



**GFM SERVICES BERHAD**

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

Year 2024  
Quarterly Announcement  
For the First Quarter Ended 31 March 2024

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 March 2024.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2024**

	Note	Individual quarter		Cumulative period	
		Current year quarter 31/03/2024 <sup>(1)</sup>	Preceding year quarter 31/03/2023	Current year to-date 31/03/2024 <sup>(1)</sup>	Preceding year to-date 31/03/2023
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	A9	53,328	30,823	53,328	30,823
Cost of sales		(35,180)	(16,715)	(35,180)	(16,715)
Gross profit		18,148	14,108	18,148	14,108
Other income		724	254	724	254
Administrative expenses		(4,278)	(2,584)	(4,278)	(2,584)
Other operating expenses		(346)	(1)	(346)	(1)
<b>Profits from operations</b>		14,248	11,777	14,248	11,777
Finance costs		(4,705)	(4,955)	(4,705)	(4,955)
Share of results of an associate, net of tax		104	-	104	-
Profit before tax	B13	9,647	6,822	9,647	6,822
Tax expense	B5	(3,434)	(2,954)	(3,434)	(2,954)
<b>Profit/Total comprehensive income for the period</b>		<u>6,213</u>	<u>3,868</u>	<u>6,213</u>	<u>3,868</u>
<b>Profit for the period attributable to:</b>					
Equity holders of the parent		<u>6,213</u>	<u>3,868</u>	<u>6,213</u>	<u>3,868</u>
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the parent		<u>6,213</u>	<u>3,868</u>	<u>6,213</u>	<u>3,868</u>
<b>Earnings per share (sen)</b>					
- Basic <sup>(2)</sup>		<u>0.82</u>	<u>0.56</u>	<u>0.82</u>	<u>0.56</u>
- Diluted <sup>(3)</sup>		<u>0.82</u>	<u>0.56</u>	<u>0.82</u>	<u>0.56</u>
Dividends per share (sen)		<u>0.25</u>	<u>0.22</u>	<u>0.25</u>	<u>0.22</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 2023 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 MARCH 2024**

	Unaudited as at 31/03/2024 <sup>(1)</sup> RM'000	Audited as at 31/12/2023 RM'000
	Note	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	13,682	15,992
Investment property	7,672	6,174
Intangible assets	52,736	52,837
Investment in associate	38	98
Investment in joint venture	1,923	1,818
Operating financial assets	267,907	280,149
Other investments	3,478	4,340
Deferred tax assets	161	161
Right-of-use assets	655	-
<b>Total non-current assets</b>	<u>348,252</u>	<u>361,569</u>
<b>Current assets</b>		
Work-in-progress and inventory	817	642
Tax assets	4,367	5,817
Trade receivables	19,368	16,226
Operating financial assets	29,606	29,725
Other receivables, deposits & prepayments	53,660	38,258
Cash and cash equivalents	112,533	98,681
<b>Total current assets</b>	<u>220,351</u>	<u>189,349</u>
<b>Total assets</b>	<u>568,603</u>	<u>550,918</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	118,303	103,123
Retained earnings	127,862	127,780
Share option reserve and share grant reserve	8	304
Fair value reserve	-	(2,415)
Reorganisation deficit	(45,265)	(45,265)
<b>Total equity</b>	<u>200,908</u>	<u>183,527</u>
<b>Non-current liabilities</b>		
Borrowings	B9 231,755	239,079
Deferred tax liabilities	50,677	50,589
<b>Total non-current liabilities</b>	<u>282,432</u>	<u>289,668</u>
<b>Current liabilities</b>		
Trade payables	15,899	14,807
Other payables and accruals	37,131	28,502
Borrowings	B9 30,169	32,349
Tax payable	2,064	2,065
<b>Total current liabilities</b>	<u>85,263</u>	<u>77,723</u>
<b>Total liabilities</b>	<u>367,695</u>	<u>367,391</u>
<b>Total equity and liabilities</b>	<u>568,603</u>	<u>550,918</u>
Net assets per share attributable to equity holders of the Company (RM)	0.20	0.19

(1) The Unaudited Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the FYE 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL PERIOD ENDED 31 MARCH 2024**

	----- 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 2024</b>	103,123	(2,415)	273	31	-	(45,265)	127,780	183,527
<b>Comprehensive income</b>								
Profit for the financial period	-	-	-	-	-	-	6,213	6,213
<b>Transactions with owners</b>								
Issue of ordinary shares	15,180	-	-	(23)	-	-	-	15,157
Dividends paid on shares	-	2,415	(273)	-	-	-	(6,131)	(3,989)
<b>Balance as of 31 March 2024</b>	<u>118,303</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>(45,265)</u>	<u>127,862</u>	<u>200,908</u>
<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	-	-	-	-	-	-	3,868	3,868
<b>Transactions with owners</b>								
Issue of ordinary shares								
-Pursuant to private placement	-	-	-	-	-	-	-	-
-Pursuant to vesting of warrants	-	-	-	-	-	-	-	-
Dividends paid on shares	-	-	-	-	-	-	-	-
Forfeiture of shares								
-During vesting period	-	-	-	-	-	-	-	-
-After vesting period	-	-	-	-	-	-	-	-
<b>Balance as of 31 March 2023</b>	<u>103,123</u>	<u>(2,415)</u>	<u>273</u>	<u>31</u>	<u>-</u>	<u>(45,265)</u>	<u>110,978</u>	<u>166,725</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 2023 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 MARCH 2024**

	Year-to-date ended	
	31/03/2024 RM'000	31/03/2023 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before tax	9,647	6,822
Adjustment for:		
Amortisation of intangible assets	304	304
Impairment/ (Reversal) loss on trade receivables	(234)	-
Depreciation of property, plant and equipment	2,340	376
Interest expense	4,705	4,955
Interest income	(246)	(229)
Interest income on operating financial asset	(349)	(8,391)
Exercise of ESGS	8	-
Share of results of an associate	60	19
Deferred tax	7	-
Share based payment	(15)	-
	<u>16,227</u>	<u>3,856</u>
Movements in working capital:		
(Decrease)/Increase in:		
Trade and other receivables	(18,309)	11,753
Inventories	(175)	-
Amount due from contract customers	(655)	-
Increase/(Decrease) in:		
Trade and other payables	9,723	(1,168)
Decrease in:		
Operating financial assets	12,710	11,240
Cash Generated From Operations	<u>19,521</u>	<u>25,681</u>
Income tax paid	(1,905)	(2,121)
Interest paid	(4,705)	(4,955)
Interest received	246	229
Net Cash From Operating Activities	<u>13,157</u>	<u>18,834</u>
<b>CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES</b>		
Investment in joint venture	(104)	-
Redeemable Convertible Preference Shares (RCPS)	-	(3,600)
Change of escrow account, finance service reserve account, liquidity reserve account, revenue account and disbursement account	(3,879)	15,173
Change in pledge deposits	(3,158)	(2,369)
Drawdown other investments	860	-
Purchase of property, plant and equipment	(1,732)	(83)
Net Cash (Used in)/From Investing Activities	<u>(8,013)</u>	<u>9,121</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	15,180	-
Repayment of finance lease payables	94	(93)
Repayment of term loans	(7,102)	(4,489)
Discount on sukuk	864	-
Dividend paid	(4,005)	-
(Repayment)/Drawdown of Revolving Credit	(4,680)	-
Net Cash From/(Used in) Financing Activities	<u>351</u>	<u>(4,582)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	5,495	23,373
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>42,816</u>	<u>55,579</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<u>48,311</u>	<u>78,952</u>
Cash and cash equivalents comprise:		
Cash and bank balances	67,774	57,206
Fixed deposits with a licensed bank	44,759	53,008
	<u>112,533</u>	<u>110,214</u>
Less: Bank overdraft	(3,388)	381
Deposits pledged as securities	(18,823)	(13,077)
Escrow account, finance service reserve account, liquidity reserve account, revenue account and disbursement account	(17,988)	(18,566)
Finance Service Reserve Account	(6,072)	-
Liquidity Reserve Account	(12,973)	-
Revenue Account	(3,525)	-
Designated Account	(1,453)	-
	<u>48,311</u>	<u>78,952</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 2023 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 MARCH 2024**

**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 March 2024 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 2023 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 2023.

**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 2023 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 0.58 sen per share was declared on 29 February 2024 for the financial year ending 31 December 2023 and paid on 29 April 2024.

**A9 Segmental Information**
**Current year to date 31 March 2024**

	Facilities Management Services & Consultancy 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	31,553	9,610	14,211	-	(2,046)	53,328
Inter-segment revenue	1,515	-	-	2,496	(4,011)	-
	<u>33,068</u>	<u>9,610</u>	<u>14,211</u>	<u>2,496</u>	<u>(6,057)</u>	<u>53,328</u>
<b>Profits from operations</b>						
External profit /(loss)	7,530	8,111	2,166	-	(3,560)	14,247
Inter-segment profit	(21)	-	-	3,629	(3,608)	-
	<u>7,509</u>	<u>8,111</u>	<u>2,166</u>	<u>3,629</u>	<u>(7,168)</u>	<u>14,247</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**

On 24 April 2024, UOBKH has announced that the listing application in relation to the Proposed Bonus Issue of Warrants has been submitted to Bursa Malaysia Securities

On 26 April 2024, on behalf of the Board, UOBKH had announced that the listing of and quotation for the entire issued share capital of the Company has been transferred from ACE Market of Bursa Securities, marking the completion of the Transfer.

**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 three-month period ended 31 March 2024 ("1Q 2024") Group revenue surged 73.0% year-on-year ("YoY") to RM53.3 million, from RM30.8 million in the previous year's corresponding quarter ("1Q 2023"). The growth reflects the full consolidation of Highbase Strategic Sdn. Bhd. ("Highbase"), following the acquisition completion on 30 November 2023. This had bolstered the Group's Oil & Gas ("O&G") segment's contribution in 1Q 2024. The Facilities Management ("FM") division also contributed to the growth with the inclusion of provisional sums for Jabatan Kerja Raya ("JKR") contract for repair works.

In terms of segmental breakdown, revenue contribution from the Group's FM division increased by 44.9% YoY to RM31.6 million in 1Q 2024 (1Q 2023: RM21.8 million). The segment remained as GFM's main revenue contributor in 1Q 2024, representing 59% of Group revenue. Meanwhile, the O&G division contributed RM14.2 million or 27% of GFM's revenue. The Concession Arrangements segment generated the remaining 14% or RM7.6 million (1Q 2023: RM9.0 million) after consolidation adjustments.

Gross profit ("GP") for 1Q 2024 climbed 28.6% YoY to RM18.1 million (1Q 2023: RM14.1 million) on the back of an expanded revenue base. Nonetheless, GP margin moderated to 34.0% in 1Q 2024 from 45.8% in 1Q 2023, primarily attributable to increased expenses associated with integrating Highbase's operations.

During the quarter under review, administrative expenses amounted to RM4.3 million (1Q2023: RM2.6 million) due to the integration of Highbase and the provision of bonus.

Profit before tax ("PBT") grew by 41.4% YoY to RM9.6 million, from RM6.8 million in 1Q 2023. GFM's profit attributable to equity holders of the parent ("net profit") increased by 60.7% to RM6.2 million from RM3.9 million in 1Q 2023.

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

	Current year quarter 31/03/2024 RM'000	Preceding quarter 31/12/2023 RM'000	Variance RM'000	%
Revenue	53,328	47,108	6,220	13.2%
Profit before tax	9,647	15,649	(6,002)	-38.4%

For the current quarter ended 31 March 2024 ("1Q 2024"), GFM's revenue grew by 13.2% to RM53.3 million, from RM47.1 million in the previous preceding quarter ("4Q 2023"). This growth is primarily driven by the Group's O&G and FM segments.

The Group recorded higher cost of sales of RM35.2 million in 1Q 2024 (4Q 2023: RM28.3 million) due to increased costs associated with Highbase's integration. As a result, GP stood at RM18.1 million in 1Q 2024 (4Q 2023: RM18.8 million), with a GP margin of 34.0% (4Q 2023: 39.9%).

During the quarter, GFM registered higher administrative expenses of RM4.3 million due to provision of bonus and the consolidation of Highbase. In comparison, GFM recorded positive administrative expenses of RM1.0 million in 4Q 2023 due to a reversal of provision amounting to RM3.0 million.

The Group's PBT amounted to RM9.6 million in 1Q 2024 (4Q 2023: RM15.6 million), while net profit was RM6.2 million (4Q 2023: RM10.9 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 March 2024, GFM's outstanding orderbook amounts to RM1.14 billion. The majority of this orderbook is contributed by KP Mukah which holds the concession for UiTM Mukah campus (RM809.2 million, until 2035) and JKR FM contract (RM245.4 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 collaborate with strategic parties that have the relevant capabilities and resources which are synergistic to us. This will allow us to scale up operations and strengthen our core business by growing our project pipeline and managed asset portfolio.

One key area of focus is the oil & gas ("O&G") maintenance space. GFM's acquisition of Highbase, an O&G maintenance services provider, broadened our service portfolio and expanded our O&G customer base. This allows us to offer a more extensive and valuable range of solutions to a wider clientele pool.

Notably, the acquisition of Highbase grants GFM access to their ongoing PETRONAS' TA4MS contract ("Integrated Turnaround Main Mechanical and Maintenance Mechanical Static Contract"). This contract tasks Highbase to provide plant turnaround services at the Pengerang Integrated Complex ("PIC") in Johor. The contract spans 5 years, from March 2019 to 2024, and has been extended for another 3 years until March 2027. In April 2024, Highbase had secured 3 new contracts to provide plant turnaround services for 3 facilities within the PIC, from March 2024 to March 2027, with an option to extend for an additional

While O&G remains a key focus, we are expanding our portfolio into complementary sectors to ensure long-term growth, particularly 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"), a company awarded the rights by the Malaysian Highway Authority (Lembaga Lebuhraya Malaysia ("LLM")) to undertake the proposed development of an RSA on a 1.74 hectares land located at Sungai Muda, Penang, situated along the PLUS Malaysia Berhad ("PLUS") North-South Expressway ("NSE"). This acquisition will allow GFM to develop, operate and maintain a new RSA at Sungai Muda, Penang.

The project is scheduled to begin construction in 2025 and is expected to be completed within two years. Upon completion, GFM will assume the role of facility manager for the RSA and stands to benefit from multiple recurring income streams through retail space rentals and sales surcharges. This venture complements GFM's existing portfolio and will strengthen our presence within the sector.

Besides the Sungai Muda RSA, GFM's other proposed RSA projects are located at Bemban, Melaka, and Karak, Bentong.

Furthermore, GFM is actively exploring opportunities to expand our FM services to include workforce lodging to diversify our revenue streams further.

Looking ahead, the Group remains focused on implementing our growth strategy. This includes continuous improvement of our capabilities while strategically 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 31/03/2024 RM'000	Preceding year quarter 31/03/2023 RM'000	Current year to-date 31/03/2024 RM'000	Preceding year to-date 31/03/2023 RM'000
Income tax				
Current period	2,221	2,619	2,221	2,619
Prior period	1,125	-	1,125	-
	<u>3,346</u>	<u>2,619</u>	<u>3,346</u>	<u>2,619</u>
Deferred tax				
Current period	88	335	88	335
Prior period	-	-	-	-
	<u>3,434</u>	<u>2,954</u>	<u>3,434</u>	<u>2,954</u>
		Cumulative Current year to-date 31/03/2024 RM'000		
Profit before tax		9,647		
Adjusted profit before tax <sup>1</sup>		12,521		
Taxation		3,434		
Adjusted effective tax rate ("ETR")		27%		

<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 27% 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 March 2024 which are denominated in Ringgit Malaysia are as follows:

	Unaudited as at 31/03/2024 RM'000	Audited as at 31/12/2023 RM'000
<b>Short-term indebtedness:</b>		
Secured and guaranteed Borrowings	30,169	32,349
<b>Long-term indebtedness:</b>		
Secured and guaranteed Borrowings	<u>231,755</u>	<u>239,079</u>
<b>Total indebtedness</b>	<u>261,924</u>	<u>271,428</u>

**B10 Material Litigation**

The Board of Directors has announced that Highbase Startegic Sdn Bhd, a wholly own subsidiary of the Company, had on 25 March 2024 discontinued its application to be placed under judicial management.

**B11 Dividend**

On 24 May 2024, the Board has announced the declaration of a first interim single-tier dividend of 0.25 sen per ordinary share in respect of the financial year ending 31 December 2024.

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

	Individual quarter		Cumulative period	
	Current year quarter 31/03/2024 RM'000	Preceding year quarter 31/03/2023 RM'000	Current year to-date 31/03/2024 RM'000	Preceding year to-date 31/03/2023 RM'000
<b>BASIC EPS</b>				
Profit for the period (RM'000)	6,213	3,868	6,213	3,868
Weighted average number of ordinary shares in issue ('000)	759,462	690,462	759,462	690,462
Basic EPS (Sen)	0.82	0.56	0.82	0.56
<b>DILUTED EPS</b>				
Profit for the period (RM'000)	6,213	3,868	6,213	3,868
Weighted average number of ordinary shares in issue ('000)	759,462	690,462	759,462	690,462
Effect of dilution from:				
- Share options	-*	-*	-*	-*
- Share warrants	94	94	94	94
- Conversion of share warrants	-*	-*	-*	-*
Weighted average number of ordinary shares for basic earnings per share (unit)	<u>759,556</u>	<u>690,556</u>	<u>759,556</u>	<u>690,556</u>
Diluted EPS (Sen)	0.82	0.56	0.82	0.56

\* 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 crediting/(charging):

	Individual quarter		Cumulative quarter	
	Current year quarter 31/03/2024 RM'000	Preceding year quarter 31/03/2023 RM'000	Current year to-date 31/03/2024 RM'000	Preceding year to-date 31/03/2023 RM'000
Interest income	246	229	246	229
Other income:				
Miscellaneous	478	11	478	-
Interest expense	(4,705)	(4,906)	(4,705)	(4,906)
Depreciation of property, plant and equipment	(455)	(377)	(455)	(377)
Amortisation of intangible assets	(304)	(304)	(304)	(304)
Reversal/(Impairment) loss on:				
- Trade receivables	234	(112)	234	(112)
Employee benefits expense	(9,688)	(5,719)	(9,688)	(5,719)
Rental of premises	(83)	(39)	(83)	(39)
Rental of office equipment	(13)	(21)	(13)	(21)

**B14 Status of corporate proposals**

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; and
- the Company has resolved to fix the issue price for the Private Placement at RM0.22 per Placement Share.

**Proposed Private Placements of Up to 10% of the Total Number of Issued Shares**

On behalf of the Board, on 7 March 2024, UOB Kay Hian Securities (M) Sdn Bhd had announced that 69,000,000 Placement Shares issued pursuant to the Private Placement were listed and quoted on the ACE Market of Bursa Securities, which marks the completion of Private Placement.

**B15 Status of utilisation of proceeds**

Status of utilisation of proceeds from Private Placement dated 6 March 2024:

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	-	-	-	-	-	-
	<b>Working Capital</b>						
2	HSSB	11,396	-	11,800	5,049	Within 24 months	6,751
3	General	3,000	-	3,000	-	Within 24 months	3,000
4	Estimated expenses in relation to the Proposed Private Placement	380	-	380	380	Upon completion of the Proposed Private Placement	-
		<b>14,776</b>	<b>-</b>	<b>15,180</b>	<b>5,429</b>		<b>9,751</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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