

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

	Individ		quarter	Cummulati		
			receding year	3	Preceding year	
		quarter	quarter	to-date	to-date	
		31/12/2018 ⁽¹⁾	31/12/2017	31/12/2018 ⁽¹⁾	31/12/2017	
	Note	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		1,692	3,540	7,628	9,943	
Other comprehensive income						
Fair value adjustment of available-for-sale financial assets				_	(7)	
Realisation of revaluation				_	(7)	
Total comprehensive income for the period	•	1,692	3,540	7,628	9,936	
Profit for the period attributable to:						
Equity holders of the parent		1,692	3,540	7,628	9,943	
Non-controlling interests		-	-	-	-	
	•	1,692	3,540	7,628	9,943	
Total comprehensive income for the period attributable to:						
Equity holders of the parent		1,692	3,540	7,628	9,936	
Non-controlling interests		-	-	-	-	
······································	•	1,692	3,540	7,628	9,936	
Earnings per share (sen)						
- Basic ⁽²⁾		0.38	0.83	1.73	2.32	
- Diluted ⁽³⁾	:	N/A	N/A	N/A	N/A	
Dividends per share (sen)		N/A	N/A	N/A	N/A	

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

	Note	Unaudited as at 31/12/2018 ⁽¹⁾ RM'000	Audited as at 31/12/2017 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		337,117	45,795
Current assets			
Tax recoverable		2,980	2,678
Trade receivables		13,167	17,346
Other operating financial assets		60,445	17,540
Other receivables, deposits & prepayments		10,070	8,887
Cash and cash equivalents		99,610	28,302
Total current assets		186,272	57,213
Total assets		523,389	103,008
		020/007	100,000
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		87,904	64,910
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Non-current liabilities			
Borrowings	B8	351,740	14,441
Deferred tax liabilities		36,557	4,803
Total non-current liabilities		388,297	19,244
Current liabilities	DO	05 707	0.017
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		47,188	18,854
Total liabilities		435,485	38,098
Total equity and liabilities	,	523,389	103,008
Net assets per ordinary share attributable to ordinary equity holders of the			
Company (RM)		0.20	0.15
		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	Non-Di Share based payment reserve RM'000	stributable - 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

31/12/2011 31/12/2011 31/12/2011 RM000 CASH FLOWS FOR OPERATING ACTIVITES 12.263 14.622 Profit before tax 1.264 1.263 14.622 Adjustment for: 1.294 1.216 1.266 Amortisation of intangible assets 1.294 1.216 Bid debts written of 0.663 1.912 Depreciation of property, plant and equipment (10.071) 209 Depreciation of property, plant and equipment 649 469 Interest recome (659) (460) Loss on disposal of subidiary - 333 Share based payment 532 - Reversal of inpairment of trade receivables (1.771) (672) Property, plant and equipment written off 17.944 18.639 Movements in working capital: 0 0.312 3.153 Descension (interest) 1.312 1.629 462 Increase in 7.744 18.639 0 1.529 1.629 Cash Comerated From Operatins 2.307 3.635 <t< th=""><th></th><th>Year-to-da</th><th>ate ended</th></t<>		Year-to-da	ate ended
CASH FLOWS FOR OPERATING ACTIVITIES 12.263 14.622 Profit before tax Adjustment for: 1.294 1.216 Amortisation of intangible assets 1.294 1.216 Bad debts written off - 269 Sales proceeds from disposal of substilary (669) 383 Share based payment 532 - Reversal of Impairment of trade receivables (1,771) - Property, plant and equipment written off - - Trade and other receivables 2,741 (2,136) Increase in: - - - Trade and other payables - - - Cash Generater from Operations 1,5421 14,652 - Increase in: - - - - Trade and other payables - - - - - <td< th=""><th></th><th></th><th></th></td<>			
Profit before tax Adjustment for: Bad debts written off Adjustment for: Adjustment for		RM'000	RM'000
Profit before tax Adjustment for: Amortisation of intangible assets Ingairment loss on trader receivables Bad debts written off Ingairment loss on trader receivables Bad debt serviten off Bad debt serviten Bad debt	CASH ELOWS FOR OPERATING ACTIVITIES		
Adjustment for: 1,294 1,216 Impairment loss on trade receivables 3,683 1,912 Bad debt recovered (1,071) - Depreciation of property, plant and equipment 638 339 Sales proceeds from disposal of property, plant and equipment 640 - Interest expense 3,275 1,032 Interest supense 1,275 1,032 Interest income (1,671) - Reversal of impairment of trade receivables (1,971) (672) Property, plant and equipment written of 1,794 18,639 Decrease/(Increase) in: Trade and other receivables 2,741 (2,136) Increase in: 3,012 3,153 Cash Generated From Operations 23,697 10,655 Increase in: 3,012 3,153 Cash Generated From Operations 23,697 1,655 Interest received 655 462 462 462 462 Net Cash From Operating Activities 15,421 14,135 (3,275) (3,351) - Acquisition of subsidiaries for cash, net Cash acquired (97,737) - (80		12,263	14,622
Impairment loss on trade receivables 3,683 1,912 Bad debt recovered - 269 Bad debt recovered (1,071) - Depreciation of property, plant and equipment 649 - Interest expense (659) (462) 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 - - * Trade and other receivables 2,741 (2,136) Increase in: - - * Trade and other receivables 3,012 3,153 Cash Generated From Operations 23,697 10,655 Increase in: - - 6,699 McCash From Operating Activities 15,421 14,135 CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES - 6,69 Acquisition of subsidiaries for cash, net cash acquired (97,737) -		,	
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Bad debt recovered (1,071) - Depreciation of property, plant and equipment 638 339 Sales proceeds from disposal of property, plant and equipment 3,275 1,032 Interest expense (659) (462) Loss on disposal of subsidiary 532 333 Share based payment 532 363 Movements in working capital: 17,944 18,639 Decrease/(increase) in: 17,944 18,639 Decrease/(increase) in: 2,741 (2,136) Increase in: 3,012 3,153 Cash Generated From Operations 2,3697 19,655 Increase in: 3,012 3,153 Interest paid (3,275) (1,022) Interest paid (3,275) (1,022) Interest received 15,4421 14,135 CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES 4600 - Acquisition of subsidiaries for cash, net cash acquired (97,737) - Disposal of subsidiaries for cash, net cash acquired (400) - Purchase of property	Impairment loss on trade receivables	3,683	1,912
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Trade and other receivables 2,741 (2,136) Increase in: 3,012 3,153 Cash Generated From Operations 23,697 19,656 Increase in: (5,660) (4,951) Interest paid (5,660) (4,951) Interest received 659 462 Net Cash From Operating Activities 15,421 14,135 CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES (97,737) - Acquisition 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 13,884 - (Repayment/Drawdown of finance lease payables (1,511) 194 Obtain term loan - - - Repayment of borrowings (8,173) (7,900) - Repayment of directors - <td></td> <td></td> <td></td>			
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Interest paid (3,275) (1,032) Interest received 659 462 Net Cash From Operating Activities 15,421 14,135 CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES (97,737) - Acquisition 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 (1,511) 194 Obtain term loan 154,518 8,000 Repayment to directors 154,518 8,000 Repayment to directors (4,050) (6,186) Net Cash From/(Used in) Financing Activities 154,518 8,000 Repayment to directors - - - Net Cash From/Used Ratte Changes - - - Repayment to directors - - - - Repayment to directors </td <td>Cash Generated From Operations</td> <td>23,697</td> <td>19,656</td>	Cash Generated From Operations	23,697	19,656
Interest received 659 462 Net Cash From Operating Activities 15,421 14,135 CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES 16,421 14,135 Acquisition of subsidiaries, net of cash, acquired (97,737) - Disposal of subsidiaries, net of cash (24,463) 6,068 Other investments (4000) - 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 (123,072) 5,706 CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES Proceeds from issuance of shares 13,884 (Repayment)/Orawdown of finance lease payables (1,511) 194 Obtain term loan 154,518 8,000 Repayment to directors - - Dividend paid (4,050) (6,186) Net Cash From/(Used in) Financing Activities 154,668 (5,992) EFFECT OF EXCHANGE RATE CHANGES - - - Net Tixt REASE IN CASH AND CASH EQUIVALENTS 47,017 13,949 CASH AND CASH EQUIVALENTS AT THE END OF PERIOD 20,638 6,669 Cash and cash equivalents compris	Income tax paid	(5,660)	(4,951)
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Less: Bank overdraft Deposits pledged as securities Fixed deposits with licensed banks not pledged but with maturities more than three (3) months (2,100)	Cash and bank balances	67,655	19,988
Less: Bank overdraft	Fixed deposits with a licensed bank		
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)		99,610	28,302
Fixed deposits with licensed banks not pledged but with maturities more than three (3) months (2,100)		-	-
three (3) months (2,100)		(31,955)	(5,564)
	1 1 5		(0.400)
67,655 20,638	three (3) months	-	
		07,005	20,638

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</pre>



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

COMPLIANCE WITH MALAYSIA FINANCIAL REPORTING STANDARD (MFRS) 134: INTERIM FINANCIAL REPORTING Α 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 guarter 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:

- MERS 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
- MERS 10 Consolidated Financial Statements
- MFRS 11 Joint Arrangements (Amendments to MFRS 11)
- MFRS 15 Revenue from Contracts with Customers Leases
- MFRS 16
- 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 Impairment of Assets
- **MFRS 136**
- **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.

Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because Α5 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.

Changes in Estimates Α6

There were no changes in estimates that have had a material effect during the current financial guarter 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	33,802	123,095
Facilities management services	957	11,904
Concession arrangements	3,634	3,634
Profits from operations	4,591	15,538

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

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

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 guarter 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:		
Secured and guaranteed Borrowings	25,787	3,017
Long-term indebtedness:		
Secured and guaranteed		
Borrowings	351,740	14,441
Total indebtedness	377,527	17,458



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 a) ("Plaintiff's Further Affidavit").
- b)
- 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. c)
- A further case management is to be held on 17 December 2018. d)

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 a) b) 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. a) b)

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. a)
- b)

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		Cummulative period	
	Current year	Preceding year	Current year	Preceding year
	quarter	quarter	to-date	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):

	Individua	I quarter	Cummulative quarter	
	Current year quarter 31/12/2018	Preceding year quarter 31/12/2017	Current year to-date 31/12/2018	Preceding year to-date 31/12/2017
	RM'000	RM'000	RM'000	RM'000
Interest income Other income:	(206)	120	659	462
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 trhe 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

		Proposed Utilisation				Balance of
No.	Purpose	Base Scenario	Maximum	Actual Utilisation	Intended timeframe for utilisation from	unutilised
NO.	i di pose	RM'000 RM'000 listing date (27 Ju	listing date (27 June 2018)	proceeds		
	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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