



GFM SERVICES BERHAD

(Company No: 1033141-H)

(Incorporated in Malaysia)

Year 2018

Quarterly Announcement

For the Third Quarter Ended 30 September 2018

The Board of Directors of GFM Services Berhad ("GFMSB" or the "Company") ("Board") is pleased to announce the following unaudited consolidated results for the quarter and financial period ended ("FPE") 30 September 2018.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

	Note	Individual quarter		Cumulative period	
		Current year	Preceding year	Current year	Preceding year
		quarter	quarter	to-date	to-date
		30/09/2018 ⁽¹⁾	30/09/2017	30/09/2018 ⁽¹⁾	30/09/2017
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	28,193	25,263	89,292	75,033
Cost of sales		(19,391)	(19,554)	(64,090)	(54,313)
Gross profit		8,802	5,709	25,202	20,720
Other income		845	900	4,156	1,546
Administrative expenses		(4,285)	(3,510)	(14,836)	(11,762)
Other operating expenses		(874)	(310)	(3,575)	(838)
Profits from operations		4,488	2,789	10,947	9,666
Finance costs		(421)	(370)	(976)	(1,077)
Profit before tax	B12	4,067	2,419	9,971	8,589
Tax expense	B5	(1,805)	(655)	(4,034)	(2,186)
Profit for the period		<u>2,262</u>	<u>1,764</u>	<u>5,937</u>	<u>6,403</u>
Other comprehensive income					
Fair value loss on available-for-sale financial assets		-	-	-	3
Realisation of revaluation		-	-	-	7
Total comprehensive income for the period		<u>2,262</u>	<u>1,764</u>	<u>5,937</u>	<u>6,413</u>
Profit for the period attributable to:					
Equity holders of the parent		2,262	1,764	5,937	6,403
Non-controlling interests		-	-	-	-
		<u>2,262</u>	<u>1,764</u>	<u>5,937</u>	<u>6,403</u>
Total comprehensive income for the period attributable to:					
Equity holders of the parent		2,262	1,764	5,937	6,413
Non-controlling interests		-	-	-	-
		<u>2,262</u>	<u>1,764</u>	<u>5,937</u>	<u>6,413</u>
Earnings per share (sen)					
- Basic ⁽²⁾		<u>0.52</u>	<u>0.41</u>	<u>1.37</u>	<u>1.50</u>
- Diluted ⁽³⁾		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</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 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.
- (2) Basic earnings per share is calculated based on the Company's share capital of 454,802,942 ordinary shares as at 30 September 2018.
- (3) Diluted earnings per share of the Company for the individual quarter and financial period ended 30 September 2018 is equivalent to the basic earnings per share as the Company and its subsidiaries ("GFM Group" or "Group") does not have convertible options at the end of the reporting period.

N/A Not applicable

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	Unaudited as at 30/09/2018 ⁽¹⁾	Audited as at 31/12/2017
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	19,097	17,208
Intangible assets	27,154	28,066
Other investments	921	521
Total non-current assets	47,172	45,795
Current assets		
Tax recoverable	2,825	2,678
Trade receivables	18,775	17,346
Other receivables, deposits & prepayments	32,319	8,887
Cash and cash equivalents	22,172	28,302
Total current assets	76,091	57,213
Total assets	123,263	103,008
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	60,720	48,038
Retained earnings	64,003	62,116
Share based payment reserve ⁽²⁾	133	-
Fair value reserve	21	21
Reorganisation deficit	(45,265)	(45,265)
Total equity	79,612	64,910
Non-current liabilities		
Borrowings	14,092	14,441
Deferred tax liabilities	4,584	4,803
Total non-current liabilities	18,676	19,244
Current liabilities		
Borrowings	8,144	3,017
Tax payable	769	647
Trade payables	9,006	6,273
Other payables and accruals	7,056	8,917
Total current liabilities	24,975	18,854
Total liabilities	43,651	38,098
Total equity and liabilities	123,263	103,008
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.18	0.15

(1) *The Unaudited Condensed Statement Of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.*

(2) *ESOS - Employees' Share Option Scheme and ESGS - Employees' Share Grant Scheme.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

	Share capital RM'000	Share premium RM'000	Share based payment reserve RM'000	Fair value reserve RM'000	Translation reserve RM'000	Reorganisation deficit RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as of 1 January 2018	48,038	-	-	21	-	(45,265)	62,116	64,910
Comprehensive income								
Profit for the financial period	-	-	-	-	-	-	5,937	5,937
Transition to no-par value regime ⁽²⁾	-	-	-	-	-	-	-	-
Other comprehensive loss								
Total comprehensive income for the period	-	-	-	-	-	-	-	-
Transactions with owners								
Private placement	12,682	-	-	-	-	-	-	12,682
Dividends paid on shares	-	-	-	-	-	-	(4,050)	(4,050)
Share based payment under ESOS and ESGS ⁽³⁾	-	-	133	-	-	-	-	133
Balance as of 30 September 2018	60,720	-	133	21	-	(45,265)	64,003	79,612
Balance as of 1 January 2017	42,810	5,228	-	28	-	(41,207)	54,301	61,160
Comprehensive income								
Profit for the financial period	-	-	-	-	-	-	6,403	6,403
Transition to no-par value regime ⁽²⁾	5,228	(5,228)	-	-	-	-	-	-
Other comprehensive loss								
Total comprehensive income for the period	-	-	-	3	-	-	-	3
Foreign currency translation differences	-	-	-	-	7	-	-	7
Transactions with owners								
Dividend paid on shares	-	-	-	-	-	-	(6,186)	(6,186)
Balance as of 30 September 2017	48,038	-	-	31	7	(41,207)	54,518	61,387

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.
- (2) With the Companies Act 2016 ("the New Act") coming into effect on 31 January 2017, the credit standing in the share premium and capital redemption reserve accounts has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium and capital redemption reserve accounts within 24 months after the commencement of the New Act.
- (3) ESOS - Employees' Share Option Scheme and ESGS - Employees' Share Grant Scheme.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

	Year-to-date ended	
	30/09/2018 RM'000	30/09/2017 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before tax	9,971	8,589
Adjustment for:		
Amortisation of intangible assets	912	912
Impairment loss on trade receivables	3,572	560
Bad debts written off	-	263
Depreciation of property, plant and equipment	440	244
Interest expense	976	1,077
Interest income	(866)	(342)
Share based payment	133	-
Reversal of impairment of trade receivables	(1,968)	(733)
Property, plant and equipment written off	-	*
	<u>13,170</u>	<u>10,570</u>
Movements in working capital:		
Increase in:		
Trade and other receivables	(26,467)	(2,763)
Increase in:		
Trade and other payables	873	4,338
Cash (Used in)/Generated From Operations	<u>(12,424)</u>	<u>12,145</u>
Income tax paid	(4,277)	(3,814)
Interest paid	(976)	(1,077)
Interest received	866	342
Net Cash (Used in)/From Operating Activities	<u>(16,811)</u>	<u>7,596</u>
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Drawdown of fixed deposits	26,112	5,069
Other investments	(400)	-
Placement of fixed deposits	(14,638)	(11,050)
Purchase of property, plant and equipment	<u>(1,254)</u>	<u>(256)</u>
Net Cash From/(Used in) Investing Activities	<u>9,820</u>	<u>(6,237)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Repayment of finance lease payables	(1,245)	(25)
Obtain term loan	6,800	9,990
Repayment of borrowings	(1,850)	(8,828)
Repayment to directors	-	*
Dividend paid	<u>(4,050)</u>	<u>(6,186)</u>
Net Cash Used in Financing Activities	<u>(345)</u>	<u>(5,049)</u>
EFFECT OF EXCHANGE RATE CHANGES		
	-	7
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(7,336)</u>	<u>(3,690)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>20,638</u>	<u>6,689</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>13,302</u>	<u>3,006</u>
Cash and cash equivalents comprise:		
Cash and bank balances	12,652	3,037
Fixed deposits with a licensed bank	<u>9,520</u>	<u>19,714</u>
	<u>22,172</u>	<u>22,751</u>
Less: Bank overdraft	(1,033)	(31)
Deposits pledged as securities	(7,737)	(9,614)
Fixed deposits with licensed banks not pledged but with maturities more than three (3) months	<u>(100)</u>	<u>(10,100)</u>
	<u>13,302</u>	<u>3,006</u>

Notes:

(1) The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

N/A Not applicable

* Denotes < RM1,000

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2018

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

A1 Basis of preparation

This condensed consolidated interim financial report is unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34 Interim Financial Reporting and Rule 9.22 and Appendix 9B of the Listing Requirements.

This is the interim financial report on the condensed consolidated results for the quarter ended 30 September 2018 announced by the Company in compliance with the Listing Requirements of Bursa Securities.

The accounting policies and methods of computation adopted by the Group in this unaudited condensed consolidated interim financial report are consistent with those adopted in the annual financial statements of the Group. This unaudited condensed consolidated interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.

The accompanying explanatory notes attached to this unaudited condensed consolidated interim financial report provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of GFM Group since the financial year ended ("FYE") 31 December 2017.

A2 Changes in Accounting Policies

The significant accounting policies adopted in this unaudited condensed consolidated interim financial report are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 31 December 2017, except for the following as they are not yet effective for the financial period:

MFRS 3	Business Combinations (Amendments to MFRS 3)
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)
MFRS 11	Joint Arrangements (Amendments to MFRS 11)
MFRS 16	Leases
MFRS 17	Insurance Contracts
MFRS 112	Income Taxes (Amendments to MFRS 112)
MFRS 119	Employee Benefits (Amendments to MFRS 119)
MFRS 123	Borrowing Costs (Amendments to MFRS 123)
IC INT 23	Uncertainty over Income Tax Treatments

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Group for the FYE 31 December 2017 were not subject to any qualification.

A4 Seasonal or Cyclical Factors

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

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

First and Final Single Tier Dividend of 0.919 sen per ordinary share in respect of the financial year ended 31 December 2017 amounting RM 4,050,037.

A9 Segmental Information

No segment reporting is prepared as the principal activities of the Group are predominantly carried out in Malaysia and are engaged in a single business segment of facilities management services.

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 other material changes in the composition of the Group for the current financial quarter under review.

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

As at the date of this interim financial report, save as disclosed below, the Board is not aware of any other material capital commitments incurred or known to be incurred by the GFM Group which, upon becoming due and enforceable, may have a material impact on the financial results or position of the GFM Group.

	Unaudited as at
	30/09/2018
	RM'000
Approved and contracted for	
- Balance purchase consideration for the Proposed Acquisition of KP Mukah Development Sdn Bhd ("KPMDB")	<u>117,000</u>

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B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS
B1 Review of Performance

The Group's revenue are mainly derived from its facilities management services.

The Group recorded revenue of RM 89,292,202 and profit before tax of RM 10,103,353 for the financial period ended 30 September 2018 and revenue of RM 75,032,868 and profit before tax of RM 8,589,028 for the financial year ended 30 September 2017.

The major contributor to the Group's revenue during the current quarter and current financial period under review was from the facilities management services operations segment. Our Group recorded revenue from this segment of RM 89,292,202 which accounted for 100% of the total revenue recorded for the current financial period under review.

B2 Comparison with preceding quarter's results

	Current year quarter 30/09/2018 RM'000	Preceding quarter 30/06/2018 RM'000	Variance RM'000	%
Revenue	28,193	29,180	(987)	-3%
Profit before tax	4,067	1,823	2,244	123%

The Group reported revenue of RM28.2 million and profit before tax of RM4.1 million for the current quarter ended 30 September 2018 ("3Q"), representing a decline of RM1 million or 3% as compared to revenue of RM29.2 million in the preceding quarter ended 30 June 2018 ("2Q") was mainly due to the reversal of floating fund over accrued.

An improvement of RM2.2 million or 123% as compared to profit before tax of RM1.823 million in the preceding quarter ended 30 June 2018. This was due to higher one-off projects costs incurred in 2Q 2018 and has been normalised in 3Q 2018.

B3 Prospects

The proposed acquisition of KP Mukah Development Sdn Bhd ("KPMD") is delayed and expected to be completed within a period of thirty days after the Unconditional Date on 31 October 2018 and anticipate consolidation upon completion moving forward. The Group has also embarked on Group-wide cost optimization that is projected to contribute positively by year-end 2018.

The Group has secured contracts totaling RM 90.989 million and outstanding order book stood at RM 281.222 million as at 30 September 2018.

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 30/09/2018 RM'000	Preceding year quarter 30/09/2017 RM'000	Current year to-date 30/09/2018 RM'000	Preceding year to-date 30/09/2017 RM'000
Income tax				
Current period	1,878	728	4,253	2,405
Prior period	-	-	-	-
	<u>1,878</u>	<u>728</u>	<u>4,253</u>	<u>2,405</u>
Deferred tax				
Current period	(73)	(73)	(219)	(219)
Prior period	-	-	-	-
	<u>1,805</u>	<u>655</u>	<u>4,034</u>	<u>2,186</u>

The effective tax rate for the current quarter and 6-month financial period ended 30 September 2018 of 40% which was higher than the statutory tax rate was mainly due to expenses disallowed for tax purposes.

B6 Unquoted investments and properties

There were no purchases or sales of unquoted investment or properties for the current financial quarter and current financial period under review.

B7 Quoted securities

There were no acquisitions or disposals of quoted securities for the current financial quarter and the financial period to date.

B8 Borrowings and Debt Securities

The Group's total debts as at 30 September 2018 which are denominated in Ringgit Malaysia are as follows:

	Unaudited as at 30/09/2018 RM'000	Audited as at 31/12/2017 RM'000
Short-term indebtedness:		
<u>Secured and guaranteed</u> Borrowings	14,092	3,017
Long-term indebtedness:		
<u>Secured and guaranteed</u> Borrowings	<u>8,144</u>	<u>14,441</u>
Total indebtedness	<u><u>22,236</u></u>	<u><u>17,458</u></u>

B9 Material Litigation

Global Facilities Management Sdn Bhd (“the Plaintiff”), a wholly owned subsidiary of GFM Services Bhd had on 23 July 2018 commenced a suit against TRW Boulevard Square Sdn Bhd (in receivership) (“the Defendant”) for the sum of RM1.02 million being the sum allegedly owing from the Defendant to the Plaintiff for facility management services rendered by the Plaintiff to the Defendant.

The Plaintiff had on 12 September 2018 filed an application for summary judgement against the Defendant and the Defendant had on 16 October 2018 filed an application to strike out the Plaintiff’s claim.

During the case management held on 16 November 2018, the court has given the following directives: -

- a) Plaintiff to reply to the Defendant’s Affidavit in Reply dated 15 November 2018 (relating to Defendant’s striking out application) by 30 November 2018 (“Plaintiff’s Further Affidavit”).
- b) Defendant to reply to the Plaintiff’s Further Affidavit by 14 December 2018.
- c) Parties to file their respective written submissions (relating to Plaintiff’s summary judgment application) by 30 November 2018.
- d) A further case management is to be held on 17 December 2018.

The suit against the Defendant will not have a material financial impact on GFM.

B10 Dividend

No dividend has been declared or proposed for the current financial quarter under review.

B11 Earnings Per Share (“EPS”)

	Individual quarter		Cumulative period	
	Current year quarter 30/09/2018 RM’000	Preceding year quarter 30/09/2017 RM’000	Current year to-date 30/09/2018 RM’000	Preceding year to-date 30/09/2017 RM’000
BASIC EPS				
Profit for the period (RM’000)	2,262	1,764	5,937	6,403
Number of ordinary shares in issue (’000)	434,496	428,103	434,496	428,103
Basic EPS (Sen)	0.52	0.41	1.37	1.50

There was no dilution in the earning per share as there was no potential diluted ordinary share outstanding as at the end of the current quarter under review.

B12 Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

Profit before tax has been arrived at after crediting/(charging):

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2018 RM’000	Preceding year quarter 30/09/2017 RM’000	Current year to-date 30/09/2018 RM’000	Preceding year to-date 30/09/2017 RM’000
Interest income	608	242	866	342
Other income:				
Bad debts recovered	100	-	400	-
Compensation received	-	-	-	-
Reversal of impairment on trade receivables	-	350	1,968	733
Investment income	-	-	-	-
Miscellaneous	137	19	922	471
Interest expense	(421)	(925)	(976)	(1,077)
Depreciation of property, plant and equipment	(173)	(165)	(440)	(244)
Amortisation of intangible assets	(304)	(608)	(912)	(912)
Bad debts written off	-	-	-	(263)
Write off on:				
- Trade receivables	-	-	-	-
- Inventories	-	-	-	-
Impairment loss on:				
- Trade receivables	(872)	(82)	(3,572)	(560)
- Goodwill	-	-	-	-
- Inventories	-	-	-	-
Employee benefits expense	(5,875)	(12,701)	(21,991)	(20,891)
Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Realised foreign exchange gain or loss	-	-	-	-
Unrealised foreign exchange gain or loss	-	-	-	-
Gain or loss on derivatives	-	-	-	-
Rental of premises	(70)	(91)	(254)	(190)
Rental of office equipment	(18)	(32)	(74)	(74)

B13 Status of corporate proposals

Save as disclosed below, there are no other corporate proposal announced but not completed as at the date of this interim report.

On 5 July 2017, KAF Investment Bank Berhad, on behalf of the Board of Directors of GFM Services, announced that the Company had proposed transfer of the listing of and quotation for the entire issued share capital of GFM from the ACE Market of Bursa Malaysia Securities Berhad to the Main Market of Bursa Malaysia Securities Berhad (“Proposed Transfer of Listing”).

KAF Investment Bank Berhad had, on 26 January 2018, on behalf of the board of Directors of GFM Services Berhad, announced that the Company had entered into a Conditional Share Sale Agreement with Kumpulan Parabena Sdn Bhd for the proposed acquisition of entire issued share capital of KP Mukah Development Sdn Bhd from Kumpulan Parabena Sdn Bhd for RM 130,000,000 to be satisfied wholly by cash.

B13 Status of corporate proposals (continued)

The Company had, on 21 March 2018, held its extraordinary general meeting in relation to the Proposed Acquisition of 5,000,000 ordinary shares of KP Mukah Development Sdn Bhd ("KPMD") representing the entire issued share capital of KPMD by GFM Services Berhad from Kumpulan Parabena Sdn Bhd for the total purchase consideration of Rm130,000,000 to be satisfied wholly by cash ("Proposed Acquisition of KPMD").

On 7 May 2018, M&A Securities Sdn Bhd, on behalf of the Board of Directors of GFM Services, announced that the Company proposed to undertake a private placement of up to 10% of the issued shares of GFM Services ("Proposed Private Placement"). 12,600,000 ordinary shares of RM 0.4850 each has been issued on 26 June 2018.

KAF Investment Bank Berhad had, on behalf of the Company, announced that the parties to the Conditional SSA dated 26 January 2018 had, on 25 July 2018, entered into a supplemental agreement to amend the clauses of the Conditional SSA ("Supplemental Agreement").

On 10 August 2018, M&A Securities Sdn Bhd, on behalf of the Board of Directors of GFM Services, had announced that the Company has fixed the issue price at RM0.466 per Placement Share to be issued pursuant to the Private Placement. 14,100,000 ordinary shares of RM0.466 each has been issued on 3 September 2018.

KAF Investment Bank Berhad had, on 25 September 2018, on behalf of the Company, announced that the parties to the Conditional SSA (dated 26 January 2018) and the Supplemental Agreement (dated 25 July 2018) had entered into a second supplemental agreement dated 25 September 2018 to amend the clauses of the Supplemental Agreement ("Supplemental Agreement 2").

On behalf of the board of directors of GFM Services, on 24 October 2018, KAF Investment Bank Berhad had announced that GFM Services proposes to undertake the proposed bonus issue of up to 247,896,948 free warrants in GFM Services ("Bonus Warrants") to be issued on the basis of one Bonus Warrant for every two existing ordinary shares in GFM Services on the entitlement date to be determined at a later date ("Proposed Bonus Issue of Warrants").

On 31 October 2018, on behalf of the Company, KAF IB had announced that all the conditions precedent to the Conditional SSA (the Conditional SSA is dated 26 January 2018, and as supplemented by the Supplemental Agreement dated 25 July 2018 and Supplemental Agreement 2 dated 25 September 2018) have been met and accordingly, the Conditional SSA has become unconditional.

On 7 November 2018, KAF Investment Bank Berhad had, on behalf of the Company, announced that the listing application for the admission to the Official List and for the listing of and quotation for Bonus Warrants up to 247,896,948 and new GFM Services Shares up to 247,896,948 to be issued arising from the exercise of Bonus Warrants, on the ACE Market or Main Market of Bursa Securities, as the case may be, have been submitted to Bursa Securities.

On 15 November 2018, M&A Securities on behalf of the Board of Directors of GFM Services, had announced that the Company has fixed the issue price at RM0.385 per Placement Share to be issued pursuant to the Private Placement.

KAF Investment Bank Berhad had, on 16 November 2018, on behalf of the Company, announced that the parties to the Conditional SSA (dated 26 January 2018), the Supplemental Agreement (dated 25 July 2018) and Supplemental Agreement 2 (dated 25 September 2018) had entered into a third supplemental agreement dated 16 November 2018 to amend the clauses of the Conditional SSA and the Supplemental Agreement ("Supplemental Agreement 3").

B14 Status of utilisation of proceeds

i) Status of Utilisation of Proceeds from Private Placement

No.	Purpose	Proposed Utilisation		Actual Utilisation	Intended timeframe for utilisation from listing date (27 June 2018)	Balance of unutilised proceeds
		Base Scenario RM'000	Maximum Scenario RM'000			
1.	Estimated expenses for the Proposed Private Placement	640	660	360	Within 1 month	280
2.	Part finance acquisition of KPMD	19,053	20,017	5,915	Within 6 months	6,406
		19,693	20,677	6,275		6,686

¹ Proposed Utilisation as disclosed in the announcement dated 7th May 2018 in relation to the fund raising for acquisition of KPMD.

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