



**GFM SERVICES BERHAD**

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

Year 2023

Quarterly Announcement

For the Fourth Quarter Ended 31 December 2023

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 2023.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	Individual quarter		Cumulative period	
		Current year quarter 31/12/2023 <sup>(1)</sup> RM'000	Preceding year quarter 31/12/2022 RM'000	Current year to-date 31/12/2023 <sup>(1)</sup> RM'000	Preceding year to-date 31/12/2022 RM'000
<b>Revenue</b>	A9	47,108	43,756	144,983	140,799
Cost of sales		(28,296)	(26,957)	(80,470)	(85,335)
Gross profit		18,812	16,799	64,513	55,464
Other income		3,148	1,434	4,090	2,351
Administrative expenses		1,028	(2,973)	(7,942)	(7,938)
Other operating expenses		(2,716)	(887)	(2,718)	(7)
<b>Profits from operations</b>		20,272	14,373	57,943	49,870
Finance costs		(4,774)	(5,326)	(19,473)	(20,308)
Share of results of an associate, net of tax		151	-	2,423	19
Profit before tax	B13	15,649	9,047	40,893	29,581
Tax expense	B5	(4,737)	(3,671)	(13,486)	(11,296)
<b>Profit/Total comprehensive income for the period</b>		<u>10,912</u>	<u>5,376</u>	<u>27,407</u>	<u>18,285</u>
<b>Profit for the period attributable to:</b>					
Equity holders of the parent		<u>10,912</u>	<u>5,376</u>	<u>27,407</u>	<u>18,285</u>
		<u>10,912</u>	<u>5,376</u>	<u>27,407</u>	<u>18,285</u>
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the parent		<u>10,912</u>	<u>5,376</u>	<u>27,407</u>	<u>18,285</u>
		<u>10,912</u>	<u>5,376</u>	<u>27,407</u>	<u>18,285</u>
<b>Earnings per share (sen)</b>					
- Basic <sup>(2)</sup>		<u>1.58</u>	<u>0.93</u>	<u>3.97</u>	<u>3.17</u>
- Diluted <sup>(3)</sup>		<u>1.58</u>	<u>0.93</u>	<u>3.97</u>	<u>3.17</u>
Dividends per share (sen)		<u>0.58</u>	<u>N/A</u>	<u>1.54</u>	<u>0.17</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 2022 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 DECEMBER 2023**

	Unaudited as at 31/12/2023 <sup>(1)</sup> RM'000	Audited as at 31/12/2022 RM'000
Note		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	14,142	12,233
Investment property	7,683	6,174
Intangible assets	52,837	21,986
Investment in associate	98	88
Investment in joint venture	1,818	
Operating financial assets	280,149	292,009
Other investments	3,600	17,585
Deferred tax assets	-	22
Right-of-use assets	341	-
<b>Total non-current assets</b>	<u>360,668</u>	<u>350,097</u>
<b>Current assets</b>		
Work-in-progress and inventory	642	-
Tax assets	6,279	3,352
Trade receivables	16,286	20,516
Operating financial assets	29,725	31,080
Other receivables, deposits & prepayments	46,726	24,051
Cash and cash equivalents	99,531	101,187
<b>Total current assets</b>	<u>199,189</u>	<u>180,186</u>
<b>Total assets</b>	<u>559,857</u>	<u>530,283</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	103,123	103,123
Retained earnings	127,889	107,110
Share option reserve and share grant reserve	304	304
Fair value reserve	(2,415)	(2,415)
Reorganisation deficit	(45,265)	(45,265)
<b>Total equity</b>	<u>183,636</u>	<u>162,857</u>
<b>Non-current liabilities</b>		
Borrowings	B9 239,244	256,450
Deferred tax liabilities	50,450	46,803
<b>Total non-current liabilities</b>	<u>289,694</u>	<u>303,253</u>
<b>Current liabilities</b>		
Trade payables	14,807	5,566
Other payables and accruals	36,174	26,224
Borrowings	B9 33,136	32,339
Tax payable	2,410	44
<b>Total current liabilities</b>	<u>86,527</u>	<u>64,173</u>
<b>Total liabilities</b>	<u>376,221</u>	<u>367,426</u>
<b>Total equity and liabilities</b>	<u>559,857</u>	<u>530,283</u>
Net assets per share attributable to equity holders of the Company (RM)	0.19	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 2022 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 2023**

	----- 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	Revaluation reserve RM'000	Reorganisation deficit RM'000	Retained earnings RM'000	Total equity RM'000
<b>Balance as of 1 January 2023</b>	103,123	(2,415)	273	31	-	(45,265)	107,110	162,857
<b>Comprehensive income</b>								
Profit for the financial period	-	-	-	-	-	-	27,407	27,407
<b>Transactions with owners</b>								
Issue of ordinary shares	-	-	-	-	-	-	-	-
Dividends paid on shares	-	-	-	-	-	-	(6,628)	(6,628)
<b>Balance as of 31 December 2023</b>	<u>103,123</u>	<u>(2,415)</u>	<u>273</u>	<u>31</u>	<u>-</u>	<u>(45,265)</u>	<u>127,889</u>	<u>183,636</u>
<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	-	-	-	-	-	-	18,285	18,285
<b>Transactions with owners</b>								
Issue of ordinary shares								
-Pursuant to private placement	20,584	-	-	-	-	-	-	20,584
-Pursuant to vesting of warrants	2	-	-	-	-	-	-	2
Dividends paid on shares	-	-	-	-	-	-	(995)	(995)
Forfeiture of shares								
-During vesting period	-	-	(97)	-	-	-	97	-
-After vesting period	-	-	-	-	-	-	-	-
<b>Balance as of 31 December 2022</b>	<u>103,123</u>	<u>(2,415)</u>	<u>273</u>	<u>31</u>	<u>-</u>	<u>(45,265)</u>	<u>107,110</u>	<u>162,857</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 2022 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 2023**

	Year-to-date ended	
	31/12/2023 RM'000	31/12/2022 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before tax	40,892	29,581
Adjustment for:		
Amortisation of intangible assets	1,216	1,216
Bad debts written off	-	5
Depreciation of property, plant and equipment	1,359	1,507
Gain on disposal of property, plant and equipment	(51)	-
Interest expense	19,474	20,308
Interest income	(3,315)	(1,002)
Interest income on operating financial asset	(33,103)	(32,308)
Share of results of an associate	(10)	(19)
Reversal of impairment of trade receivables	-	(882)
Fair value gain	(1,982)	-
Property, plant and equipment written off	(193)	-
	<u>24,287</u>	<u>18,406</u>
Movements in working capital:		
Increase in:		
Trade and other receivables	(20,396)	(4,286)
Inventories	(642)	-
Amount due from contract customers	(341)	-
Increase in:		
Trade and other payables	19,195	94
Decrease in:		
Operating financial assets	46,318	44,294
Contract asset/(liabilities)	-	(6,739)
Cash Generated From Operations	68,421	51,769
Income tax paid	(10,495)	(7,592)
Income tax refund	118	-
Interest paid	(19,474)	(19,350)
Interest received	3,315	1,002
Net Cash From Operating Activities	<u>41,885</u>	<u>25,829</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Acquisition of AASB	(3,600)	-
Acquisition of HSSB	(32,068)	-
Investment in joint venture	(1,818)	-
Redeemable Convertible Preference Shares (RCPS)	-	(900)
Change of escrow account, finance service reserve account, liquidity reserve account, revenue account and disbursement account	(1,990)	(50)
Change in pledge deposits	(2,663)	(4,264)
Drawdown other investments	17,585	-
Purchase of property, plant and equipment	(1,005)	(496)
Purchase of investment properties	(1,509)	-
Proceeds from disposal of property, plant and equipment	96	-
Net Cash Used In Investing Activities	<u>(26,972)</u>	<u>(5,710)</u>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	-	20,583
Repayment of finance lease payables	94	(229)
Repayment of term loans	(16,769)	(23,974)
Discount on sukuk	864	-
Dividend paid	(6,628)	(995)
(Repayment)/Drawdown of Revolving Credit	(2,737)	3,061
Net Cash Used In Financing Activities	<u>(25,176)</u>	<u>(1,554)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(10,263)</u>	<u>18,566</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>53,076</u>	<u>32,560</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<u>42,813</u>	<u>51,126</u>
Cash and cash equivalents comprise:		
Cash and bank balances	51,715	20,931
Fixed deposits with a licensed bank	<u>47,816</u>	<u>80,256</u>
	99,531	101,187
Less: Bank overdraft	(3,011)	(1,007)
Deposits pledged as securities	(15,320)	(12,658)
Escrow account, finance service reserve account, liquidity reserve account, revenue account and disbursement account	(15,927)	(14,565)
Finance Service Reserve Account	(6,072)	(5,870)
Liquidity Reserve Account	(12,973)	(12,542)
Revenue Account	(656)	(746)
Disbursement Account	(1)	-
Designated Account	(2,758)	(2,673)
	<u>42,813</u>	<u>51,126</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 2022 and the accompanying explanatory notes attached to the interim financial report.
- (2) Retrospective adjustment to reflect the review of IC Interpretation 12 ("IC 12"): Service Concession Arrangements accounting treatment and review of Purchase Price Allocation ("PPA") in accordance to MFRS 3 Business Combination in relation to acquisition of KP Mukah. Please refer Note A15 for more details.

N/A Not applicable

\* Denotes < RM1,000

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**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 2023 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 2022 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 2022.

**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 and adopted during the financial year**

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments 16	Covid-19 Related Rent Concessions beyond 30 June 2021
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	

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

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 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 for financial periods beginning on or after 1 January 2024**

Amendments to MFRS 16	Lease liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of liabilities as Current or Non-Current
Amendments to MFRS 101	Non-current Liabilities with Covenants

**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 Group and 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 Group and 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 2022 were not subject to any qualification.

**A4 Seasonal or Cyclical Factors**

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

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

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

**A6 Changes in Estimates**

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

**A7 Changes in Debt and Equity Securities**

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

**A8 Dividends Paid**

A Single Tier Interim Dividend of 0.56 sen per share was declared on 28 November 2023 for the financial year ending 31 December 2023 and paid on 25 January 2024.

**A9 Segmental Information**
**Current year to date 31 December 2023**

	Facilities Management Services & RM'000	Concession arrangements RM'000	Oil and Gas RM'000	Others RM'000	Adjustments and eliminations	Total RM'000
<b>Revenue</b>						
External revenue	90,882	52,842	3,283	-	(2,024)	144,983
Inter-segment revenue	11,916	-	-	22,296	(34,211)	1
	<u>102,798</u>	<u>52,842</u>	<u>3,283</u>	<u>22,296</u>	<u>(36,235)</u>	<u>144,984</u>
<b>Profits from operations</b>						
External profit /(loss)	18,620	42,434	943	-	(4,052)	57,945
Inter-segment profit	(214)	-	-	22,024	(21,810)	-
	<u>18,406</u>	<u>42,434</u>	<u>943</u>	<u>22,024</u>	<u>(25,862)</u>	<u>57,945</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**

The Company had entered into Share Sale Agreement ("SSA") with Noorida Binti Noor and Norhaslini Binti Norzaid (Seller) to acquire 100% equity interest in Era Gema Sdn Bhd for a consideration of RM23,000,000.00 ("the Acquisition") on 15 February 2024.

The Company had on 19 February 2024 announced that the Company proposes to undertake a private placement of up to 10% of the total number of issued shares of the Company to third party investor(s) to be identified later at an issue price to be determined later in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("Proposed Private Placement").

On 21 February 2024, the Company announced that the listing application in relation to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities").

On 27 February 2024, the Company announced that:-

- the listing application was subsequently approved by Bursa Securities for up to 69,046,213 Placement Shares to be issued pursuant to the Proposed Private Placement;
- the Company has resolved to fix the issue price for the Private Placement at RM0.22 per Placement Share.

**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 twelve-month period ended 31 December 2023 ("FY2023"), Group revenue rose by 3.0% year-on-year ("YoY") to RM145.0 million, from RM140.8 million in the previous year ("FY2022"). The growth was mainly due to maiden contribution by the Group's Oil & Gas ("O&G") division Highbase Strategic Sdn. Bhd. ("Highbase"), as well as higher revenue from the Concession Arrangements ("Concession") segment, partially offset by the completion of several facilities management projects.

In terms of segmental breakdown, the Group's Facilities Management Services ("FM") division remained as the core revenue driver, contributing RM90.9 million or 63% of Group revenue in FY2023 (FY2022: RM96.4 million). Meanwhile, the Concession business made up 35% of the Group's revenue, totalling to RM52.8 million after consolidation adjustment (FY2022: RM44.4 million). The O&G segment represented the remaining 2% or RM3.3 million in overall revenue.

Gross profit ("GP") for FY2023 grew by 16.3% YoY to RM64.5 million (FY2022: RM55.5 million), mainly attributable to the Group's cost optimisation measures. GP Margin also expanded to 44.5% in FY2023, as compared to 39.4% in FY2022.

The Group also posted higher share of results of an associate of RM2.7 million in FY2023 following the completion of 49%-stake acquisition in Highbase on 30 June 2023. To recap, Highbase has become a wholly-owned subsidiary of GFM, following the completion of Highbase's remaining 51%-stake acquisition on 30 November 2023.

Based on the aforementioned factors, the Group's profit before tax ("PBT") surged by 38.2% YoY to RM40.9 million in FY2023, as compared to RM29.6 million in FY2022. In tandem with this growth, GFM's profit attributable to equity holders of the parent ("net profit") doubled to RM27.4 million in FY2023, from RM18.3 million in FY2022. Net profit margin also expanded to 18.9% from 13.0% a year earlier.

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

	Current year quarter 31/12/2023 RM'000	Preceding quarter 30/09/2023 RM'000	Variance RM'000	%
Revenue	47,108	34,289	12,819	37%
Profit before tax	15,649	12,656	2,993	24%

For the current quarter ended 31 December 2023 ("4Q 2023"), Group revenue increased by 37.4% quarter-on-quarter ("QoQ") to RM47.1 million (3QFY23: RM34.3 million), boosted by the full consolidation of Highbase's earnings in December 2023 amounting to RM3.3 million, and higher contribution from the FM (4QFY23: RM26.6 million) and Concession (4QFY23: RM19.1 million) businesses.

The Group's GP expanded 17.7% QoQ to RM18.8 million in 4QFY23 (3Q 2023: RM16.0 million).

During the quarter, GFM registered positive administrative expenses of RM1.0 million due to a reversal of provision amounting to RM3.0 million.

As a result, the Group's PBT grew 23.6% QoQ to RM15.6 million in 4Q 2023, as compared to RM12.7 million in 3Q 2023. Meanwhile, net profit rose by 14.6% to RM10.9 million in 4Q 2023 (3Q 2023: RM9.5 million).

**B3 Prospects**

Malaysia's economy in 2024 is projected to experience moderate growth amidst easing, yet persistent, inflationary pressures. The growth will be supported by a recovery in export activities, and continued expansion of domestic demand. This presents opportunities for the facilities management sector, which plays a vital role in supporting Malaysia's essential infrastructure. With that in mind, we remain focused on executing our strategic plans to position GFM to capitalise on evolving market demand.

For the Group's FM business, we continue to offer tailored cost-effective FM solutions for clients. At the same time, we remain focused on bidding for more long-term contracts from the public and private sectors to solidify GFM's market position.

As at 31 December 2023, GFM's outstanding orderbook amounts to RM1.18 billion. The majority of this orderbook is contributed by KP Mukah which holds the concession for UITM Mukah campus (RM824.7 million, until 2035) and JKR FM contract (RM268.4 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.

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.

One sector we are deepening presence in is the oil & gas ("O&G") maintenance space. GFM's 100%-stake acquisition of Highbase, an O&G maintenance services provider, allows the full consolidation of Highbase's financials, boosting GFM's overall profitability, while enlarging our scope of work, and customer base in the O&G sector.

Highbase holds PETRONAS' TA4MS contract ("Integrated Turnaround Main Mechanical and Maintenance Mechanical Static Contract") to provide plant turnaround services at Pengerang Integrated Complex ("PIC") in Johor. The contract is for a period of 5 years from March 2019 to 2024, with an option to extend until March 2029.

To further enhance our growth, the Group is exploring value-accretive prospects that complement our business, primarily in the Rest & Service Area ("RSA") business. On 15 February 2024, GFM entered into a Share Sale Agreement ("Agreement") for the proposed acquisition of 100%-stake in Era Gema Bina Sdn. Bhd. ("Era Gema"), which will enable GFM to develop, operate and maintain the RSA at Sungai Muda, Penang, situated along the PLUS Malaysia Berhad ("PLUS") North-South Expressway ("NSE").

The project is slated to commence in 2025, and expected to be completed within two years. Upon completion, GFM will become the facility manager of the RSA, replenishing our orderbook. Besides that, GFM stands to benefit from multiple recurring income streams arising from this venture, such as retail rentals, and sales surcharge.

Apart from that, GFM is also exploring opportunities to provide FM services for workforce lodging.

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.

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**B5 Taxation**

	Individual quarter		Cumulative period	
	Current year quarter 31/12/2023 RM'000	Preceding year quarter 31/12/2022 RM'000	Current year to-date 31/12/2023 RM'000	Preceding year to-date 31/12/2022 RM'000
<b>Income tax</b>				
Current period	(4,042)	2,988	5,111	9,324
Prior period	5,110	176	4,706	176
	<u>1,068</u>	<u>3,164</u>	<u>9,817</u>	<u>9,500</u>
<b>Deferred tax</b>				
Current period	3,669	629	3,669	1,918
Prior period	-	(122)	-	(122)
	<u>4,737</u>	<u>3,671</u>	<u>13,486</u>	<u>11,296</u>
		Cumulative Current year to-date 31/12/2023 RM'000		
Profit before tax		40,893		
Adjusted profit before tax <sup>1</sup>		52,430		
Taxation		13,486		
Adjusted effective tax rate ("ETR")		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 26% 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 Status of Corporate Proposals**

There are no other pending corporate proposals.

**B9 Borrowings and Debt Securities**

The Group's total debts as at 31 December 2023 which are denominated in Ringgit Malaysia are as follows:

	Unaudited as at 31/12/2023 RM'000	Audited as at 31/12/2022 RM'000
<b>Short-term indebtedness:</b>		
Secured and quaranteed Borrowings	33,136	32,339
<b>Long-term indebtedness:</b>		
Secured and quaranteed Borrowings	<u>239,244</u>	<u>256,450</u>
<b>Total indebtedness</b>	<u>272,380</u>	<u>288,789</u>

**B10 Material Litigation**

There were no material litigations pending as at 31 December 2023

**B11 Dividend**

A fourth interim dividend of 0.58sen per share was declared on 29 February 2024 for financial year ended 31 December 2023, amounting to a dividend payout of RM4.4 million. The total dividend per share for the current year is 1.54 sen.

**B12 Earnings Per Share ("EPS")**

	Individual quarter		Cumulative period	
	Current year quarter 31/12/2023 RM'000	Preceding year quarter 31/12/2022 RM'000	Current year to-date 31/12/2023 RM'000	Preceding year to-date 31/12/2022 RM'000
<b>BASIC EPS</b>				
Profit for the period (RM'000)	10,912	5,376	27,407	18,285
Weighted average number of ordinary shares in issue ('000)	690,462	576,253	690,462	576,253
Basic EPS (Sen)	1.58	0.93	3.97	3.17
<b>DILUTED EPS</b>				
Profit for the period (RM'000)	10,912	5,376	27,407	18,285
Weighted average number of ordinary shares in issue ('000)	690,462	576,253	690,462	576,253
Effect of dilution from:				
- Share options	-*	-*	-*	-*
- Share grants	94	94	94	94
Conversion of share grants	-*	-*	-*	-*
Weighted average number of ordinary shares for basic earning per share (unit)	<u>690,556</u>	<u>576,347</u>	<u>690,556</u>	<u>576,347</u>
Diluted EPS (Sen)	1.58	0.93	3.97	3.17

\* 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.

**B13 Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

Profit before tax has been arrived at after creditina/(charaina):

	Individual quarter		Cumulative quarter	
	Current year quarter 31/12/2023 RM'000	Preceding year quarter 31/12/2022 RM'000	Current year to-date 31/12/2023 RM'000	Preceding year to-date 31/12/2022 RM'000
Interest income	2,521	202	3,315	1,002
Other income:				
Miscellaneous	627	1,232	775	1,349
Interest expense	(4,774)	(5,326)	(19,474)	(20,308)
Depreciation of property, plant and equipment	(370)	(330)	(1,359)	(1,507)
Amortisation of intangible assets	(306)	(306)	(1,216)	(1,216)
Reversal/(Impairment) loss on:				
- Trade receivables	-	882	-	882
Employee benefits expense	(5,448)	(27,998)	(5,448)	(29,521)
Rental of premises	(101)	7	(299)	(71)
Rental of office equipment	(7)	(25)	(34)	(70)

**B14 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").

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.

On behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd had announced that the Company proposed transfer of the listing of and quotation for the entire issued share capital of GFM from the Ace Market to the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Transfer") on 6 October 2023.

**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.

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**B15 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 (7 December 2022)	Balance of unutilised proceeds RM'000
		Base Scenario RM'000	Maximum Scenario RM'000				
1	Future Viable Investment	10,720		10,019	5,014	Within 24 months	5,005
	<b>Working Capital</b>						
2	Pengerang Integrated Complex	3,458		2,762	2,762	Within 24 months	-
3	General	3,458		2,762	2,762	Within 24 months	-
4	Estimated expenses in relation to the Proposed Private Placement			338	338	Upon completion of the Proposed Private Placement	-
		<b>17,636</b>		<b>15,881</b>	<b>10,876</b>		<b>5,005</b>

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	3,600	Within 24 months	1,100
2	Working Capital for New Project						
	i) AMZASS	1,000	1,000	1,000	641	Within 12 months	359
	ii) HSSB	5,000	5,000	5,000	5,000	Within 12 months	-
3	Working Capital for Existing Project - Pengerang Integrated Complex	3,000	3,000	60	60	Within 12 months	-
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	412		Upon completion of the Proposed Private Placement	-
		<b>15,574</b>	<b>47,490</b>	<b>11,172</b>	<b>9,301</b>		<b>1,459</b>

**B16 Derivatives**

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

**B17 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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