



GFM SERVICES BERHAD

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

Year 2022

Quarterly Announcement

For the Fourth Quarter Ended 31 December 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") 31 December 2022.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Individual quarter		Cumulative period	
		Current year	Preceding year	Current year	Preceding year
		31/12/2022 ⁽¹⁾	31/12/2021	31/12/2022 ⁽¹⁾	31/12/2021
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	44,177	32,980	141,220	124,124
Cost of sales		<u>(27,572)</u>	<u>(22,791)</u>	<u>(85,950)</u>	<u>(79,143)</u>
Gross profit		16,605	10,189	55,270	44,981
Other income		1,434	986	2,351	2,004
Administrative expenses		(1,923)	(1,616)	(6,890)	(6,692)
Other operating expenses		<u>(1,769)</u>	<u>(702)</u>	<u>(889)</u>	<u>(790)</u>
Profits from operations		14,347	8,857	49,842	39,503
Finance costs		(5,325)	(5,089)	(20,307)	(21,074)
Share of results of an associate, net of tax		19	5	19	5
Profit before tax	B12	9,041	3,773	29,554	18,434
Tax expense	B5	<u>(3,644)</u>	<u>(1,567)</u>	<u>(11,269)</u>	<u>(8,424)</u>
Profit/Total comprehensive income for the period		<u>5,397</u>	<u>2,206</u>	<u>18,285</u>	<u>10,010</u>
Other comprehensive income		-	-	-	-
Revaluation surplus of properties		-	-	-	-
Total comprehensive income for the period		<u>5,397</u>	<u>2,206</u>	<u>18,285</u>	<u>10,010</u>
Profit for the period attributable to:					
Equity holders of the parent		<u>5,397</u>	<u>2,206</u>	<u>18,285</u>	<u>10,010</u>
		<u>5,397</u>	<u>2,206</u>	<u>18,285</u>	<u>10,010</u>
Total comprehensive income for the period attributable to:					
Equity holders of the parent		<u>5,397</u>	<u>2,206</u>	<u>18,285</u>	<u>10,010</u>
		<u>5,397</u>	<u>2,206</u>	<u>18,285</u>	<u>10,010</u>
Earnings per share (sen)					
- Basic ⁽²⁾		<u>0.92</u>	<u>0.41</u>	<u>3.13</u>	<u>1.87</u>
- Diluted ⁽³⁾		<u>0.92</u>	<u>0.41</u>	<u>3.13</u>	<u>1.86</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 ("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 31

	Unaudited as at 31/12/2022 ⁽¹⁾ RM'000	Audited as at 31/12/2021 RM'000
Note		
ASSETS		
Non-current assets		
Property, plant and equipment	12,233	13,052
Investment property	6,174	6,174
Intangible assets	21,985	23,202
Investment in associate	88	69
Operating financial assets	292,008	302,766
Other investments	17,585	16,685
Deferred tax assets	64	20
Total non-current assets	<u>350,137</u>	<u>361,968</u>
Current assets		
Tax assets	3,308	5,342
Trade receivables	20,527	16,044
Operating financial assets	31,080	32,308
Other receivables, deposits & prepayments	27,056	17,169
Cash and cash equivalents	98,933	79,286
Total current assets	<u>180,904</u>	<u>150,149</u>
Total assets	<u>531,041</u>	<u>512,117</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	103,123	82,537
Share premium		
Retained earnings	107,013	89,723
Share option reserve and share grant reserve	401	401
Fair value reserve	(2,415)	(2,415)
Reorganisation deficit	(45,265)	(45,265)
Revaluation reserve	-	-
Total equity	<u>162,857</u>	<u>124,981</u>
Non-current liabilities		
Borrowings	B8 257,496	278,617
Deferred tax liabilities	46,725	45,005
Total non-current liabilities	<u>304,221</u>	<u>323,622</u>
Current liabilities		
Trade payables	6,142	7,226
Other payables and accruals	26,777	25,018
Borrowings	B8 31,000	31,144
Tax payable	44	126
Total current liabilities	<u>63,963</u>	<u>63,514</u>
Total liabilities	<u>368,184</u>	<u>387,136</u>
Total equity and liabilities	<u>531,041</u>	<u>512,117</u>
Net assets per share attributable to equity holders of the Company (F)	0.28	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 31 DECEMBER 2022

	----- Attributable to owners of the Company -----							
	Share capital RM'000	Fair value reserve of financial assets at FVOCI ⁽¹⁾ RM'000	Share option reserve RM'000	Share grant reserve RM'000	Revaluation reserve RM'000	Reorganisation deficit RM'000	Retained earnings RM'000	Total equity RM'000
Balance as of 1 January 2022	82,537	(2,415)	370	31	-	(45,265)	89,723	124,981
Comprehensive income								
Profit for the financial period	-	-	-	-	-	-	18,285	18,285
Transactions with owners								
Issue of ordinary shares								
-Pursuant to private placement	20,584	-	-	-	-	-	-	20,584
-Pursuant to vesting of share grants	-	-	-	-	-	-	-	-
-Pursuant to conversion of warrants	2	-	-	-	-	-	-	2
-Revaluation of property, plant and equipment	-	-	-	-	-	-	-	-
Dividends paid on shares	-	-	-	-	-	-	(995)	(995)
Balance as of 31 December 2022	<u>103,123</u>	<u>(2,415)</u>	<u>370</u>	<u>31</u>	<u>-</u>	<u>(45,265)</u>	<u>107,013</u>	<u>162,857</u>
Balance as of 1 January 2021	76,023	(2,415)	370	31	-	(45,265)	83,277	112,021
Comprehensive income								
Profit for the financial period	-	-	-	-	-	-	10,009	10,009
Drawdown of investment	-	-	-	-	-	-	-	-
Transactions with owners								
Private placement	6,514	-	-	-	-	-	-	6,514
Issue of ordinary shares								
-Pursuant to private placement	-	-	-	-	-	-	-	-
-Pursuant to vesting of share grants	-	-	-	-	-	-	-	-
Dividends paid on shares	-	-	-	-	-	-	(3,563)	(3,563)
Balance as of 31 December 2021	<u>82,537</u>	<u>(2,415)</u>	<u>370</u>	<u>31</u>	<u>-</u>	<u>(45,265)</u>	<u>89,723</u>	<u>124,981</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 31 DECEMBER 2022

	Year-to-date ended	
	31/12/2022	31/12/2021
	RM'000	RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before tax	29,554	18,433
Adjustment for:		
Amortisation of intangible assets	1,216	1,216
(Reversal)/Impairment loss on trade receivables	(772)	267
Bad debts written off		-
Depreciation of property, plant and equipment	1,505	1,474
Gain on disposal of property, plant and equipment	-	(70)
Interest expense	20,118	21,074
Interest income	(1,794)	(888)
Interest income on operating financial asset	(25,814)	(33,423)
Share of results of an associate	(19)	(5)
	<u>23,994</u>	<u>8,078</u>
Movements in working capital:		
Increase in:		
Trade and other receivables	(13,598)	(1,308)
Increase in:		
Trade and other payables	674	4,261
Decrease in:		
Operating financial assets	37,800	44,294
Contract asset/(liabilities)	-	1,918
Cash Generated From Operations	<u>48,870</u>	<u>57,243</u>
Bad debts recovered	-	-
Income tax paid	(7,642)	(8,387)
Interest paid	(20,118)	(20,188)
Interest received	1,794	888
Net Cash From Operating Activities	<u>22,904</u>	<u>29,556</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Redeemable Convertible Preference Shares (RCPS)	(900)	(4,100)
Change of escrow account, finance service reserve account, liquidity reserve account, revenue account and disbursement account	2,014	1,895
Change in pledge deposits	(1,754)	(1,784)
Purchase of property, plant and equipment	(665)	(498)
Proceeds from disposal of property, plant and equipment	-	212
Net Cash Used In Investing Activities	<u>(1,304)</u>	<u>(4,275)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Proceeds from issuance of shares	20,586	6,470
Repayment of finance lease payables	(100)	-
Repayment to bank factoring	-	(564)
Repayment of term loans	(22,346)	(24,905)
Dividend paid	(995)	(3,563)
Drawdown of Revolving Credit	2,000	4,028
Net Cash Used In Financing Activities	<u>(855)</u>	<u>(18,534)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	20,746	6,747
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>33,138</u>	<u>25,814</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>53,884</u>	<u>32,561</u>
Cash and cash equivalents comprise:		
Cash and bank balances	48,201	46,725
Fixed deposits with a licensed bank	<u>50,732</u>	<u>32,560</u>
	98,933	79,285
Less: Bank overdraft	(1,147)	(1,985)
Deposits pledged as securities	(10,148)	(8,393)
Escrow account, finance service reserve account, liquidity reserve account, revenue account and disbursement account	<u>(33,754)</u>	<u>(36,346)</u>
	<u>53,884</u>	<u>32,561</u>

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 31 DECEMBER 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 31 December 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 31 December 2022

	Facilities Management Services RM'000	Concession arrangements RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
Revenue					
External revenue	102,923	46,329	-	(8,032)	141,220
Inter-segment revenue	1,388	-	17,377	(18,765)	-
	<u>104,311</u>	<u>46,329</u>	<u>17,377</u>	<u>(26,797)</u>	<u>141,220</u>
Profits from operations					
External profit /(loss)	15,488	39,853	-	(5,499)	49,842
Inter-segment profit	806	-	17,589	(18,397)	(2)
	<u>16,294</u>	<u>39,853</u>	<u>17,588</u>	<u>(23,894)</u>	<u>49,840</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 financial year ended 31 December 2022 ("FY2022"), Group revenue increased by 11.6% year-on-year ("YoY") to RM138.6 million from RM124.1 million in the previous financial year ("FY2021"). The growth was primarily driven by the maiden contribution from a new contract to provide facilities management services awarded by Jabatan Kerja Raya ("JKR") which commenced in July 2022.

The Group's Facilities Management Services segment remained as the major revenue contributor with RM102.9 million in FY2022, making up 74% of the Group's revenue, while the Concession Arrangements business contributed the remaining 26% worth RM35.7 million after consolidation adjustment.

In tandem with higher revenue base, the Group's profit before tax ("PBT") grew by 54.0% YoY to RM28.4 million, as compared to RM18.4 million in FY2021. As a result, GFM's net profit attributable to equity holders of the parent ("net profit") rose by 82.8% to RM18.3 million in FY2022 from RM10.0 million a year ago.

B2 Comparison with preceding quarter's results

	Current year quarter 31/12/2022 RM'000	Preceding quarter 30/09/2022 RM'000	Variance RM'000	%
Revenue	44,177	40,177	4,000	10%
Profit before tax	9,041	11,632	(2,591)	-22%

For the current quarter ended 31 December 2022 ("4Q 2022"), Group revenue marginally increased by 3.4% to RM41.5 million, against RM40.2 million in the immediate preceding quarter ended 30 September 2022 ("3Q 2022").

The Group's gross profit amounted to RM16.6 million, as compared to RM18.2 million in 3Q 2022, dragged by higher cost of sales in respect of the JKR contract.

As a result, Group PBT stood at RM9.04 million (3Q 2022: RM11.6 million), while net profit came in at RM5.4 million in 4Q 2022 from RM8.1 million in 3Q 2022.

B3 Prospects

In 2023, Malaysia's economic growth is expected to moderate due to slower external demand. While we are cognisant of the potential inflationary pressures that could increase the cost of doing business, we also recognize the possibility of a global recession, which could further dampen demand. As such, we are closely monitoring the evolving economic landscape to ensure that we can respond appropriately and effectively to any challenges that may arise.

Against this backdrop, GFM continues to focus on strengthening its competitive position in the facilities management ("FM") industry by expanding our project pipeline with long-term contracts, while implementing cost optimisation initiatives.

As at 31 December 2022, our outstanding orderbook stands at RM1.33 billion. Majority of this orderbook is contributed by KP Mukah which holds the concession for UiTM Mukah campus (RM882.0 million, until 2035) and JKR FM contract (RM341.4 million, until July 2027).

As we move forward, the gradual revenue recognition of our orderbook will provide long-term earnings visibility and contribute positively to our financial performance 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. Apart from that, GFM is also exploring opportunities to provide FM services for workforce lodging.

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		Cumulative period	
	Current year quarter 31/12/2022 RM'000	Preceding year quarter 31/12/2021 RM'000	Current year to-date 31/12/2022 RM'000	Preceding year to-date 31/12/2021 RM'000
Income tax				
Current period	2,520	249	10,145	5,538
Prior period	(552)	67	(552)	67
	1,968	316	9,593	5,605
Deferred tax				
Current period	1,030	1,251	1,030	1,251
Prior period	646	-	646	-
	3,644	1,567	11,269	6,856
	Individual Current year quarter 31/12/2022 RM'000	Cumulative Current year to-date 31/12/2022 RM'000		
Profit before tax	9,041	29,554		
Adjusted profit before tax ¹	20,581	41,094		
Taxation	3,644	11,269		
Adjusted effective tax rate ("ETR")	18%	27%		

¹ 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 31 December 2022 which are denominated in Ringgit Malaysia are as follows:

	Unaudited as at 31/12/2022 RM'000	Audited as at 31/12/2021 RM'000
Short-term indebtedness:		
Secured and guaranteed Borrowings	31,000	31,144
Long-term indebtedness:		
Secured and guaranteed Borrowings	<u>257,496</u>	<u>278,617</u>
Total indebtedness	<u>288,496</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 31/12/2022 RM'000	Preceding year quarter 31/12/2021 RM'000	Current year to-date 31/12/2022 RM'000	Preceding year to-date 31/12/2021 RM'000
BASIC EPS				
Profit for the period (RM'000)	5,397	2,206	18,285	10,010
Weighted average number of ordinary shares in issue ('000)	584,221	536,646	584,221	536,646
Basic EPS (Sen)	0.92	0.41	3.13	1.87
DILUTED EPS				
Profit for the period (RM'000)	5,397	2,206	18,285	10,010
Weighted average number of ordinary shares in issue ('000)	584,221	536,646	584,221	536,646
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>584,514</u>	<u>536,939</u>	<u>584,514</u>	<u>536,939</u>
Diluted EPS (Sen)	0.92	0.41	3.13	1.86

* 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 31/12/2022 RM'000	Preceding year quarter 31/12/2021 RM'000	Current year to-date 31/12/2022 RM'000	Preceding year to-date 31/12/2021 RM'000
Interest income	1,794	160	1,794	888
Other income:				
Miscellaneous	-	205	-	395
Interest expense	(96)	(5,267)	(20,118)	(21,074)
Depreciation of property, plant and equipment	(127)	(361)	(1,504)	(1,474)
Amortisation of intangible assets	(1)	(304)	(1,216)	(1,216)
Reversal/(Impairment) loss on:				
- Trade receivables	-	(574)	772	(163)
Employee benefits expense	(1,523)	(5,214)	(18,674)	(19,114)
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	-
		15,574	47,490	11,172	5,157		6,015

¹ 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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