Material Changes in the Result for the Current Quarter Compared with the Results for the Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30/06/2023	31/03/2023	
	RM'000	RM'000	
Revenue	70,990	85,231	(16.7)
Profit Before Tax	3,548	5,015	(29.3)
Profit After Tax	3,285	3,502	(6.2)

Overall, the Group's revenue and profit after tax for the current quarter of RM71.0 million and RM3.3 million, compared to a revenue of RM85.2 million and profit after tax of RM3.5 million registered in 1Q23. Lesser tax recognition in 2Q23 mainly due to lower revenue and profit in construction segment.

B3. Prospects

GBG currently has RM1.5 billion in future gross revenue to be recognised up to FYE 2025, comprising RM0.9 billion from the construction division and RM0.6 billion from the property development division.

On a quarter-on-quarter basis, the Group's total borrowings has decreased by RM49.5 million to RM267.0 million, comprising RM4.4 million in long-term borrowings, RM228.0 million in short-term borrowings (37.6% are project financing related), and RM34.6 million in short-term Islamic Commercial Papers (ICPs). Going forward, the Group is expecting its total borrowings to trend down, driven by cashflows generated from the construction and property development projects.

As at 2Q23, our total cash and cash equivalents stood at RM156.0 million, representing a 13.2% or RM18.2 million increase compared to 2Q22. As a result of lower borrowings, the Group's net gearing has been reduced to 0.22x as at 2Q23, compared to 0.34x in 1Q23.

(a) Construction Division

The Group's construction division is armed with a healthy outstanding orderbook of RM0.9 billion, that will sustain earnings and cashflow contribution up to FYE 2025.

Based on our experience, capabilities, and resources, we see opportunities from potential government and private construction projects. However, prospective projects will undergo an extensive internal assessment to ensure that the risk-reward parameters are of an optimal level, including margins and cashflow.

(b) Property Development Division

In 2Q23, the Group achieved RM12.6 million in property sales that comprise 29 units of E'Island Lake Haven. Year-to-date as at 17 August 2023, the Group has achieved RM27.4 million in property sales, comprising 63 units of properties.

As at 30 June 2023, our total sold and unbilled sales (E'Island Lake Haven) stand at RM221.9 million, which will most likely to be recognised by 1H24.

The Group continues to enhance its layout for the 100-acre Gambang Residensi township development that will be launched in 2024. The enhancements have resulted in the total targeted GDV to be increased to RM350 million with a total of 1,152 homes and 20 commercial units to be offered in the development.

B3. Prospects (Cont'd)

(b) Property Development Division (Cont'd)

Property Sales Summary up to 17 August 2023

	No of Units				Take Up	Cumulative Sales since 2Q19
	Unsold as at (Jan 23)	Sold in 1H23	Sold (July '23 to 17 Aug 2023)	Sold (Year to date up to 17 Aug 2023)		
Developments Under Construction						
E'Island Lake Haven	155 of 1,140	53	10	63	1,048 units or 92%	RM450.8m
The Peak	398 of 668	-	-	-	267 units or 40%	RM103.0m
Completed Developments						
Contours	2 of 40	-	-	-	38 units or 95%	RM32.2m
Permas Centro	-	-	-	-	100%	RM15.5m
Kinrara Uptown	2 of 177	-	-	-	175 or 99%	-
Total	560	53	10	63		RM601.5m
						Bookings
						RM7.2m

Since the relaunch of our property development division in 2Q19, we have achieved RM601.5 million in property sales as shown in the table above. Additionally, we have RM7.2 million in property bookings pending loan conversions.

As our property sales momentum continues to be robust, plans are being finalised to expand our property development portfolio which would result in the continuity of future earnings and cashflow contributions from FYE 2024 to FYE 2028.

B4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate in any public document.

B5. Items included in the Statements of Comprehensive Income include:

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 23 RM'000	30 June 22 RM'000	30 June 23 RM'000	30 June 22 RM'000
Interest income	918	383	1,578	710
Reversal of impairment losses of receivables	627	349	674	377
Other income	201	(22)	327	1,280
Interest expense (excluding interest capitalised)	(2,894)	(1,885)	(5,607)	(3,621)
Depreciation and amortisation	(1,311)	(1,775)	(3,174)	(3,561)
Impairment losses of receivables	-	(241)	(335)	(1,229)
Foreign exchange gain or loss	*	*	*	*
Gain or loss on derivatives	*	*	*	*
Exceptional items	*	*	*	*

* There were no such reportable items as required by Bursa Securities in the current quarter and cumulative quarter to date.

B6. Taxation

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 23 RM'000	30 June 22 RM'000	30 June 23 RM'000	30 June 22 RM'000
Current taxation				
- Current year	195	1,175	1,741	1,175
- Previous year	-	-	-	-
	195	1,175	1,741	1,175
Deferred taxation				
- Current year	68	(73)	35	(73)
- Prior years	-	-	-	-
	68	(73)	35	(73)
	263	1,102	1,776	1,102

The Group effective tax rate for the cumulative quarter is lower than the statutory rate mainly due to utilisation of unabsorbed business loss.

B7. Status of Corporate Proposals Announced

There are no corporate proposals announced by the Company but not completed as at 17 August 2023, being the latest practicable date, which is not earlier than 7 days from the date of issuance of this interim financial report.

Proposed establishment of an Islamic commercial paper (“ICP”)/ Islamic medium term note (“IMTN”) Programme

On 11 August 2022, the Company made a lodgment with the Securities Commission Malaysia (“SC”) the required information and relevant documents pursuant to the SC’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, in relation to the establishment of an ICP / IMTN Programme of RM200.0 million in nominal value for the issuance(s) of ICPs under the Shariah principle of *Mudharabah* and/or IMTN under the Shariah principle of *Wakalah bi al-Istithmar* (the ICPs and IMTNs are collectively referred to as the “Sukuk GBG”).

Kenanga Investment Bank Berhad is the appointed Principal Adviser, Lead Arranger, Lead Manager, Shariah Adviser and Facility Agent in respect of the ICP/IMTN Programme.

MARC Ratings Berhad has assigned a preliminary rating of **A_{IS}/MARC-1_{IS}** for the ICP/IMTN Programme, with a stable outlook.

The proceeds from the ICP/IMTN Programme shall be utilised for the following purposes:

- (i) to utilise RM100,000 to fund the trustee’s reimbursement account, as required under the SC’s Trust Deed Guidelines;
- (ii) to finance the investment activities, capital expenditure, working capital requirements and/or other general corporate purposes of Board of Directors of the Group (“Issuer”) and the Group as well as, to defray any fees and expenses relating to the ICP/IMTN Programme;
- (iii) to repay any existing conventional borrowings undertaken by the Group; and/ or
- (iv) to repay any existing and/or future Islamic financings undertaken by Group (including for purposes of redemption or refinancing/ rollover of the Sukuk GBG)

In any case, all utilisation of funds from the issuance of the ICPs/ IMTNs under the ICP/IMTN Programme shall be for Shariah-compliant purposes only, including the manner in which the funds are to be channelled within the Group by the Issuer.

As at end of April 2023, MARC Ratings has affirmed its ratings of MARC-1IS /AIS on Gabungan AQRs Berhad’s RM200.0 million Islamic Commercial Papers (ICP)/Islamic Medium-Term Notes (IMTN) Programme. The ratings outlook is stable. The total outstanding balance under the programme stood at RM35.0 million.

B8. Group Borrowings and Debt Securities

	As at 30 June 2023		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
- Term loan	4,424	24,967	29,391
- Revolving credit	-	21,500	21,500
- Bank overdrafts	-	181,559	181,559
Unsecured			
- ICP/IMTN Programme	-	34,576	34,576
	4,424	262,602	267,026
	4,424	262,602	267,026

	As at 30 June 2022		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
- Term loan	406	88,370	88,776
- Revolving credit	-	1,900	1,900
- Bank overdrafts	-	186,462	186,462
	406	276,732	277,138
	406	276,732	277,138

B9. Dividend

No dividend has been proposed by the Board of Directors for the current quarter ended 30 June 2023.

B10. Material litigation

- (a) On 15 September 2020, Gabungan AQRS Berhad (“GAB”) and Trusvest Sdn Bhd (“TVSB”), commenced legal proceedings against the former Executive Director and Group Chief Financial Officer for the Gabungan AQRS Group of Companies, Bernard Lim Soon Chiang (“Bernard”), in the High Court at Shah Alam.

GAB and TVSB’s case is that Bernard had acted negligently and / or in breach of his service contract with GAB as its Chief Financial Officer, by, amongst others, failing, refusing and / or neglecting to give proper tax advice and / or properly consulting a tax consultant on the tax implications of a project to construct, own and subsequently sublease base-camp accommodation to Petronas Chemicals Fertiliser Sabah Sdn Bhd at Sipitang, Sabah (“Sipitang Project”). The Sipitang Project was awarded to TVSB by a consortium comprising Seri Wilayah Engineering Sdn Bhd and REMT Utama Sdn Bhd. TVSB in turn awarded the construction works to a subsidiary of GAB, Gabungan Strategik Sdn Bhd. GAB and TVSB also allege that :-

- (i) Bernard had fraudulently and / or negligently misrepresented the tax implications of the Sipitang Project to the Audit Committee and Board of Directors of GAB; and
- (ii) Bernard had breached his fiduciary duties owed to GAB and Trusvest.

In consequence, GAB and TVSB suffered loss and damage amounting to RM13,245,173.

GAB and TVSB have filed an application for further and better particulars of Bernard’s Defence (“Application”), which was dismissed by the High Court on 25 August 2021. GAB and TVSB appealed to the Court of Appeal against the aforesaid decision on 23 September 2021. The case management for the appeal is fixed for hearing on 12 December 2022 and the next case management is fixed on 22 December 2022 for parties to update the court on the status of the further and better particular appeal.

Meanwhile, the trial of the Suit is fixed on 17, 18, 24-27 July 2023. The court gave directions for the filing of documents between the period of November 2022 to the trial dates. The Suit is fixed for case management on 4 October 2022 for parties to update the court on the status of the further and better particular appeal.

Company’s solicitors attended hearing on 5 July 2023 for its application to amend its Statement of Claim (“Amendment Application”). The Court allowed 4 of the 5 amendments sought by the Company, with RM5,000.00 costs awarded in favour of the Defendant.

The Court has also fixed the next case management on 1 September 2023 to update the Court on the status of the amended pleadings. The new trial date is now fixed in May 2024.

- (b) On 1 October 2020, Gabungan Strategik Sdn Bhd (“GSSB”), the subsidiary of the company, filed a Writ of Summons against: -
- (i) Geonamics (M) Sdn Bhd (“1st Defendant”)
 - (ii) Jurutera Perunding Primareka Sdn Bhd (“2nd Defendant”)
 - (iii) Yee Yong Yip (“3rd Defendant”)
 - (iv) Tiong Ping Siing (“4th Defendant”)
 - (v) Tang Pui San (“5th Defendant”)
 - (vi) Mohd Noor Nazrul Bin Mohd Yusof (“6th Defendant”)
 - (vii) Azmi Bin Md Aziz (“7th Defendant”)
 - (viii) Wong Kee Choo (“8th Defendant”)
 - (ix) Choon Suan Fatt (“9th Defendant”)
 - (x) Ahmad Bashti Bin Azmi (“10th Defendant”)
 - (xi) Foo Mun Pong (“11th Defendant”)

B10. Material litigation (Cont'd)

For negligence and/or breach of employment contracts with GSSB, in connection with a contract awarded to GSSB for the earthworks, piling works, and substructure works for a project known as the Paloma Project. In the said suit, GSSB claims losses of RM14,392,347.10.

In March 2021, the following defendants applied to strike out GSSB's Suit against them: -

1. 2nd Defendant;
2. 3rd Defendant;
3. 4th to 6th Defendants and 11 Defendant; and
4. 9th and 10th Defendants,
(collectively the "Striking Out Applications")

The 1st Defendant applied for a Determination of Question of Law under Order 14A of the Rules of Court, 2021 on 19 March 2021 ("Order 14A Application").

The Striking Out Applications and Order 14A Application were heard before the Kuala Lumpur High Court Judge on 17 August 2021. The Judge reserved his decision to be delivered on 18 October 2021.

On 18 October 2021, the Judicial Commissioner allowed the 1st Defendant's Order 14A Application and proceeded to dismiss GSSB's claim against the 1st Defendant with costs of RM7,000-00 awarded against GSSB.

The Judge also allowed in part the Striking Out Applications, struck out GSSB's claims against the Defendants founded in negligence and ordered GSSB's claims against the Defendants founded in contract to be tried. In summary, the decision resulted in:

- i) GSSB's claims against the 2nd Defendant (Jurutera Perunding Primareka) to be wholly struck out with costs of RM7,000-00 awarded against GSSB; and
- ii) GSSB's claim against the employee defendants (3rd to 6th and 9th 11th Defendants) to be struck out in part, with costs in the cause. GSSB's claims against the employee defendants that are founded in contract were ordered to be tried.

GSSB appealed to the Court of Appeal against the aforesaid decisions. Furthermore, each employee defendant appealed to the Court of Appeal against the High Court decision to not allow their striking out applications in full. As a result, there are presently 8 separate appeals pending before the Court of Appeal arising from the High Court 18 October 2021 decision. On 12 January 2022, the Court of Appeal directed that GSSB's appeals and the employee defendants' appeals, arising from the High Court 18 October 2021 decision to be heard together. The appeals are slated to be heard by the Court of Appeal on 21 February 2023, however the hearing for the 8 appeals has since been vacated. The Court of Appeal will fix a new hearing date during a case management on 21 February 2023.

Based on the hearing fixed on 27 June 2023, the Court of Appeal had unanimously resolved all 8 appeals in GSSB's favour, and the suit will proceed for trial at the High Court. At this juncture, costs of RM50,000 were awarded to GSSB. The Defendants have 30 days from 27 June 2023 to file an application for leave to appeal to the Federal Court.

B11. Earnings Per Share

(a) Basic

The basic earnings per share are calculated by dividing the profit attributable to owners of the Company for the financial period by the weighted average number of ordinary shares in issue during the financial period under review.

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 23 RM'000	30 June 22 RM'000	30 June 23 RM'000	30 June 22 RM'000
Profit attributable to equity holders of the Company (RM'000)	3,299	5,547	6,825	10,984
Weighted average number of ordinary shares ('000)	542,771	542,771	542,771	542,771
Basic earnings per share (sen)	0.61	1.02	1.26	2.02

(b) Diluted

Diluted earnings per share are calculated by dividing the profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year after adjustment for the effects of dilutive potential ordinary shares, calculated as follows:

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30 June 23 RM'000	30 June 22 RM'000	30 June 23 RM'000	30 June 22 RM'000
Profit attributable to equity holders of the Company (RM'000)	3,299	5,547	6,825	10,984
No of ordinary shares for basic earnings per share computation	542,771	542,771	542,771	542,771
Effect of dilution - on assumption that remaining warrants are exercised	119,395	119,395	119,395	119,395
Weighted average number of ordinary shares ('000)	662,166	662,166	662,166	662,166
Diluted earnings per share (sen)	0.50	0.84	1.03	1.66

B12. Authorisation for Issue

This interim financial report was authorised for issue by the Board of Directors.