



GFM SERVICES BERHAD

(Company No: 1033141-H)

(Incorporated in Malaysia)

Year 2018

Quarterly Announcement

For the Fourth Quarter Ended 31 December 2018

The Board of Directors of GFM Services Berhad ("GFMSB" or the "Company") ("Board") is pleased to announce the following unaudited consolidated results for the quarter and financial period ended ("FPE") 31 December 2018.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	Note	Individual quarter		Cumulative period	
		Current year	Preceding year	Current year	Preceding year
		quarter	quarter	to-date	to-date
		31/12/2018 ⁽¹⁾	31/12/2017	31/12/2018 ⁽¹⁾	31/12/2017
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	33,802	29,336	123,095	104,369
Cost of sales		(23,360)	(20,142)	(87,450)	(74,455)
Gross profit		10,442	9,194	35,645	29,914
Other income		268	520	4,424	2,067
Administrative expenses		(6,144)	(1,993)	(20,848)	(13,755)
Other operating expenses		25	(1,734)	(3,683)	(2,572)
Profits from operations		4,591	5,987	15,538	15,654
Finance costs		(2,298)	45	(3,275)	(1,032)
Profit before tax	B12	2,293	6,032	12,263	14,622
Tax expense	B5	(601)	(2,492)	(4,635)	(4,679)
Profit for the period		<u>1,692</u>	<u>3,540</u>	<u>7,628</u>	<u>9,943</u>
Other comprehensive income					
Fair value adjustment of available-for-sale financial assets		-	-	-	(7)
Realisation of revaluation		-	-	-	-
Total comprehensive income for the period		<u>1,692</u>	<u>3,540</u>	<u>7,628</u>	<u>9,936</u>
Profit for the period attributable to:					
Equity holders of the parent		1,692	3,540	7,628	9,943
Non-controlling interests		-	-	-	-
		<u>1,692</u>	<u>3,540</u>	<u>7,628</u>	<u>9,943</u>
Total comprehensive income for the period attributable to:					
Equity holders of the parent		1,692	3,540	7,628	9,936
Non-controlling interests		-	-	-	-
		<u>1,692</u>	<u>3,540</u>	<u>7,628</u>	<u>9,936</u>
Earnings per share (sen)					
- Basic ⁽²⁾		<u>0.38</u>	<u>0.83</u>	<u>1.73</u>	<u>2.32</u>
- Diluted ⁽³⁾		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Dividends per share (sen)		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Notes:

(1) The Unaudited Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

(2) Basic earnings per share is calculated based on the Company's weighted average share capital of 441,336,097 ordinary shares as at 31 December 2018.

(3) Diluted earnings per share of the Company for the individual quarter and financial period ended 31 December 2018 is equivalent to the basic earnings per share as the Company and its subsidiaries ("GFM Group" or "Group") does not have convertible options at the end of the reporting period.

N/A Not applicable

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Unaudited as at 31/12/2018 ⁽¹⁾	Audited as at 31/12/2017
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	19,415	17,208
Intangible assets	42,643	28,066
Other investments	275,059	521
Total non-current assets	<u>337,117</u>	<u>45,795</u>
Current assets		
Tax recoverable	2,980	2,678
Trade receivables	13,167	17,346
Other operating financial assets	60,445	-
Other receivables, deposits & prepayments	10,070	8,887
Cash and cash equivalents	99,610	28,302
Total current assets	<u>186,272</u>	<u>57,213</u>
Total assets	<u>523,389</u>	<u>103,008</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	66,922	48,038
Retained earnings	65,694	62,116
Share based payment reserve ⁽²⁾	532	-
Fair value reserve	21	21
Reorganisation deficit	(45,265)	(45,265)
Total equity	<u>87,904</u>	<u>64,910</u>
Non-current liabilities		
Borrowings	B8 351,740	14,441
Deferred tax liabilities	36,557	4,803
Total non-current liabilities	<u>388,297</u>	<u>19,244</u>
Current liabilities		
Borrowings	B8 25,787	3,017
Tax payable	86	647
Trade payables	7,357	6,273
Other payables and accruals	13,958	8,917
Total current liabilities	<u>47,188</u>	<u>18,854</u>
Total liabilities	<u>435,485</u>	<u>38,098</u>
Total equity and liabilities	<u>523,389</u>	<u>103,008</u>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.20	0.15

(1) The Unaudited Condensed Statement Of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

(2) ESOS - Employees' Share Option Scheme and ESGS - Employees' Share Grant Scheme.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	Share capital RM'000	Share premium RM'000	Share based payment reserve RM'000	Fair value reserve RM'000	Translation reserve RM'000	Reorganisation deficit RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as of 1 January 2018	48,038	-	-	21	-	(45,265)	62,116	64,910
Comprehensive income								
Profit for the financial period	-	-	-	-	-	-	7,628	7,628
Transactions with owners								
Private placement	18,884	-	-	-	-	-	-	18,884
Dividends paid on shares	-	-	-	-	-	-	(4,050)	(4,050)
Share based payment under ESOS and ESGS ⁽³⁾	-	-	532	-	-	-	-	532
Balance as of 31 December 2018	66,922	-	532	21	-	(45,265)	65,694	87,904
Balance as of 1 January 2017	42,810	5,228	-	28	-	(45,265)	58,359	61,160
Comprehensive income								
Profit for the financial period	-	-	-	-	-	-	9,943	9,943
Transition to no-par value regime ⁽²⁾	5,228	(5,228)	-	-	-	-	-	-
Other comprehensive loss								
Total comprehensive income for the period	-	-	-	(7)	-	-	-	(7)
Transactions with owners								
Dividend paid on shares	-	-	-	-	-	-	(6,186)	(6,186)
Balance as of 31 December 2017	48,038	-	-	21	-	(45,265)	62,116	64,910

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.
- (2) With the Companies Act 2016 ("the New Act") coming into effect on 31 January 2017, the credit standing in the share premium and capital redemption reserve accounts has been transferred to the share capital account.
- (3) ESOS - Employees' Share Option Scheme and ESGS - Employees' Share Grant Scheme.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	Year-to-date ended	
	31/12/2018 RM'000	31/12/2017 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before tax	12,263	14,622
Adjustment for:		
Amortisation of intangible assets	1,294	1,216
Impairment loss on trade receivables	3,683	1,912
Bad debts written off	-	269
Bad debt recovered	(1,071)	-
Depreciation of property, plant and equipment	638	339
Sales proceeds from disposal of property, plant and equipment	(40)	-
Interest expense	3,275	1,032
Interest income	(659)	(462)
Loss on disposal of subsidiary	-	383
Share based payment	532	-
Reversal of impairment of trade receivables	(1,971)	(672)
Property, plant and equipment written off	-	*
	<u>17,944</u>	<u>18,639</u>
Movements in working capital:		
Decrease/(Increase) in:		
Trade and other receivables	2,741	(2,136)
Increase in:		
Trade and other payables	<u>3,012</u>	<u>3,153</u>
Cash Generated From Operations	<u>23,697</u>	<u>19,656</u>
Income tax paid	(5,660)	(4,951)
Interest paid	(3,275)	(1,032)
Interest received	659	462
Net Cash From Operating Activities	<u>15,421</u>	<u>14,135</u>
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries for cash, net cash acquired	(97,737)	-
Disposal of subsidiaries, net of cash	-	(8)
(Placement)/Drawdown of fixed deposits	(24,463)	6,068
Other investments	(400)	-
Purchase of property, plant and equipment	(515)	(351)
Sales proceeds from disposal of property, plant and equipment	40	-
Repayment/(Advances) to holding company	3	(3)
Net Cash (Used in)/From Investing Activities	<u>(123,072)</u>	<u>5,706</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of shares	13,884	-
(Repayment)/Drawdown of finance lease payables	(1,511)	194
Obtain term loan	154,518	8,000
Repayment of borrowings	(8,173)	(7,900)
Repayment to directors	-	*
Dividend paid	(4,050)	(6,186)
Net Cash From/(Used in) Financing Activities	<u>154,668</u>	<u>(5,892)</u>
EFFECT OF EXCHANGE RATE CHANGES	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	47,017	13,949
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>20,638</u>	<u>6,689</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>67,655</u>	<u>20,638</u>
Cash and cash equivalents comprise:		
Cash and bank balances	67,655	19,988
Fixed deposits with a licensed bank	<u>31,955</u>	<u>8,314</u>
	99,610	28,302
Less: Bank overdraft	-	-
Deposits pledged as securities	(31,955)	(5,564)
Fixed deposits with licensed banks not pledged but with maturities more than three (3) months	-	(2,100)
	<u>67,655</u>	<u>20,638</u>

Notes:

(1) The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

N/A Not applicable

* Denotes < RM1,000

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

A COMPLIANCE WITH MALAYSIA FINANCIAL REPORTING STANDARD (MFRS) 134: INTERIM FINANCIAL REPORTING AND THE LISTING REQUIREMENTS OF BURSA SECURITIES

A1 Basis of preparation

This condensed consolidated interim financial report is unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34 Interim Financial Reporting and Rule 9.22 and Appendix 9B of the Listing Requirements.

This is the interim financial report on the condensed consolidated results for the quarter ended 31 December 2018 announced by the Company in compliance with the Listing Requirements of Bursa Securities.

The accounting policies and methods of computation adopted by the Group in this unaudited condensed consolidated interim financial report are consistent with those adopted in the annual financial statements of the Group. This unaudited condensed consolidated interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

The accompanying explanatory notes attached to this unaudited condensed consolidated interim financial report provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of GFM Group since the financial year ended ("FYE") 31 December 2017.

A2 Changes in Accounting Policies

The significant accounting policies adopted in this unaudited condensed consolidated interim financial report are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 31 December 2017, except for the following as they are not yet effective for the financial period:

MFRS 2	Share-based Payment Transactions (Amendments to MFRS 2)
MFRS 3	Business Combinations (Amendments to MFRS 3)
MFRS 7	Financial Instruments : Disclosures
MFRS 9	Financial Instruments
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements (Amendments to MFRS 11)
MFRS 15	Revenue from Contracts with Customers
MFRS 16	Leases
MFRS 17	Insurance Contracts
MFRS 101	Presentation of Financial Statements
MFRS 107	Statements of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
MFRS 112	Income Taxes (Amendments to MFRS 112)
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits (Amendments to MFRS 119)
MFRS 123	Borrowing Costs (Amendments to MFRS 123)
MFRS 132	Financial Instruments : Presentation
MFRS 136	Impairment of Assets
MFRS 138	Intangible assets
MFRS 140	Transfers of Investment Property (Amendments to MFRS 140)
IC INT 12	Service Concession Arrangements
IC INT 23	Uncertainty over Income Tax Treatments

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Group for the FYE 31 December 2017 were not subject to any qualification.

A4 Seasonal or Cyclical Factors

The Group's business operations are not materially affected by seasonal or cyclical factors during the current financial quarter and financial period under review.

A5 Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter and current financial period under review.

A6 Changes in Estimates

There were no changes in estimates that have had a material effect during the current financial quarter and current financial period under review.

A7 Changes in Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter and current financial period under review.

A8 Dividends Paid

First and Final Single Tier Dividend of 0.919 sen per ordinary shares in respect of the financial year ended 31 December 2017 amounting RM 4,050,037.

A9 Segmental Information

	Unaudited as at Current year quarter 31/12/2018 RM'000	Unaudited as at Current year to-date 31/12/2018 RM'000
Facilities management services	30,168	119,461
Concession arrangements	<u>3,634</u>	<u>3,634</u>
Total revenue	<u><u>33,802</u></u>	<u><u>123,095</u></u>
Facilities management services	957	11,904
Concession arrangements	<u>3,634</u>	<u>3,634</u>
Profits from operations	<u><u>4,591</u></u>	<u><u>15,538</u></u>

A10 Valuation of Property, Plant and Equipment

There were no valuations of property, plant and equipment during the current financial quarter and current financial period under review.

A11 Material Events Subsequent to the end of the current quarter

There were no material events subsequent to the current quarter ended.

A12 Changes in the Composition of the Group

On 8 October 2018, GFM Services had acquired one (1) ordinary share representing 100% equity interest in Dynasty Harmony Sdn Bhd (Company No. 1278919-D) ("DHSB") from Mr. Ng Hock Tiam at a total consideration of RM1.00.

On 27 November 2018, GFM Services had acquired and completed the acquisition of 5,000,000 ordinary shares of KP Mukah Development Sdn Bhd ("KPMD") representing the entire share capital of KPMD from Kumpulan Parabena Sdn Bhd for a total purchase consideration of RM 122,500,000 satisfied wholly in cash ("Acquisition of KPMD").

On 11 January 2019, GFM Services incorporated a wholly-owned subsidiary company known as GFM Shared Services Sdn Bhd ("GFM Shared"). The issued share capital of GFM Shared is RM1.00 comprising of 1 Ordinary Share. GFM Services had subscribed for 100% of the issued share capital of GFM Shared in cash.

A13 Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at the date of this interim financial report.

A14 Capital Commitments

There were no capital commitments during the current financial quarter and current financial period under review.

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B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS
B1 Review of Performance

The Group's revenue are mainly derived from its facilities management services.

The Group recorded revenue of RM 123,094,524 and profit before tax of RM 12,263,467 for the financial year ended 31 December 2018 and revenue of RM 104,369,233 and profit before tax of RM 14,621,774 for the financial year ended 31 December 2017.

The major contributor to the Group's revenue during the current quarter and current financial period under review was from the facilities management services operations segment. Our Group recorded revenue from this segment of RM 119,461,319 which accounted for 97% of the total revenue recorded for the current financial period under review.

B2 Comparison with preceding quarter's results

	Current year quarter 31/12/2018 RM'000	Preceding quarter 30/09/2018 RM'000	Variance RM'000	%
Revenue	33,802	28,193	5,609	20%
Profit before tax	2,293	4,067	(1,774)	-44%

The Group reported revenue of RM 33.8 million and profit before tax of RM 2.3 million for the current quarter ended 31 December 2018 ("4Q"), representing an improvement of RM 5.6 million or 20% as compared to revenue of RM 28.2 million in the preceding quarter ended 30 September 2018 ("3Q") was mainly due to the Acquisition of KPMD has been completed on 27 November 2018.

The decline of RM 1.8 million or 44% as compared to profit before tax of RM 4.1 million in the preceding quarter ended 30 September 2018. This was mainly due to increased in overheads that mainly due to the corporate exercises.

B3 Prospects

Acquisition of KPMD has been completed 27 November 2018. The Group has secured contracts totaling RM 146.8 million and outstanding order book stood at RM 1.418 billion as at 31 December 2018.

The Group will continue to actively bid for new contracts from both public and private sectors to expand our portfolio. The Group has also embarked on building a sustainable supply-chain through strategic procurement and vendor rationalisation, to achieve cost savings as well as increased efficiency and productivity.

B4 Variance between Actual Profit and Forecast Profit

The Group has not provided any revenue or profit forecast in any public documents and announcements.

B5 Taxation

	Individual quarter		Cumulative period	
	Current year quarter 31/12/2018 RM'000	Preceding year quarter 31/12/2017 RM'000	Current year to-date 31/12/2018 RM'000	Preceding year to-date 31/12/2017 RM'000
Income tax				
Current period	544	2,534	4,797	4,940
Prior period	-	-	-	-
	<u>544</u>	<u>2,534</u>	<u>4,797</u>	<u>4,940</u>
Deferred tax				
Current period	57	(42)	(162)	(261)
Prior period	-	-	-	-
	<u>601</u>	<u>2,492</u>	<u>4,635</u>	<u>4,679</u>

The effective tax rate for the current quarter and for the financial year ended 31 December 2018 of 38% which was higher than the statutory tax rate was mainly due to expenses disallowed for tax purposes.

B6 Unquoted investments and properties

There were no purchases or sales of unquoted investment or properties for the current financial quarter and current financial period under review.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities for the current financial quarter and the financial period to date.

B8 Borrowings and Debt Securities

The Group's total debts as at 31 December 2018 which are denominated in Ringgit Malaysia are as follows:

	Unaudited as at 31/12/2018 RM'000	Audited as at 31/12/2017 RM'000
Short-term indebtedness:		
<u>Secured and guaranteed</u>		
Borrowings	25,787	3,017
Long-term indebtedness:		
<u>Secured and guaranteed</u>		
Borrowings	<u>351,740</u>	<u>14,441</u>
Total indebtedness	<u>377,527</u>	<u>17,458</u>

B9 Material Litigation

Global Facilities Management Sdn Bhd ("the Plaintiff"), a wholly owned subsidiary of GFM Services Bhd had on 23 July 2018 commenced a suit against TRW Boulevard Square Sdn Bhd (in receivership) ("the Defendant") for the sum of RM1.02 million being the sum allegedly owing from the Defendant to the Plaintiff for facility management services rendered by the Plaintiff to the Defendant.

The Plaintiff had on 12 September 2018 filed an application for summary judgement against the Defendant and the Defendant had on 16 October 2018 filed an application to strike out the Plaintiff's claim.

During the case management held on 16 November 2018, the court has given the following directives:-

- Plaintiff to reply to the Defendant's Affidavit in Reply dated 15 November 2018 (relating to Defendant's striking out application) by 30 November 2018 ("Plaintiff's Further Affidavit").
- Defendant to reply to the Plaintiff's Further Affidavit by 14 December 2018.
- Parties to file their respective written submissions (relating to Plaintiff's summary judgment application) by 30 November 2018.
- A further case management is to be held on 17 December 2018.

On 17 December 2018, the Company was informed by its Solicitors that the Court had, on 17 December 2018, given the following directives:-

- Parties to file their respective written submission (relating to the Defendant's striking out application) on or before 31 December 2018; and
- The Plaintiff's summary judgment application and Defendant's striking out application have been fixed for hearing on 14 January 2019.

On 14 January 2019, the Company was informed by its Solicitors that, on 14 January 2019:-

- The Plaintiff's application for summary judgment and the Defendant's application to strike out the Plaintiff's claim have been heard; and
- Both applications are now fixed for Decision on 29 January 2019.

On 29 January 2019, the Company was informed by its solicitors that during the decision fixed by the Court on even date:-

- The Plaintiff's application for summary judgment was dismissed with cost of RM3,000 awarded to the Defendant; and
- The Defendant's application to strike out the Plaintiff's claim was allowed with cost of RM3,000 awarded to the Defendant.

The Company will not appeal the decision of the Court.

The suit against the Defendant have no material financial impact on GFM.

B10 Dividend

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

B11 Earnings Per Share ("EPS")

	Individual quarter		Cumulative period	
	Current year quarter	Preceding year quarter	Current year to-date	Preceding year to-date
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
BASIC EPS				
Profit for the period (RM'000)	1,692	3,540	7,628	9,943
Weighted average number of ordinary shares in issue ('000)	441,336	428,103	441,336	428,103
Basic EPS (Sen)	0.38	0.83	1.73	2.32

There was no dilution in the earning per share as there was no potential diluted ordinary share outstanding as at the end of the current quarter under review.

B12 Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

Profit before tax has been arrived at after crediting/(charging):

	Individual quarter		Cumulative quarter	
	Current year quarter	Preceding year quarter	Current year to-date	Preceding year to-date
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
Interest income	(206)	120	659	462
Other income:				
Bad debts recovered	671	-	1,071	-
Reversal of impairment on trade receivables	2,830	493	1,971	672
Investment income	-	-	-	-
Miscellaneous	(399)	424	723	129
Interest expense	(2,298)	45	(3,275)	(1,032)
Depreciation of property, plant and equipment	(198)	(95)	(638)	(339)
Amortisation of intangible assets	(381)	(304)	(1,294)	(1,216)
Bad debts written off	-	-	-	(269)
Impairment loss on:				
- Trade receivables	(111)	-	(3,683)	(1,912)
- Goodwill	-	-	-	-
- Inventories	-	-	-	-
Employee benefits expense	(9,374)	(7,731)	(31,232)	(28,531)
Sales proceeds from disposal of property, plant and equipment	-	-	40	-
Rental of premises	(62)	(69)	(316)	(259)
Rental of office equipment	(27)	(297)	(106)	369
Share based payment	(532)	-	(532)	-

B13 Status of corporate proposals

Save as disclosed below, there are no other corporate proposal announced but not completed as at the date of this interim report.

On 5 July 2017, KAF Investment Bank Berhad, on behalf of the Board of Directors of GFM Services, announced that the Company had proposed transfer of the listing of and quotation for the entire issued share capital of GFM from the ACE Market of Bursa Malaysia Securities Berhad to the Main Market of Bursa Malaysia Securities Berhad ("Proposed Transfer of Listing").

On behalf of the board of directors of GFM Services, on 24 October 2018, KAF Investment Bank Berhad had announced that GFM Services proposes to undertake the proposed bonus issue of up to 247,896,948 free warrants in GFM Services ("Bonus Warrants") to be issued on the basis of one Bonus Warrant for every two existing ordinary shares in GFM Services on the entitlement date to be determined at a later date ("Proposed Bonus Issue of Warrants").

On 7 November 2018, KAF Investment Bank Berhad had, on behalf of the Company, announced that the listing application for the admission to the Official List and for the listing of and quotation for Bonus Warrants up to 247,896,948 and new GFM Services Shares up to 247,896,948 to be issued arising from the exercise of Bonus Warrants, on the ACE Market or Main Market of Bursa Securities, as the case may be, have been submitted to Bursa Securities.

On behalf of the Board of Directors of GFM Services, on 23 November 2018, M&A Securities Sdn Bhd had announced that the Private Placement is completed on 23 November 2018.

On 27 November 2018, KAF Investment Bank Berhad, on behalf of the Company, announced that the Acquisition of KPMD has been completed on 27 November 2018 in accordance with the terms and conditions of the Conditional SSA (the Conditional SSA is dated 26 January 2018, and as supplemented by the Supplemental Agreement dated 25 July 2018, Supplemental Agreement 2 dated 25 September 2018 and the Supplemental Agreement 3 dated 16 November 2018).

On 3 December 2018, on behalf of the Company, KAF IB had announced that Bursa Securities had, vide its letter dated 30 November 2018, approved the following: -

- a) Admission to the Official List and listing and quotation of up to 247,896,948 Bonus Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and
- b) Listing and quotation of up to 247,896,948 new GFM Services Shares to be issued arising from the exercise of the Bonus Warrants.

The approval granted by Bursa Securities for the Proposed Bonus Issue of Warrants is subject to the following conditions: -

- a) GFM Services and KAF IB must fully comply with the relevant provisions under the ACE LR pertaining to the implementation of the Proposed Bonus Issue of Warrants; and
- b) GFM Services and KAF IB to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Warrants; and
- c) GFM Services to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Warrants is completed; and
- d) The Bonus Warrants to be issued to shareholders whose shareholdings are currently under moratorium shall also be subject to a similar moratorium; and
- e) GFM Services to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Bonus Warrants as at the end of each quarter together with a detailed computation of listing fees payable.

On 21 December 2018, GFM Services had announced that DYNASTY HARMONY SDN. BHD. ("DHSB"), a wholly-owned subsidiary of GFM, has successfully issued Islamic medium term notes of RM165million in nominal value ("Sukuk"), under an Islamic medium term notes programme of RM300 million in nominal value ("Sukuk Programme").

On behalf of the Company, on 10 January 2019, KAF Investment Bank Berhad had announced that GFM Services executed the Deed Poll constituting the Bonus Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants.

On behalf of the Company, KAF IB had announced that the Bonus Issue of Warrants has been completed following the listing and quotation of 235,456,618 Bonus Warrants on the ACE Market on 7 February 2019.

B14 Status of utilisation of proceeds

i) Status of Utilisation of Proceeds from Private Placement

No.	Purpose	Proposed Utilisation		Actual Utilisation RM'000	Intended timeframe for utilisation from listing date (27 June 2018)	Balance of unutilised proceeds
		Base Scenario RM'000	Maximum Scenario RM'000			
1.	Estimated expenses for the Proposed Private Placement	640	660	515	Within 1 month	-
2.	Part finance acquisition of KPMD	19,053	20,017	18,369	Within 6 months	-
		19,693	20,677	18,884		-

ⁱ Proposed Utilisation as disclosed in the announcement dated 7th May 2018 in relation to the Private Placement.

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