



**GFM SERVICES BERHAD**

[Registration No. 201301003302 (1033141-H)]  
(Incorporated in Malaysia)

Year 2022

Quarterly Announcement

For the Third Quarter Ended 30 September 2022

The Board of Directors of GFM Services Berhad ("GFM" or the "Company") ("Board") is pleased to announce the following unaudited consolidated results for the quarter and financial period ended ("FPE") 30 September 2022.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

	Note	Individual quarter		Cumulative period	
		Current year quarter 30/09/2022 <sup>(1)</sup> RM'000	Preceding year quarter 30/09/2021 RM'000	Current year to-date 30/09/2022 <sup>(1)</sup> RM'000	Preceding year to-date 30/09/2021 RM'000
<b>Revenue</b>	A9	40,177	27,426	97,043	91,144
Cost of sales		(22,009)	(15,640)	(58,379)	(56,351)
Gross profit		18,168	11,786	38,664	34,793
Other income		336	365	917	1,018
Administrative expenses		(1,825)	(1,623)	(4,967)	(5,076)
Other operating expenses		-	(574)	880	(89)
<b>Profits from operations</b>		16,679	9,954	35,494	30,646
Finance costs		(5,048)	(5,267)	(14,981)	(15,985)
Profit before tax	B12	11,631	4,687	20,513	14,661
Tax expense	B5	(3,570)	(2,076)	(7,625)	(6,856)
<b>Profit/Total comprehensive income for the period</b>		<b>8,061</b>	<b>2,611</b>	<b>12,888</b>	<b>7,805</b>
<b>Profit for the period attributable to:</b>					
Equity holders of the parent		8,061	2,611	12,888	7,805
		<u>8,061</u>	<u>2,611</u>	<u>12,888</u>	<u>7,805</u>
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the parent		8,061	2,611	12,888	7,805
		<u>8,061</u>	<u>2,611</u>	<u>12,888</u>	<u>7,805</u>
<b>Earnings per share (sen)</b>					
- Basic <sup>(2)</sup>		1.42	0.49	2.28	1.47
- Diluted <sup>(3)</sup>		1.42	0.49	2.28	1.47
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 ("FYE") 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.
- (2) Basic earnings per share for the individual quarter and financial year are calculated based on the Company's weighted average share capital during the financial quarter/year.
- (3) Diluted earnings per share of the Company for the individual quarter and financial year are calculated based on the profit for the financial quarter/year attributable to owners of the Company and its subsidiaries ("GFM Group" or "Group") and the weighted average number of ordinary shares outstanding during the financial quarter/year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

N/A Not applicable

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022**

	Unaudited as at 30/09/2022 <sup>(1)</sup> RM'000	Audited as at 31/12/2021 RM'000
Note		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	12,478	13,052
Investment property	6,174	6,174
Intangible assets	22,492	23,202
Investment in associate	69	69
Operating financial assets	294,597	302,766
Other investments	17,584	16,685
Deferred tax assets	-	20
<b>Total non-current assets</b>	<b>353,394</b>	<b>361,968</b>
<b>Current assets</b>		
Tax assets	4,618	5,342
Trade receivables	28,480	16,044
Operating financial assets	31,599	32,308
Other receivables, deposits & prepayments	21,077	17,169
Cash and cash equivalents	84,581	79,286
<b>Total current assets</b>	<b>170,355</b>	<b>150,149</b>
<b>Total assets</b>	<b>523,749</b>	<b>512,117</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	87,242	82,537
Share premium		
Retained earnings	101,616	89,723
Share option reserve and share grant reserve	401	401
Fair value reserve	(2,415)	(2,415)
Reorganisation deficit	(45,265)	(45,265)
<b>Total equity</b>	<b>141,579</b>	<b>124,981</b>
<b>Non-current liabilities</b>		
Borrowings	B8 262,930	278,617
Deferred tax liabilities	46,273	45,005
<b>Total non-current liabilities</b>	<b>309,203</b>	<b>323,622</b>
<b>Current liabilities</b>		
Borrowings	B8 33,637	31,144
Tax payable	132	126
Trade payables	3,982	7,226
Other payables and accruals	35,216	25,018
<b>Total current liabilities</b>	<b>72,967</b>	<b>63,514</b>
<b>Total liabilities</b>	<b>382,170</b>	<b>387,136</b>
<b>Total equity and liabilities</b>	<b>523,749</b>	<b>512,117</b>
Net assets per share attributable to equity holders of the Company (RM)	0.25	0.24

(1) The Unaudited Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the FYE 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	----- Attributable to owners of the Company -----						
	Share capital RM'000	Fair value reserve of financial assets at FVOCI <sup>(2)</sup> RM'000	Share option reserve RM'000	Share grant reserve RM'000	Reorganisation deficit RM'000	Retained earnings RM'000	Total equity RM'000
<b>Balance as of 1 January 2022</b>	82,537	(2,415)	370	31	(45,265)	89,723	124,981
<b>Comprehensive income</b>							
Profit for the financial period	-	-	-	-	-	12,888	12,888
<b>Transactions with owners</b>							
Issue of ordinary shares							
-Pursuant to private placement	4,703	-	-	-	-	-	4,703
-Pursuant to vesting of share grants	-	-	-	-	-	-	-
-Pursuant to conversion of warrants	2	-	-	-	-	-	2
Dividends paid on shares	-	-	-	-	-	(995)	(995)
<b>Balance as of 30 September 2022</b>	<u>87,242</u>	<u>(2,415)</u>	<u>370</u>	<u>31</u>	<u>(45,265)</u>	<u>101,616</u>	<u>141,579</u>
<b>Balance as of 1 January 2021</b>	76,023	-	434	92	(45,265)	83,196	114,480
<b>Comprehensive income</b>							
Profit for the financial period	-	-	-	-	-	7,805	7,805
<b>Balance as of 30 September 2021</b>	<u>76,023</u>	<u>-</u>	<u>434</u>	<u>92</u>	<u>(45,265)</u>	<u>91,001</u>	<u>122,285</u>

**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 2021 and the accompanying explanatory notes attached to the interim financial report.

\* Denotes < RM1,000

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	Year-to-date ended	
	30/09/2022 RM'000	30/09/2021 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before tax	20,513	14,661
Adjustment for:		
Amortisation of intangible assets	709	912
(Reversal)/Impairment loss on trade receivables	(772)	163
Bad debts written off	-	-
Depreciation of property, plant and equipment	1,132	1,100
Gain on disposal of property, plant and equipment	-	(70)
Interest expense	14,982	15,985
Interest income	(800)	(623)
Interest income on operating financial asset	(25,814)	(8,925)
	9,950	23,203
Movements in working capital:		
(Increase)/Decrease in:		
Trade and other receivables	(15,571)	180
Increase in:		
Trade and other payables	6,955	3,171
Decrease in:		
Operating financial assets	34,693	16,979
Cash Generated From Operations	36,027	43,533
Income tax paid	(5,608)	(5,914)
Interest paid	(14,982)	(15,985)
Interest received	800	623
Net Cash From Operating Activities	16,237	22,257
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Redeemable Convertible Preference Shares (RCPS)	(900)	(2,000)
Change of escrow account, finance service reserve account, liquidity reserve account, revenue account and disbursement account	8,389	(1,431)
Change in pledge deposits	(1,567)	(1,365)
Purchase of property, plant and equipment	(537)	(211)
Proceeds from disposal of property, plant and equipment	-	19
Net Cash From/(Used in) Investing Activities	5,385	(4,988)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	4,705	6,470
Repayment of finance lease payables	(100)	(141)
Repayment of term loans	(8,293)	(16,046)
Dividend paid	(995)	(3,563)
Drawdown of Revolving Credit	2,000	2,000
Net Cash Used In Financing Activities	(2,683)	(11,280)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	18,940	5,989
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	33,138	26,680
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	52,078	32,669
Cash and cash equivalents comprise:		
Cash and bank balances	39,918	37,840
Fixed deposits with a licensed bank	44,663	44,454
	84,581	82,294
Less: Bank overdraft	4,838	(2,843)
Deposits pledged as securities	(9,961)	(7,975)
Escrow account, finance service reserve account, liquidity reserve account, revenue account and disbursement account	(27,380)	(38,807)
	52,078	32,669

**Notes:**

(1) The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the FYE 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

\* Denotes < RM1,000

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022**

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

**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 30 September 2022 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 FYE 31 December 2021 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 FYE 31 December 2021.

**A2 Changes in Accounting Policies**

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The Company has also considered the new accounting pronouncements in the preparation of the financial statements.

**(i) Accounting pronouncements that are effective and adopted during the financial year**

Amendment to MFRS 4	Insurance Contracts - Extension of the Temporary Exemption from applying MFRS 9
Amendments to MFRS 4, MFRS 9 and MFRS 7 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 16	Covid-19 - Related Rent Concessions

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Company.

**(ii) Accounting pronouncements that are issued but not yet effective and have not been early adopted**

The Company has not adopted the following new accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Company:-

**Effective for financial periods beginning on or after 1 April 2021**

Amendments to MFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021
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**Effective for financial periods beginning on or after 1 January 2022**

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRSs 2018 - 2020	

**Effective for financial periods beginning on or after 1 January 2023**

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 -Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a single transaction

**Effective date to be announced**

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Company will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any effect to the financial statements of the Company upon their initial applications.

**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 2021 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**

Save for allotments and issuance of 25,000,000 new ordinary shares in the Company at the issue price of RM0.1881, 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**

Interim Single Tier Dividend of 0.1730 sen per ordinary share in respect of the FYE 31 December 2022 amounting RM995,393 which was paid on 26 August 2022 to shareholders whose name appear on the Record of Depositors on 12 August 2022. Under current rules, single tier dividends are not taxable in the hand of shareholders.

**A9 Segmental Information**
**Current year to date 30 September 2022**

	Facilities Management Services RM'000	Concession arrangements RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
<b>Revenue</b>					
External revenue	65,802	32,714	-	(1,473)	97,043
Inter-segment revenue	5,646	-	12,561	(17,842)	365
	<u>71,448</u>	<u>32,714</u>	<u>12,560</u>	<u>(19,315)</u>	<u>97,408</u>
<b>Profits from operations</b>					
External profit /(loss)	10,860	28,014	-	(3,378)	35,496
Inter-segment profit	448	-	13,023	(13,471)	-
	<u>11,308</u>	<u>28,014</u>	<u>13,023</u>	<u>(16,849)</u>	<u>35,496</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**

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

**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**

For the nine-month period ended 30 September 2022 ("9M 2022"), Group revenue increased by 6.5% year-on-year ("YoY") to RM97.0 million from RM91.1 million in the previous corresponding period ("9M 2021") primarily on the back of the maiden contribution from a new contract to provide facilities management services awarded by Jabatan Kerja Raya ("JKR").

The Group's Facilities Management Services segment remained as the major revenue contributor with RM65.8 million in 9M 2022, making up 68% of the Group's revenue, while the Concession Arrangements business contributed the remaining 32% worth RM31.2 million after consolidation adjustment.

In tandem with higher revenue base, the Group's profit before tax ("PBT") grew by 39.9% YoY to RM20.5 million, as compared to RM14.7 million in 9M 2021. As a result, GFM's net profit attributable to equity holders of the parent ("net profit") rose by 65.1% to RM12.9 million in 3Q 2022 from RM7.8 million.

**B2 Comparison with preceding quarter's results**

	Current year quarter 30/09/2022 RM'000	Preceding quarter 30/06/2022 RM'000	Variance RM'000	%
Revenue	40,177	28,804	11,373	39%
Profit before tax	11,631	4,799	6,832	142%

For the current quarter ended 30 September 2022 ("3Q 2022"), Group revenue increased by 43.2% to RM40.2 million, against RM28.1 million in the immediate preceding quarter ended 30 June 2022 ("2Q 2022"). The higher revenue is mainly due to the maiden contribution from a new contract to provide facilities management services awarded by JKR, which commenced in July 2022.

During the quarter, the Group's PBT spiked 2.9 times to RM 11.6 million, while net profit jumped 3.7 times to RM8.1 million in 3Q 2022 from RM2.2 million in 2Q 2022.

**B3 Prospects**

For 9M 2022, Malaysia continues to register economic growth driven by robust domestic and external demand, as well as improved labour market. Nonetheless, we are cognisant of the external headwinds such as, among others, the Covid-19 pandemic, inflationary pressures and prolonged Russia-Ukraine war, which may impact the current operating landscape and economic recovery.

Against this backdrop, GFM continues to focus on strengthening its competitive position in the facilities management ("FM") industry by enhancing its technical competencies and expanding our project pipeline, while implementing cost optimisation initiatives.

For our FM business, we continue to serve our existing clients by providing a safe and sustainable working space. At the same time, we are pursuing business opportunities to grow our orderbook, which stands at RM1.36 billion as at 30 September 2022. In fact, we have secured a 5-year FM contract from JKR which will contribute positively to our financial performance for the next 5 years until July 2027. As we move forward, the gradual revenue recognition of our orderbook, of which a majority is made up of KP Mukah, provides long-term earnings visibility with stable consistent income for the remaining 15 years of the concession tenure until 2035. Apart from that, GFM is also exploring opportunities to provide FM services for workforce lodgings.

As for our Concession Arrangements segment, we continue to serve our mandate and perform FM service at the UiTM Mukah campus until 2035. To enhance our growth, the Group is exploring value-accretive prospects that complement our business, primarily in the Rest & Service Area ("RSA") business.

We strive to enhance the Group's offerings and service delivery with the development and adoption of more innovative technology-based solutions in order to remain competitive in this facilities management industry and address the evolving needs of clients. This includes the ongoing roll-out of our GFM Enterprise Management Systems ("GEMS") at our project sites to deploy Internet of Things ("IoT") solutions. Additionally, GFM is working on improving its business processes with the on-going vendor rationalisation programme.

Beyond organic growth, we aim to team up with strategic parties that have the relevant capabilities and resources which are synergistic to us. This will enable GFM to scale up our operations and strengthen our core business by expanding the project pipeline and asset categories we manage.

Looking ahead, the Group remains steadfast in implementing our ongoing initiatives as we focus on enhancing our capabilities while executing and solidifying our portfolio.

**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 Current year quarter 30/09/2022 RM'000	Preceding year quarter 30/09/2021 RM'000	Cumulative period Current year to-date 30/09/2022 RM'000	Preceding year to-date 30/09/2021 RM'000
Income tax				
Current period	2,187	758	6,242	5,538
Prior period	94	67	94	67
	<u>2,281</u>	<u>825</u>	<u>6,336</u>	<u>5,605</u>
Deferred tax				
Current period	1,289	1,251	1,289	1,251
Prior period	-	-	-	-
	<u>3,570</u>	<u>2,076</u>	<u>7,625</u>	<u>6,856</u>

	Individual Current year quarter 30/09/2022 RM'000	Cumulative Current year to-date 30/09/2022 RM'000
Profit before tax	11,631	20,513
Adjusted profit before tax <sup>1</sup>	14,512	29,110
Taxation	3,570	7,625
Adjusted effective tax rate ("ETR")	25%	26%

<sup>1</sup> In the computation of Group ETR, it is excluded the exempted company taxation effects of Dynasty Harmony Sdn Bhd ("DHSB"), a wholly-owned special purpose vehicle of GFM Group, to undertake the initial issuance of Sukuk Wakalah amounting to RM165 million in nominal value, being established solely for the issuance of Islamic Securities that adopt the principles of Syariah and approved by Securities Commission.

The Group's ETR for the financial year-to-date is higher than the statutory tax rate of 24% mainly due to certain 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 30 September 2022 which are denominated in Ringgit Malaysia are as follows:

	Unaudited as at 30/09/2022 RM'000	Audited as at 31/12/2021 RM'000
<b>Short-term indebtedness:</b>		
Secured and guaranteed Borrowings	33,637	31,144
<b>Long-term indebtedness:</b>		
Secured and guaranteed Borrowings	262,930	278,617
<b>Total indebtedness</b>	<u>296,567</u>	<u>309,761</u>

**B9 Material Litigation**

There were no material litigations pending as at 26 November 2022

**B10 Dividend**

On 20 June 2022, the Board has announced the declaration of a single-tier interim dividend of 0.1730 sen per ordinary share in respect of the financial year ending 31 December 2022

**B11 Earnings Per Share ("EPS")**

	Individual quarter		Cumulative period	
	Current year quarter 30/09/2022 RM'000	Preceding year quarter 30/09/2021 RM'000	Current year to-date 30/09/2022 RM'000	Preceding year to-date 30/09/2021 RM'000
<b>BASIC EPS</b>				
Profit for the period (RM'000)	8,061	2,611	12,888	7,805
Weighted average number of ordinary shares in issue ('000)	565,952	531,338	565,952	531,338
Basic EPS (Sen)	1.42	0.49	2.28	1.47
<b>DILUTED EPS</b>				
Profit for the period (RM'000)	8,061	2,611	12,888	7,805
Weighted average number of ordinary shares in issue ('000)	565,952	531,338	565,952	531,338
Effect of dilution from:				
- Share options	-*	-*	-*	-*
- Share grants	293	293	293	293
Conversion of share grants	-*	-*	-*	-*
Weighted average number of ordinary shares for basic earning per share (unit)	<u>566,245</u>	<u>531,631</u>	<u>566,245</u>	<u>531,631</u>
Diluted EPS (Sen)	1.42	0.49	2.28	1.47

\* Share options and bonus warrants have no dilutive effect as the average market price of the ordinary shares was lower than the exercise price of the share options and bonus warrants. Therefore, they are excluded from the calculation.

**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 30/09/2022 RM'000	Preceding year quarter 30/09/2021 RM'000	Current year to-date 30/09/2022 RM'000	Preceding year to-date 30/09/2021 RM'000
Interest income	555	160	800	623
Other income:				
Miscellaneous	106	205	117	395
Interest expense	(5,028)	(5,267)	(14,982)	(15,985)
Depreciation of property, plant and equipment	(372)	(361)	(1,131)	(1,100)
Amortisation of intangible assets	(304)	(304)	(709)	(912)
Reversal/(Impairment) loss on:				
- Trade receivables	-	(574)	772	(163)
- Goodwill	-	-	-	-
- Inventories	-	-	-	-
Employee benefits expense	(1,523)	(5,214)	(18,674)	(19,114)
Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Realised foreign exchange gain or loss	-	-	-	-

**GFM SERVICES BERHAD [Registration No. 201301003302 (1033141-H)]**

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Unrealised foreign exchange gain or loss	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Rental of premises	7	(37)	(71)	(131)
Rental of office equipment	(25)	(24)	(70)	(73)

**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.

**Proposed Transfer of Listing**

On 5 July 2017, KAF Investment Bank Berhad, on behalf of the Board, 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").

**(I) Proposed Subscription of HSSB Shares; and  
(II) Proposed Subscription of HSSB RCPS; and  
(III) Proposed Call Option Subscription.**

KAF Investment Bank Berhad had, on 17 December 2019, on behalf of the Board, announced that the Company had entered into the Definitive Agreements with Highbase Strategic Sdn Bhd ("HSSB") and/or the vendors of HSSB pursuant to the Proposals as defined below:

(I) Proposed Subscription of HSSB Shares; and

(II) Proposed Subscription of HSSB RCPS; and

(III) Proposed Call Option Subscription.

(the Proposed Subscription of HSSB Shares, the Proposed Subscription of HSSB RCPS and the Proposed Call Option Subscription are to be collectively referred to as "Proposals")

On 30 December 2019, KAF Investment Bank Berhad, on behalf of the Board, announced that the Company had, on 27 December 2019, entered into the supplemental agreements to amend the clauses of the Definitive Agreements.

On 31 December 2019, KAF Investment Bank Berhad, on behalf of the Board, announced for additional information in relation to the Proposals on 17 December 2019 and 30 December 2019.

KAF Investment Bank Berhad, on 10 January 2020, on behalf of the Company, had announced that the parties to the Definitive Agreements dated 17 December 2019, the Supplemental Memorandum of Agreement dated 27 December 2019 and the Supplemental HSSB RCPS Subscription Agreement dated 27 December 2019 ("Agreements") had agreed on a supplemental letter to amend the clauses of the Agreements ("Supplemental Letter").

On behalf of the Company, KAF IB had announced that the parties to the Memorandum of Agreement dated 17 December 2019 had, on 4 April 2020, agreed on a supplemental letter to further extend the last day to fulfil the conditions subsequent of the Memorandum of Agreement commencing from 5 April 2020 and ending on the 45th day after the Movement Control Order under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 is lifted by the Government of Malaysia ("Supplemental Letter 3").

On behalf of the Company, KAF IB had announced on 4 November 2020, that as of 2 November 2020, the Company had subscribed RM15.00 million HSSB RCPS, which is the minimum subscription amount of HSSB RCPS pursuant to the terms and conditions of the HSSB RCPS Subscription Agreement dated 17 December 2019. The Company has no intention to subscribe additional HSSB RCPS. As such, the Proposed Subscription of HSSB RCPS is deemed completed on 2 November 2020.

On behalf of the Company, KAF IB had announced that the Company had, on 21 July 2021, entered into a supplementary agreement to the HSSB RCPS Subscription Agreements with HSSB pursuant to the Proposed Subscription of Additional HSSB RCPS ("Second Supplementary HSSB RCPS Subscription Agreement")

On 29 April 2022, the Company had announced that the Company had fully subscribed RM5.00 million additional HSSB RCPS pursuant to the terms and conditions of the Second Supplementary HSSB RCPS Subscription Agreement dated 21 July 2021. As such, the Proposed Subscription of Additional HSSB RCPS is completed on 29 April 2022.

**Proposed Joint Venture between GFM and Jua Juara Sdn Bhd**

On 17 January 2022, the Board has announced that GFM had entered into a Heads of Agreement with Jua Juara Sdn. Bhd. ("JJSB"), a wholly-owned subsidiary of MajuPerak Holdings Berhad relating to the proposed joint venture between GFM and JJSB to develop a land located at Lot 16287, PN 311206, Mukim Hulu Bernam Timur, District of Muallim, Perak Darul Ridzuan into a Rest and Service Area to be connected to the PLUS North-South Highway.

On 20 July 2022, the Board had announced that GFM had entered into a Supplemental Heads of Agreement ("Supplemental HOA") with the Sellers to extend the Stop Date (i.e. 31 December 2020 as set out in the HOA) to 17 January 2023 for GFM and JJSB to enter into the Joint Venture Agreement in relation to the Proposed Joint Venture.

**Proposed Private Placements of Up to 20% of the Total Number of Issued Shares**

On behalf of the Board, on 12 May 2022, UOB Kay Hian Securities (M) Sdn Bhd had announced that the Company proposes to undertake a private placement of up to 20% of the total number of issued shares of GFM.

On behalf of the Board, on 28 June 2022, UOB Kay Hian Securities (M) Sdn Bhd had announced that Bursa Malaysia Securities Berhad had, via its letter dated 27 June 2022, approved the listing and quotation of up to 115,077,025 Placement Shares to be issued pursuant to the Private Placement subject to the terms and conditions of Bursa Malaysia Securities Berhad's approval.

**B14 Status of utilisation of proceeds**

i) Status of utilisation of proceeds from Private Placement

No.	Purpose	Proposed Utilisation		Actual Amount Raised RM'000	Actual Utilisation RM'000	Intended timeframe for utilisation from listing date (3 June 2021)	Balance of unutilised proceeds RM'000
		Base Scenario RM'000	Maximum Scenario RM'000				
1	New Investment	4,700	4,700	4,700	-	Within 24 months	4,700
2	Working Capital for New Project						
	i) AMZASS	1,000	1,000	1,000	291	Within 24 months	709
	ii) HSSB	5,000	5,000	5,000	4,600		400
3	Working Capital for Existing Project	3,000	3,000	206	-	Within 12 months	206
4	General working capital expenses	1,462	32,699	-	-	Within 12 months	-
5	Estimated expenses in relation to the Proposed Private Placement	412	1,091	266	266	Upon completion of the Proposed Private Placement	-
		<b>15,574</b>	<b>47,490</b>	<b>11,172</b>	<b>5,157</b>		<b>6,015</b>

<sup>1</sup> Proposed Utilisation as disclosed in the announcement made on 9 April 2021

**B15 Derivatives**

The Group did not enter into any derivatives during the current quarter under review.

**B16 Disclosure of gain/losses from fair value changes of financial liabilities**

The Group did not have any financial liabilities measured at fair value through profit and loss for the current quarter under review.

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