GFM Services Berhad

ANNUAL REPORT 2021

CORPORATE MISSION

To be the premier provider of Asset and Facilities Management Solutions which consistently **EXCEED** customers' requirements.

CORPORATE CREED

We shall treat our **CUSTOMERS**, **EMPLOYEES**, **SHAREHOLDERS**, **SUPPLIERS** & the **COMMUNITY** with **DIGNITY**, **FAIRNESS** & **RESPECT**. We shall conduct our business with **INTEGRITY** and **HIGH ETHICAL** standards.

CORPORATE BRAND

FREEDOM TO FOCUS ON THE FUTURE.

GFM is a preferred Facilities Management ("FM") solutions provider providing customised and innovative support services enabling companies to focus on their core business, thereby realising their vision for their organisation.

The GFM brand essence is the strategic core of the brand. It is the foundation upon which all internal and external brand experiences are built. Ultimately, our brand goal is for our brand essence to be top of mind.

GFM's brand is essentially made up of three brand virtues that we refer to as the GFM Brand Essence. They are being Innovative, Reliable and Strategic Partnering. From a GFM brand perspective, the definition of the three brand essence are as follows:-

INNOVATIVE

The application or inception of an idea or invention as an improvement or elevation into a process or service that positively impacts or creates value (efficiency, efficacy, economic) along our service delivery line. At GFM, we are conscious about being innovative in what we do on a daily basis. The outcome of being innovative is continuous improvement.

RELIABLE

Being reliable is at the core of the GFM experience. With us, our partners and stakeholders are assured of getting what they sign up for. At GFM, we walk the talk and consistently do everything within our control to deliver on our promises.

STRATEGIC PARTNERING

At GFM, we are focused on the provision and delivery of services to support the customer in focusing on their core business on a sustainable and successful basis. This is borne by the desire and ability to work together towards a mutually beneficial outcome. The work we do for the customer supports them in realising their vision.

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ABOUT US

OUR PERFORMANCE

COVER RATIONALE

In a world where the only constant is change, we at GFM are creating a learning organisation where transformation is driven by innovation, creativity and challenging the conventional. The spherical dots represent the multifarious elements of the business environment and the tipping point connecting the dots depicts GFM's value proposition in enabling the customer to achieve its business objectives.

GET IT

Download the "QR Code Reader" app from Google Play (Android Market), BlackBerry AppWorld, App Store (iOS/iPhone) or Windows Phone Store

RUN IT

Run the QR Code Reader app and point your camera at the QR Code

ACCESS IT

Get access to GFM Services Berhad's website

Scan this to view Annual Report 2021

OUR GOVERNANCE

OTHERS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Abdul Rahim Bin Abdul Hamid
Independent Non-Executive Director
(Board Chairman)

Ruslan Bin Nordin
Executive Vice Chairman

Mohammad Shahrizal Bin Mohammad Idris
Managing Director

Zainal Bin Amir
Non-Independent Non-Executive Director

Zainal Arifin Bin Khalid
Independent Non-Executive Director

Yong Hee Kong
Independent Non-Executive Director

Ashok Virendra Shah
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENTCOMMITTEE

Ashok Virendra Shah
Chairman

Abdul Rahim Bin Abdul Hamid
Member

Yong Hee Kong
Member

Zainal Bin Amir
Member

Zainal Arifin Bin Khalid
Member
(Appointed on 26 August 2021)

NOMINATION AND REMUNERATION COMMITTEE

Zainal Arifin Bin Khalid
Chairman

Ashok Virendra Shah
Member

Yong Hee Kong
Member

COMPANY SECRETARY

Wong Youn Kim
(MAICSA 7018778)
(SSM Practising Certificate No.: 201908000410)

REGISTERED OFFICE

Level 2, Tower 1, Avenue 5
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Tel : (603) 2241 5800
Fax : (603) 2282 5022

CORPORATE OFFICE

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Taman Melawati
53100 Kuala Lumpur, Malaysia
Tel : (603) 4101 0555
Fax : (603) 4162 5250
Web : www.gfmservices.com.my

SHARE REGISTRAR

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[Registration No.: 197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : (603) 2783 9299
Fax : (603) 2783 9222

EXTERNAL AUDITORS

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(LLP0000963-LCA & AF002096)
Chartered Accountants
Unit 3.3A, 3rd Floor, Surian Tower
No. 1, Jalan PJU 7/3,
Mutiara Damansara
47810 Petaling Jaya
Selangor, Malaysia
Tel : (603) 7728 1800
Fax : (603) 7728 9800

PRINCIPAL BANKERS

Bank Pembangunan Malaysia Berhad
CIMB Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Bhd

STOCK EXCHANGE LISTING

The ACE Market of Bursa Malaysia Securities Berhad
Stock Name : GFM
Stock Code : 0039

GROUP CORPORATE STRUCTURE

Global Facilities Management Sdn. Bhd.
100%

Everfine FMS Sdn. .Bhd.
100%

GFM Solutions Sdn. Bhd.
100%

Dynasty Harmony Sdn. Bhd.
100%

KP Mukah Development Sdn. Bhd.
100%

GFM Shared Services Sdn. Bhd.
100%

MEDIA HIGHLIGHTS

GFM inks JV to upgrade highway rest area in Melaka

BY IZZUL IKRAM
theedgemarkets.com

KUALA LUMPUR (Sept 20): Integrated facilities management service provider GFM Services Bhd said it is partnering Amzass (M) Sdn Bhd to upgrade the northbound and southbound Bemban lay-bys in Melaka.

In a statement today, the group said Amzass has been authorised by the Malaysian Highway Authority to upgrade the facilities of the lay-bys, as well as to construct a petrol station on both sides of the proposed rest and service areas (RSA).

The two sides have signed a joint-venture (JV) agreement, in pursuant to the earlier heads of agreement for GFM to acquire up to a 70%-stake in Amzass.

GFM said the venture enables the group to enlarge its scope of services and fortify its position in the concessions segment.

"With a combined gross floor area of 20,000 square metres, the proposed two-storey RSAs will have a bigger commercial space with a variety of food and retail stalls, kiosks, outlets," said GFM executive vice chairman Ruslan Nordin.

He added that GFM will construct petrol stations on both sides of the Bemban RSA and will own and operate these stations.

Ruslan said construction is anticipated to commence in 2022 with an estimated capital expenditure of RM80 million.

"As at June 30, 2021, we have robust cash balances of RM76.5 million. We expect the project to be completed and start contributing from 2023 onwards, barring any unforeseen circumstances.

"This venture is expected to broaden our recurring revenue streams from various sources such as sales of F&B, sales surcharge, rental fees and utility charges from vendors and tenants, among others," he said.

Ruslan said the addition of the project also provides a platform for the group to pursue similar projects in the future.

Shares in GFM ended unchanged at 23 sen today, valuing the group at RM126.59 million.

BEST PRACTICES

GFM wins Frost & Sullivan's facilities management leadership award

KUALA LUMPUR: GFM Services Bhd has won the prestigious 2021 Malaysia Facilities Management Competitive Strategy Leadership Award from global research and consulting firm Frost & Sullivan.

GFM executive vice-chairman Ruslan Nordin said this award was a testament to its agility and capability in delivering quality service to its clients despite the challenges brought about by the Covid-19 pandemic.

"Amid a volatile operating backdrop, our people have banded together and demonstrated the highest commitment in supporting our customers with the adoption of best practices in facilities management," he said in a statement.

Ruslan said the facilities management service provider's priority had always been enhancing its value proposition to better serve clients.

"Through our services, we aim to strengthen our position in the facilities management industry and further accelerate our growth in Malaysia.

"This award reinforces the belief that we are on the right track and offers further motivation to provide our clients with superior services in the pursuit of becoming a market leader."

Frost & Sullivan energy and environment programme manager Janice Wung said GFM's ability to improvise its solutions to accommodate new demands while prioritising services and technology-driven, Internet of Things-enabled implementations had led to new project wins and renewals.

The Frost & Sullivan best practices award is presented annually to companies with a standout approach to achieving top-line growth and superior customer experience in the facilities management industry.

In determining the final award recipient, Frost & Sullivan applies a stringent process to assess nominees that include detailed evaluation of best practice criteria concerning strategy innovation and customer impact.

GFM serves various industries in the public and private sectors.

GFM Services to enter highway Rest and Service Area business

PETALING JAYA: Integrated facilities management service provider GFM Services Bhd has entered into a joint venture agreement with Amzass (M) Sdn Bhd to collaborate and complete the upgrade of the Northbound and Southbound Bemban lay-bys in Malacca located along the PLUS Malaysia Bhd North-South Expressway into Rest and Service Areas (RSA).

GFM executive vice-chairman Ruslan Nordin said the Bemban lay-bys are equipped with basic facilities such as washrooms, surau and roadside food stalls.

"The lay-bys will be developed into a modern and contemporary RSA featuring full facilities with the aim of delivering an optimum experience to visitors. With a combined gross floor area of 20,000 square metre, the proposed two-storey RSA will have a bigger commercial space with a variety of food and retail stalls, kiosks, outlets. Apart from having a food hall, we intend to bring in major convenience, and food and beverage (F&B) chains and local established restaurant brands to cater to a wide pool of travelers. We are confident that our initiatives will attract a large crowd to the RSA," he said in a statement yesterday.

GFM will build a petrol station on both sides of the Bemban RSA under the Dealer Own, Dealer Operate arrangement, where GFM will construct, own and operate these petrol stations.

"High-power electric vehicle (EV) charging stations will also be built, offering on-the-go convenience to drivers who want to recharge their EVs during their travels," it said.

Ruslan said the construction of the RSA and petrol station is anticipated to commence in 2022 with an estimated capital expenditure of RM80 million, which will be funded by GFM's internally generated funds and bank borrowings.

He said the design of the proposed RSA would be incorporated with smart technology with green building characteristics.

He said the group would seek advice on asset and facilities management solutions from its associate company Tanand Technology Sdn Bhd, an Internet of Things solutions provider.

"We have experience in providing total asset lifecycle solutions to greenfield development of public infrastructures that incorporate environmental, social and governance elements to make the facilities carbon neutral.

"The PLUS North-South Expressway links major cities and towns in West Peninsular Malaysia and is a significant mover of people and goods.

"About 25,000 travelers visit the RSAs daily, translating to a total of more than nine million visitors per year. The rest stops can become congested, especially during peak periods such as public holidays and festive seasons. Hence, our proposed Bemban RSA will relieve the congestion at existing stop areas along the expressway," he said.

He said the project has been part of the group's plans to accelerate its growth and the partnership with Amzass enabled the group to enlarge its scope of services and fortify its position in the concessions segment.

Amzass has been authorised by the Malaysian Highway Authority to upgrade the existing facilities of the Bemban lay-bys, as well as to construct a petrol station on both sides of the proposed RSA. The Bemban lay-bys are situated in Malacca, between the RSA of Ayer Keroh, Malacca and Pagoh, Johor.

The JV is pursuant to the heads of agreement between the two parties for GFM to acquire up to 70%-stake in Amzass.

GFM Services gets RM6.3mil contract

PETALING JAYA: Integrated Facilities Management service provider, GFM Services Bhd has been awarded a RM6.3mil contract to provide integrated facilities management services in Johor.

In a statement, it said its wholly-owned subsidiary, Global Facilities Management Sdn. Bhd. had secured a supplemental letter of appointment from Iskandar Education Enterprise Sdn. Bhd., for the appointment of integrated facilities management services provider for five locations within EduCity Iskandar Malaysia located in Iskandar Puteri, Johor.

The contract, which was originally for a 1-year period from April 1, 2020 to March 31 2021, has been extended for another 2 years until March 31, 2023.

This project is expected to contribute positively to the Group's earnings over the next 2 years, it said.

The company said it shall continue to manage five areas within the EduCity premises, including the EduCity Compound, EduCity Hub, EduCity Complex 2, EduCity Village and EduCity Sports Complex.

"GFM will be responsible for the provision of management services, as well as hard and soft FM services for EduCity."

MEDIA HIGHLIGHTS

NEW STRAITS TIMES

Facilities management services to pick up this year

By John Gilbert - January 3, 2022 @ 1:32pm

GFM Services Bhd managing director Mohammad Shahrizal Mohammad Idris said the company will focus this year on facilities management service components such as hygiene, safety, security, and communication technology.

KUALA LUMPUR: GFM Services Bhd is confident that the need for facilities management (FM) services will pick up and continue to rise in 2022.

Managing director Mohammad Shahrizal Mohammad Idris said having aware of the challenges ahead, the company will continue and tailor its services to be outcome-based rather than tasks-based.

"This approach is to suit the actual demand of the clients, thus allowing us to package our services more competitively.

"Our operational arrangement has to be robust enough to handle such variations and uncertainties.

"To date, we have been serving several specialised healthcare facilities.

"However, healthcare to us is a very competitive market, and we have not considered this to be our focus area for business growth," he said.

Mohammad Shahrizal said the pandemic has also accelerated the use of smart technology, and FM's role will be increasingly connected to technological advances.

"In this respect, we are rolling out Internet of Things (IoT) solutions and GFM Enterprise Management System (GEMS) with mobile features at our project sites for more effective service delivery.

"This allows us to gather real-time data on building performance and energy consumption to facilitate our efforts in lowering carbon footprint," he said.

THE EDGE MARKETS
MAKE BETTER DECISIONS

GFM Services partners Majuperak to develop rest and service area in Perak

Tan Siew Mung / theedgemarkets.com
January 17, 2022 18:45 pm +08

Ruslan: This marks our second venture in the RSA business and reflects our commitment in enlarging our concessions business

KUALA LUMPUR (Jan 17): Integrated facilities management service provider GFM Services Bhd (GFM) is partnering property developer Majuperak Holdings Bhd to jointly develop and operate a rest and service area (RSA) at Hulu Bernam, Perak, along the North South Expressway.

In a bourse filing Monday (Jan 17), GFM said it has inked a heads of agreement (HoA) with Majuperak's wholly-owned Jua Juara Sdn Bhd to form a joint venture for the proposed partnership, with the parties expected to ink a definitive JV agreement within six months of the HoA.

THE EDGE MARKETS
MAKE BETTER DECISIONS

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TRENDING NOW: SC Annual Report 2020 | Economic Recovery Plan | The Edge Covid-19 funds

MALAYSIA | CORPORATE

GFM secures RM6.3 mil contract extension for EduCity Iskandar Malaysia

Bernama / Bernama
April 09, 2021 00:42 am +08

KUALA LUMPUR (April 8): GFM Services Bhd's wholly-owned subsidiary, Global Facilities Management Sdn Bhd's contract with Iskandar Education Enterprise Sdn Bhd as an integrated facilities management services provider has been extended for another two years, from April 1, 2021 to March 31, 2023.

Under the RM6.3 million contract, GFM will continue to manage five areas within the EduCity Iskandar Malaysia's (Educity) premises, namely the EduCity Compound, EduCity Hub, EduCity Complex 2, EduCity Village and EduCity Sports Complex in Iskandar Puteri, Johor.

It is also responsible for the provision of management services as well as hard and soft facilities management services for EduCity.

In a statement today, GFM executive chairman Ruslan Nordin said the extension of the contract to manage a leading education hub was a testament to the robust knowledge the group had of EduCity's requirements and the quality of service it provided.

THE EDGE MARKETS
MAKE BETTER DECISIONS

MALAYSIA | MANAGEMENT | CORPORATE

GFM inks JV to upgrade highway rest area in Melaka

Izzul Ikram / theedgemarkets.com
September 20, 2021 18:35 pm +08

KUALA LUMPUR (Sept 20): Integrated facilities management service provider GFM Services Bhd said it is partnering Amzass (M) Sdn Bhd to upgrade the northbound and southbound Bemban lay-bys in Melaka.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

2021 was another volatile year which presented a myriad of COVID-19 pandemic-induced disruptions that continued to impact livelihoods and businesses around the world. At GFM Services Berhad ("GFM" or "the Company") and its subsidiaries ("the Group"), we stayed adaptable to the evolving market conditions and maintained our focus on growing the business and sustaining smooth operations during the year. Despite the challenges, GFM had emerged from a time of crisis as a stronger entity to deliver a robust performance as net profit rose 16.9% to RM10.0 million in the financial year ended 31 December 2021 ("FYE 2021").

On behalf of the Board of Directors ("the Board") of GFM, I am pleased to present to you GFM's Annual Report and Audited Financial Statements for the FYE 2021.

2021 IN FOCUS

The world started the year 2021 with cautious optimism, as mass vaccination programmes were being rolled out globally. However, the emergence of the Delta and Omicron variants led to a surge in COVID-19 infections worldwide and posed a risk to global economic recovery.

In Malaysia, the government enforced a series of Movement Control Order ("MCO") with extended lockdown measures, curtailing business activities nationwide. Nonetheless, the government eased restrictions in the fourth quarter of 2021 as the national vaccination drive picked up pace, spurring the opening of the economy. Accordingly, the Malaysian economy expanded by 3.1% in 2021, as compared to a decline of 5.6% in 2020.

2021

NET PROFIT (MIL.)

RM10.0

2020 RM8.6 Mil.

2021

PROFIT BEFORE TAX (MIL.)

RM18.4

2020 RM 17.7 Mil.

ABDUL RAHIM BIN ABDUL HAMID
BOARD CHAIRMAN

CHAIRMAN'S STATEMENT

In 2021, we placed our focus on ensuring continuous FM services to our clients, while strengthening our concessions portfolio. Safety and health remained as key considerations as we continued to implement precautionary measures according to the government's Standard Operating Procedures ("SOPs") at the work sites. As at 31 December 2021, the Group's outstanding orderbook stands at RM1.1 billion.

We are delighted to state that GFM had won the prestigious Malaysia Facilities Management Competitive Strategy Leadership Award from global research and consulting firm, Frost & Sullivan in 2021. This is a testament to the Group's agility in delivering quality and uninterrupted service even amid the COVID-19 pandemic, as well as our innovative drive in accommodating new demands with a priority on technological advancements.

Meanwhile, we also strived to grow the Group's concession assets and enhance our recurring income streams in 2021. Our initiatives involved forming strategic partnerships to gain access to projects in relation to the development of Rest and Service Areas ("RSA") along the PLUS Malaysia Berhad's ("PLUS") North-South Expressway. At the same time, we continued to deliver FM services at the Universiti Teknologi Mara ("UiTM") Mukah campus in Sarawak.

At GFM, we focused on solidifying our value proposition to customers by enhancing our Internet-of-Things ("IoT") solutions using the Group's in-house GFM Enterprise Management Systems ("GEMS"). During the year, we introduced an incentive-based programme at the workplace to further enhance our productivity and enhance service delivery to customers.

MOVING FORWARD

The COVID-19 pandemic has shed a spotlight on the essential nature of our core FM business. It has brought people into focus as an organisation's most valuable asset and necessitated a new approach to the work experience, prioritising health and safety, as well as adaptability and flexibility. During this time, facility managers have taken the frontline role in adapting workplaces to the new reality of work with strict application of regulatory health protocols. This offers new opportunities for GFM to enhance our service delivery and offerings to ensure functionality, safety, and efficiency of our clients' sites.

GFM is committed to seizing arising opportunities in the FM market and will continue to bid for more projects to replenish our orderbook. To increase our prospects, the Group is working on strengthening our competencies and offerings with the deployment of IoT solutions at our clients' sites. IoT provides facility managers a wide range of automation opportunities based on tracked data, leading to enhanced efficiencies and lower operating costs.

At the same time, we are in the midst of growing our concessions business to provide the Group with stable recurring income. We will continue to work with our strategic partners in relation to the RSA ventures moving forward.

As we look ahead, customers are becoming increasingly reliant on robust FM solutions to ensure their adaptability to the new norm. Our goal at GFM is to be a strategic partner for our customers by establishing long-lasting relationships. We achieve this by innovating solutions that are catered to the evolving needs of the customers. With the onset of significant change, we endeavour to fortify GFM's role as the preferred FM specialist for our clients.

STRENGTHENING SUSTAINABILITY

We seek to pursue sustainable value creation as part of the Group's growth strategy. Our goal is to position GFM as a leading FM group with a focus on sustainability. To achieve this, we understand the importance of engaging with our stakeholders in the process of adopting Environmental, Social and Governance ("ESG") principles into our business strategies. With these insights, our Group will continue to undertake ESG-related initiatives guided by GFM's Sustainability Policy while working towards our objectives.

Our sustainability efforts are further elaborated in the Sustainability Report from pages 17 to 28 of GFM's Annual Report 2021.

ACKNOWLEDGEMENTS

I wish to extend my heartfelt gratitude to all our stakeholders that have enabled GFM to overcome temporary headwinds throughout the COVID-19 pandemic. This includes our shareholders, customers, business partners, financiers and regulatory bodies, who have been supporting us through these unprecedented times.

To the GFM Team, thank you for standing together with the Group to ensure business continuity and deliver results amid the uncertain operating backdrop. Last but not least, I would like to convey my appreciation to my fellow Board colleagues for their wise counsel in navigating the Group towards success even in trying times.

ABDUL RAHIM BIN ABDUL HAMID
Board Chairman

MANAGEMENT DISCUSSION & ANALYSIS

DEAR VALUED SHAREHOLDERS,

Amid a demanding year due to the prolonged effects of the COVID-19 pandemic, GFM persevered and continued to support the needs of our facilities management customers while adhering to strict safety standards. As a result, we delivered operational and financial progress as net profit increased 16.9% to RM10.0 million for the FYE 2021.

I am pleased to share with you the review of GFM's business operations and financial performance for FYE 2021

RUSLAN BIN NORDIN
EXECUTIVE VICE CHAIRMAN

MANAGEMENT DISCUSSION & ANALYSIS

GROUP BUSINESS AND OVERVIEW

Incorporated in 2000, GFM is an investment holding company primarily involved in the business of integrated facilities management ("IFM"), consultancy services and asset management of concessions. Since our founding, the Group has been continuously expanding its service offerings and expertise to strengthen its foothold in the industry as a leading FM service provider and concession holder.

Having been in the FM industry for more than two decades, the Group's value proposition is based on the prowess and experience of our management team, as well as our expansive business networks across industries. Our breadth of technical know-how and expertise enables the Group to design and deliver tailor-made solutions and integrated offers to customers. Leveraging on our robust track record in managing a wide range of built environments, GFM has accumulated a myriad of customers in both private and public sectors.

INTEGRATED FACILITIES MANAGEMENT

Operations & Maintenance

Hard FM Services
- Mechanical Systems
- Electrical Systems
- Civil, Structural & Architecture
- IT System
- Space Planning

Soft FM Services
- Cleaning & Housekeeping
- Landscaping
- Pest Control
- Waste Disposal Management
- Security

Management Services

- Facility Strategy & Policy
- Contract Management
- Performance Management
- Energy Management
- Contractors Management

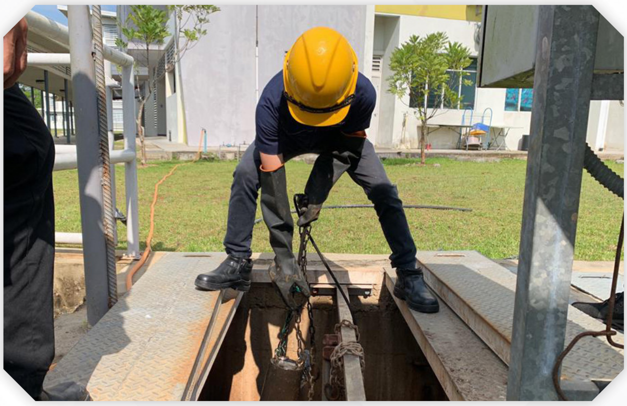
FACILITY MANAGEMENT ADVISORY & CONSULTANCY

Advisory & Consultancy Services

- Facility Management Process Planning and Advisory
- Review of Facility Design
- Facility Condition Audit
- Facility Management Solutions for O&M
- Management & Administration of Asset Disposal and Registration

With regards to our IFM segment which is our core business, we mainly provide operations and maintenance ("O&M") activities comprising both hard and soft services as well as deliver management services for clients. We are committed to delivering the best quality of work and value-added offerings to create greater value and savings for our clients with the optimisation of asset performance, in line with international quality management standards.

GFM also undertakes facility and advisory ("FCA") services, covering planning and pre-construction as well as upgrading and refurbishment across an asset's life cycle.



As for our concession segment, GFM is the owner of a university asset concessionaire, KP Mukah Development Sdn. Bhd. ("KP Mukah"), for UiTM Mukah campus in Sarawak. The concession is expected to provide GFM with stable cash flow until the end of the concession period in 2035. GFM is also in the midst of expanding its concession portfolio with our foray into highway rest and service area ("RSA") business during the year.

CONCESSION ARRANGEMENTS

Asset Concession Owner

- 23-year concession for UiTM Mukah campus ending 2035

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL HIGHLIGHTS

2021 has been a challenging year for the global community as society and businesses endeavoured to deal with the impact of the COVID-19 pandemic. During these unprecedented times, staying adaptable and agile is crucial in ensuring the resiliency of the Group. Due to the pandemic, customers are not only looking for efficient service delivery, but also for a strategic partner to assist them in adapting to the latest workplace trends. Hence, facilities management has become a key consideration in ensuring a productive and safe working environment.

Sustaining FM Services

GFM's focus in 2021 was to re-assert our position as a reliable and innovative partner that provides uninterrupted FM services to our clientele base, even when crises strike. This allows our customers to focus on the recovery of the business. Throughout the pandemic, GFM kept the communication channels open with our customers to better understand their needs as we enhanced our FM offerings. Our teams were mobilised to ensure the continuity of our operations, as well as our clients'.

During the year, we successfully secured a contract extension valued at RM6.3 million for the leading education hub, EduCity Iskandar Malaysia ("EduCity"), located in Iskandar Puteri, Johor. This renewed contract is a testament to the experience and expertise we possess in fulfilling EduCity's requirements, and further cements our reputation as a leading FM service provider for higher learning institutions. This brings GFM's total outstanding orderbook to RM1.1 billion as at 31 December 2021, with a total of 15 ongoing projects.

Outstanding orderbook
RM1.1
billion

Our dedication to service excellence has not gone unnoticed as GFM was awarded the Malaysia Facilities Management Competitive Strategy Leadership Award from Frost & Sullivan in 2021. This reinforces our position in the FM industry as we strive to deliver a holistic and conducive experience for our customers.

Strengthening GFM's Concession Business

As for our Concessions business, we continue to provide FM services at UiTM Mukah campus in Sarawak with a focus on optimising efficiencies and operations.

Meanwhile, GFM also actively pursued business prospects to grow our concession portfolio in 2021, as the Group ventured into the highway RSA business through strategic partnerships.

GFM had entered into a Heads of Agreement ("HOA") with Jua Juara Sdn. Bhd., a wholly-owned subsidiary of Majuperak Holdings Berhad with the intention to form a proposed joint venture ("JV") to develop, operate and maintain the RSA at Hulu Bernam, Perak.

Our entry into the RSA business enlarges the Group's Concessions portfolio and is expected to provide steady recurring income to the Group. Upon completion, these RSAs will feature modern and contemporary public infrastructure with full facilities, including spacious restrooms, ample parking space and a food hall, to name a few. Apart from that, we intend to bring in major convenience and food and beverage ("F&B") chains, as well as established local restaurant brands to cater to a wide pool of travellers.

Enhancing Our Service Delivery

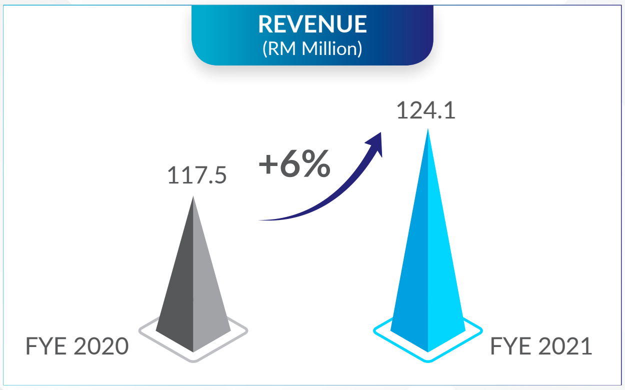
Internally, we continue to leverage technology to enhance the Group's cost optimisation efforts and improve operational efficiencies. In 2021, we worked towards implementing and developing our IoT solutions at more project sites using our in-house GEMS.

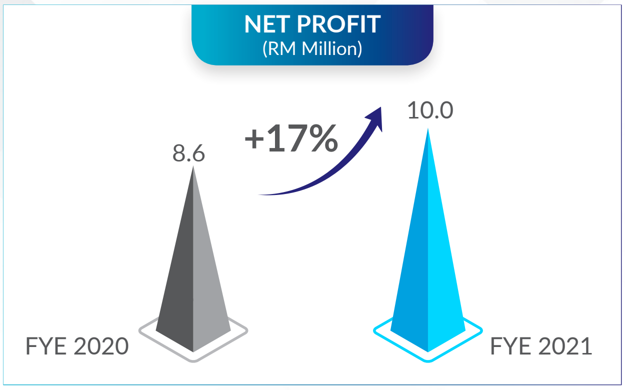
GEMS tracks the Group's FM functions, from scheduled maintenance to ad-hoc work orders. Based on these readily available data, GFM undertook initiatives to improve our service delivery to customers. This includes creating a performance-driven work environment by incorporating a gamification feature that provides an employee scoring system. With this, work executions are standardised and monitored within the set criteria to ensure excellent service quality. This sets a progressive performance benchmark, where top performers are rewarded based on the proficiency and timeliness of the task completed.

MANAGEMENT DISCUSSION & ANALYSIS

REVIEW OF FYE 2021 FINANCIAL PERFORMANCE

For FYE 2021, revenue grew by 5.6% to RM124.1 million from RM117.5 million in the preceding year ("FYE 2020") despite various lockdown periods. The growth was driven by increased contribution from the Group's FM services, lifted by higher revenue from the provision of O&M services at the Pengerang Integrated Complex, Johor. The Group's FM segment remained as the main revenue contributor with RM81.4 million or 65.6% of total revenue, while the Concession Arrangements division generated sales of RM42.7 million after consolidation adjustment, representing 34.4% of total revenue. Gross profit ("GP") amounted to RM45.0 million, while GP margin stood at 36.2% in FYE 2021.



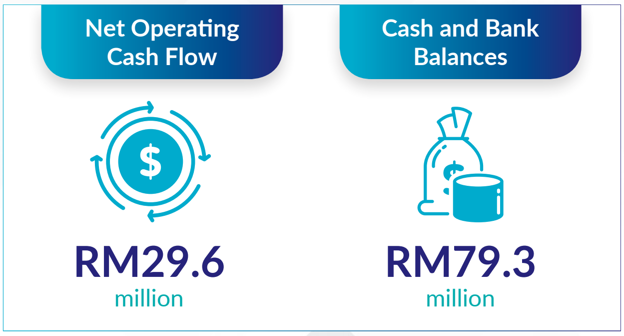


Meanwhile, administrative expenses decreased by 25.3% to RM6.7 million from RM9.0 million in FYE 2020 as a result of the Group's ongoing cost rationalisation efforts. Finance cost also reduced by 10.2% to RM21.1 million in FYE 2021, following the repayment of borrowings and a reduction in the repayment of KP Mukah's term loan from Bank Pembangunan Malaysia Berhad ("BPMP") in line with lower overnight policy rate ("OPR") during the period. Based on the aforementioned factors, the Group's profit before tax increased 3.9% to RM18.4 million from RM17.7 million in the prior year.

Tax expense amounted to RM8.4 million as we recorded a higher effective tax rate than the statutory tax rate of 24% due to non-deductible tax expenses during the year. For FYE 2021, GFM's net profit rose by 16.9% to RM10.0 million from RM8.6 million in FYE 2020.

ROBUST FINANCIAL POSITION

The Group further strengthened its liquidity position as total borrowings fell by 6.4% to RM309.8 million as at 31 December 2021, following the paring down of our long-term borrowings. Meanwhile, our cash and bank balances grew to RM79.3 million as at end-2021 primarily on the back of gross proceeds from the private placement exercise during the year amounting to RM6.5 million. This resulted in an improvement of net gearing to 0.65 times from 0.69 times as at financial year ended 2020. Our gearing ratio is expected to reduce further as we continue the repayment of our debt obligations. As we grow, we remain focused on monitoring our debt levels and cash position to improve our financial standing.



Shareholders' equity increased to RM125.0 million as at financial year ended 2021, due to higher share capital arising from the issuance of 29.4 million new shares from a private placement exercise in FYE 2021, as well as the issuance of 98,000 new shares under the Employee Share Grant Scheme. Net operating cash flow remained positive at RM29.6 million as at 31 December 2021.

Trade receivables for the year amounted to RM16.0 million, as compared to RM14.1 million as at financial year ended 2020, while trade receivables turnover stood at 47 days (FYE 2020: 44 days). Our collection efforts are ongoing as part of our credit control measures.

With the current balance sheet, the Group has sufficient liquidity to meet our operational requirements. Considering the economic uncertainties due to COVID-19, we continue to conserve and manage our capital resources prudently to cushion the Group against potential shocks.

MANAGEMENT DISCUSSION & ANALYSIS

LOOKING AHEAD

Moving forward, we endeavour to build on the momentum we have built so far and strengthen our value proposition to customers in pursuit of greater growth. The progress we have achieved during the year provides a solid foundation for continued improvement in 2022.

Our focus is channelled towards fortifying our core business while tendering for new contracts from the private and public sectors. The FM market in Malaysia still holds huge potential and we are enhancing our services to cater to new demands.

As the world moves towards recovery, we expect a mass return to the workplace and GFM seeks to support our customers in bringing employees back to the office by ensuring a safe and sustainable work environment. This includes configuring office spaces to accommodate social distancing, tracking data of indoor space occupancy, and arranging for workplace sanitisation, among others.

Nonetheless we are also seeing an increasing trend of remote and hybrid work, hence facility managers must also advance our roles to better accommodate these requirements. These might involve upskilling employees to undertake digitalisation of work practices, including managing communication tools such as video conferencing and mobile applications. While cost has always been an important consideration in FM, now there is an enhanced proposition that is centred on people and technology, with employers more focused on creating a coherent experience for employees to work in.

With increased mobility, smart technology has become a crucial component in FM. With this in mind, we have deployed digital solutions with our IoT offerings. The adoption of sensors and IoT enables our managers to gather data of various aspects of the building. This allows us to deliver an optimal working environment for our clients.

At the same time, the Group is exploring opportunities that can increase our recurring cash flow with the expansion of our concessions business. Upon expected completion of the proposed RSA, this venture will broaden our recurring income streams from various sources such as sales of F&B, sales surcharge, rental fees and utility charges from vendors and tenant, among others. Tapping on our FM expertise, GFM will also become the facility manager of the RSA facilities, further solidifying our orderbook.

At UiTM Mukah, we will continue to serve our mandate and provide FM services for the remaining 13 years until the end of the concession period in 2035.

With our strategic plans in place, we are confident of delivering progress in 2022 and the years to come. At all times, we remain focused on improving cost efficiency and service delivery, while staying abreast of the COVID-19 developments. Our goal is to build our competencies to position GFM as the preferred FM specialist, in order to capture arising opportunities and deliver greater value to our stakeholders.

ANTICIPATED RISKS

Economic, Political and Regulatory Conditions

Changes in the economic, political and regulatory environments may impact GFM's performance and business prospects. For instance, uncertainties in the political landscape as well as economic downturn triggered by the COVID-19 pandemic have impacted GFM like many other businesses. In this respect, GFM remains vigilant and proactive in engaging with the authorities to ensure compliance while adopting a prudent approach in business risk management to mitigate the external risks.

Competition Risks

The Group is not spared from competition with peers in the FM industry. As more new entrants enter into the FM industry, it may dampen our ability to secure new clients or projects which may impact our financial performance. To stay competitive and attractive among our clients, the Group will continue to leverage on our capabilities, experience and proven track record to stand out from our peers. In addition, GFM also differentiates itself from its competitors by continually enhancing its service offerings and providing value-added services to our customers in order to maintain and capture a larger market share in the industry.

Dependence on Third-Party Contractors

FM players depend on third-party contractors to perform certain specialised functions. In turn, poor output quality as well as compliance failure by contractors may negatively be associated with our output and may affect the reputation of the Group. To alleviate the third-party risk, the Group works with a dedicated and reliable panel of contractors who have favourable track record in their respective areas.

MANAGEMENT DISCUSSION & ANALYSIS

SUSTAINABILITY MATTERS

The Group views sustainability as a vital element in our business operations in order to drive sustainable growth. As a responsible corporate citizen, we strive to deliver long-term value to our stakeholders, employees, environment for the benefit of our organisation and the communities we operate in. With that, we have developed a Sustainability Policy, incorporating ESG factors into our day-to-day operations, which are applicable to all our employees and business partners.

We aim to generate positive impact not only on our customers, but also on the Group's employees by providing a safe and sound working environment to them. As talent is our greatest asset, we are committed to cultivating our workforce by supporting their growth in professional competencies as well as promoting fair employment practices across all our business units.

During the year, we carried out our Corporate Social Responsibility ("CSR") activities and provided assistance to the victims of the flood which occurred in December 2021. This included monetary donations, as well as contributing manpower for the flood clean-up efforts.

In an effort to minimise our impact on the environment, we are committed to operate in compliance with the environmental laws and regulations while putting in place proper controls to optimise our energy efficiency to reduce wastage. The implementation of IoT solutions at our project sites, further supports our target to enhance our environmental performance.

Our sustainability initiatives are further elaborated in our Sustainability Report on pages 17 to 28 of GFM's Annual Report 2021.

APPRECIATION

First and foremost, my sincere gratitude goes to GFM's Management team and everyone at GFM for their hard work and dedication throughout the year. I am proud of the commendable performance we have achieved in these difficult times and this would not have been possible without the collective efforts of everyone at GFM.

I would also like to extend my heartfelt appreciation to my fellow Board members for their invaluable counsel and services. The stewardship of the Board has been crucial in building our resiliency amid a challenging operating backdrop.

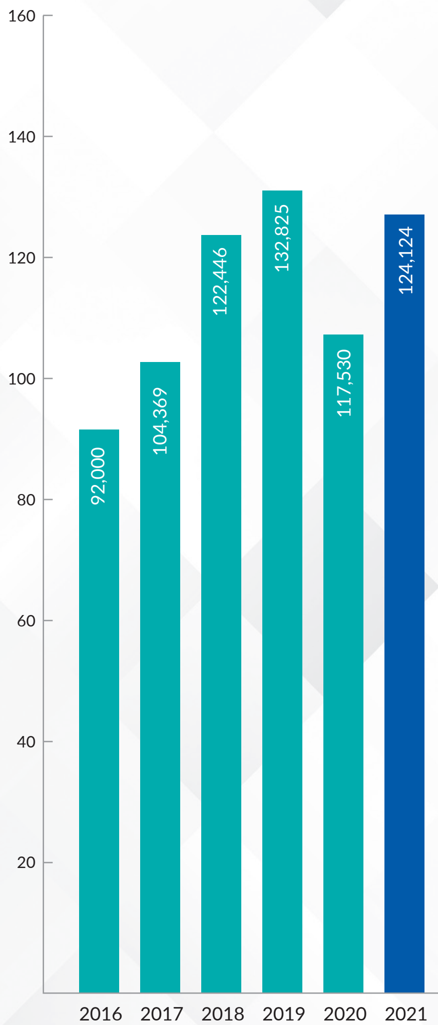
Furthermore, my heartfelt appreciation also goes to all our distinguished customers, shareholders, business partners, associates, suppliers and the respective regulatory authorities for the trust they have put in us and we look forward to your continued support in the future.

RUSLAN BIN NORDIN
Executive Vice Chairman

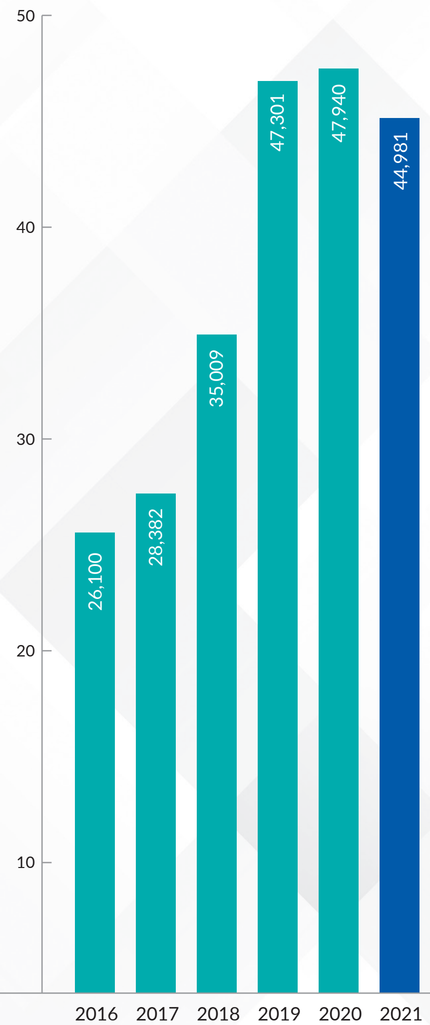
FINANCIAL HIGHLIGHTS

PROFITABILITY	FY 2021 (RM'000)	FY 2020 (RM'000)	FY 2019 (RM'000)	FY 2018 (RM'000)	FY 2017 (RM'000)	FY 2016 (RM'000)
Revenue	124,124	117,530	132,825	122,446	104,369	92,000
Cost of sales	(79,143)	(69,590)	(85,524)	(87,437)	(75,987)	(65,900)
Gross profit	44,981	47,940	47,301	35,009	28,382	26,100
Profit from operation *(including share of results of an associate)*	39,507	41,199	38,797	35,154	15,653	18,600
Finance cost	(21,074)	(23,466)	(25,380)	(3,265)	(1,032)	(900)
Profit before tax	18,433	17,733	13,417	31,889	14,621	17,700
Net profit attributable to equity holders	10,009	8,562	5,945	22,399	9,943	13,000
GP margin	36%	41%	36%	29%	27%	28%
PBT margin	15%	15%	10%	26%	14%	19%
PAT margin	8%	7%	4%	18%	9%	14%

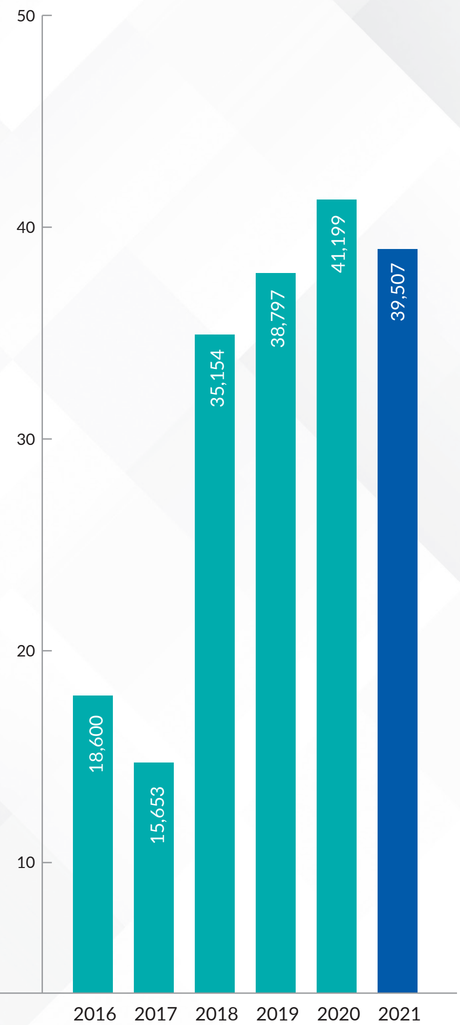
REVENUE
(RM'000)



GROSS PROFIT
(RM'000)



PROFIT FROM OPERATION
(including share of results of an associate)
(RM'000)

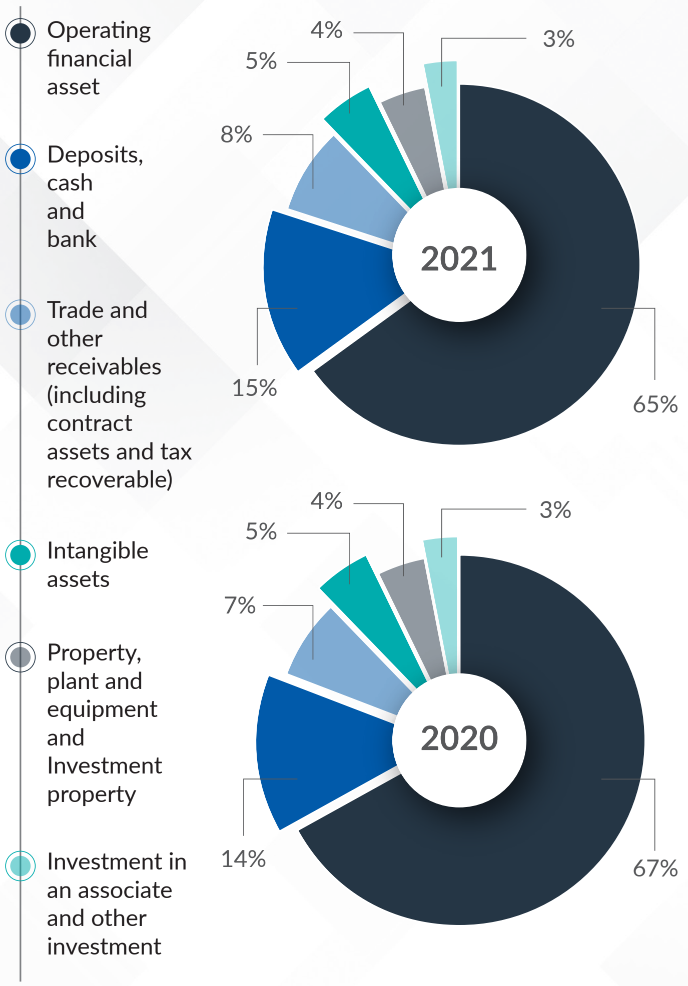


FINANCIAL HIGHLIGHTS

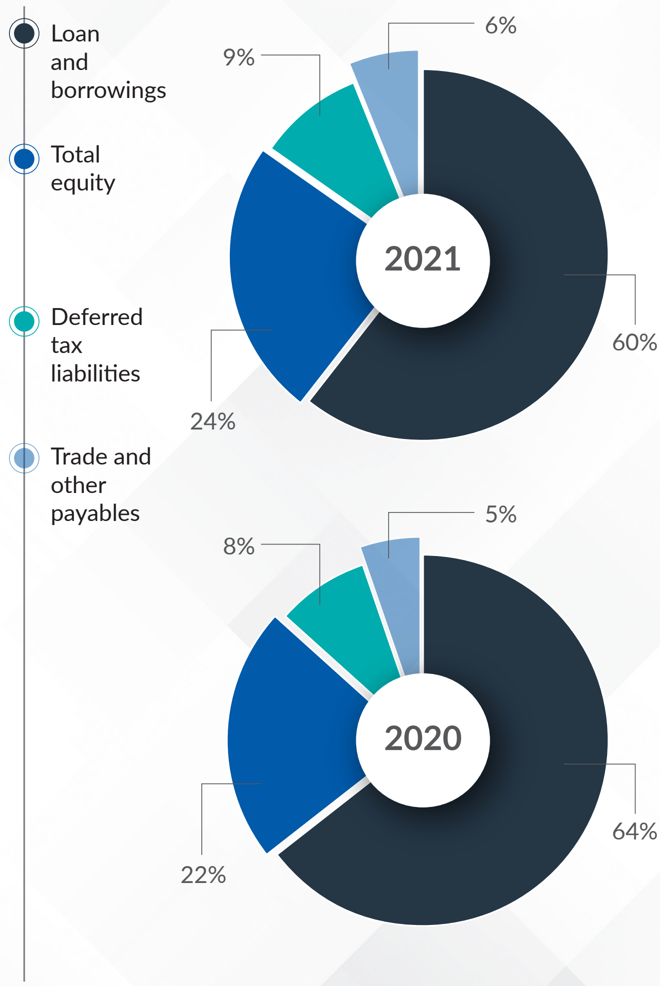
KEY BALANCE SHEET DATA	FY 2021 (RM'000)	FY 2020 (RM'000)	FY 2019 (RM'000)
Current Assets	150,150	143,889	149,241
Non-Current Assets	361,967	372,326	369,626
Total Assets	512,117	516,215	518,867
Current Liabilities	63,514	57,087	51,324
Non-current Liabilities	323,622	344,648	368,983
Total Liabilities	387,136	401,735	420,307
Total Equity	124,981	114,480	98,561
Liabilities & Equity	512,117	516,215	518,868
Trade Receivables	16,044	14,095	15,536
Trade Payables	7,226	8,007	5,884
Deposits, Cash & Bank Balances	79,285	73,378	80,194
Total Borrowings	309,761	330,767	353,994

FINANCIAL RATIOS	FY 2021 (RM'000)	FY 2020 (RM'000)	FY 2019 (RM'000)
Net Tangible Assets (NTA) (RM'000)	101,779	90,062	72,927
NTA per share (RM)	0.23	0.17	0.15
Return on Equity (ROE)	8%	8%	6%
Free Cash Flow (FCF) (RM'000)	32,560	25,814	28,661

ASSETS (%)



LIABILITIES & EQUITY (%)



FINANCIAL CALENDAR

2021

27 MAY

Unaudited results for 1st Quarter ended 31 March 2021

26 AUGUST

Unaudited results for 2nd Quarter and half-year ended 30 June 2021

25 NOVEMBER

Unaudited results for 3rd Quarter ended 30 September 2021

2022

25 FEBRUARY

Unaudited results for 4th Quarter and Financial Year Ended 31 December 2021

23 JUNE

ANNUAL GENERAL MEETING

SUSTAINABILITY REPORT

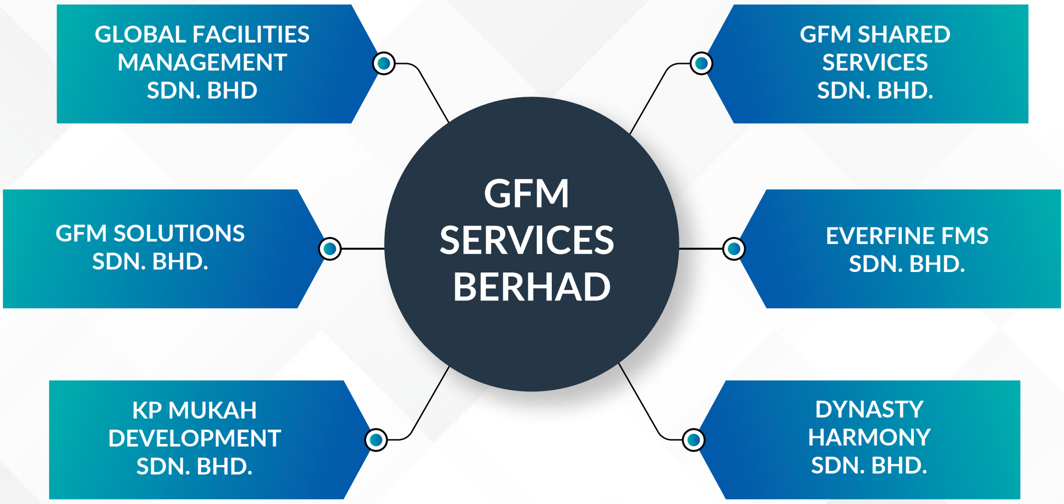
ABOUT THIS REPORT

In compliance to the standards set by the Bursa Listing Requirements and Global Reporting Initiative ("GRI"), the objective of this section, is to share the initiatives, opportunities and risk mitigation taken by GFM in adopting and implementing ESG strategies, principles and initiatives for 2021.

GFM recognises that to achieve a sustainable future would require full commitment towards environmental performance, economic diversity and efficiency and social responsibility. GFM continuous emphasis on sustainable practices as a corporate social responsibility, good governance practice and health and safety practices all of which are built on values that promote sustainability.

Reporting Scope

Our sustainability report covers a 12-month period ended 31 December 2021, comprising the following GFM group of companies:-



The scope of reporting also covers the following sites operated by GFM:-

Kuala Lumpur	• Bank Negara Malaysia, Headquarters • Bank Negara Malaysia, Sasana Kijang • Bank Negara Malaysia Tunas Kijang • Bank Negara Malaysia Data Centre • Asia School of Business Academic (ASB) • Malaysia External Trade Development Corporation (MATRADE)
Johor	• Petronas Refinery and Petrochemical Corporation (PRPC) • University of Reading Malaysia (UoRM) • EduCity – Iskandar EduCity
Perak	• Universiti Teknologi Mara, Tapah
Melaka	• Pusat Rehabilitasi Perkeso Melaka (Perkeso)
Sabah	• Pusat Pentadbiran Negeri Sabah (PPNS)
Sarawak	• Universiti Teknologi Mara, Mukah • Lembaga Kemajuan Ikan Malaysia (LKIM)

Internal Assurance

The report is prepared using GRI Sustainability Reporting Standards, with the intention to improve the disclosure and engagement continuously to achieve fully-compliant GRI reporting standards by the year 2021.

SUSTAINABILITY REPORT

SUSTAINABILITY STATEMENT

GFM Services Berhad and its subsidiaries ("GFM" or "the Group") is a leading facilities management company with diversified and extensive facilities management capabilities. We are involved in various stages of facilities management and sustainability is a key priority for our business.

GFM's commitments are derived from and based on the principles found in our Code of Ethics and Code of Conduct. The principles uphold our mission, which is to maximise long-term value for shareholders by sustainably delivering projects to clients while providing safe, rewarding and fulfilling careers.

The Sustainability Statement above, which in turn, is the basis of its Sustainability Policy.

SUSTAINABILITY POLICY

Sustainability is the integration of environmental, social and governance factors in decision making to maximise short and long-term shareholder value, seek competitive advantage and contribution to the safety and health of employee, community and ecosystems.

This Policy sets out the requirements for sustainability across the Group and should be read in with:-

- GFM's Code of Ethics and Code of Conduct
- GFM's Procurement/Purchasing Policy Statement
- GFM's Safety, Health and Environmental Policy
- ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

This Policy applies to all employees of GFM and third parties engaged by GFM, which includes business partners and joint venture companies. Any employee of GFM found to have breached this Policy shall be subjected to disciplinary action.

Sustainability Policy objectives:-

- Focus GFM's efforts on managing risks and opportunities, enhancing its business performance and supporting the long-term interests;
- Promote a culture of accountability with sustainable outcomes and improve knowledge and skills of employees;
- Integrate environmentally and socially responsible sourcing that promotes collaboration with business partners to drive innovation and create mutual value;
- Drive the efficient use of resources and continual innovation in the delivery of IFM services;
- Support the adoption and delivery of appropriate industry rating schemes and standards that drive sustainability outcomes for clients;
- Encourage initiatives and successfully deliver projects that meet client expectations; and
- Enhance GFM's business resilience in a changing business environment.

RELEVANCE OF ESG'S ELEMENTS

ESG extends the objectives of a business, from merely focusing on profit maximisation, to focusing on the three elements of corporate responsibilities, to ensure that the business is managed in a ethical and sustainable manner.

This section illustrates how the elements of ESG is relevant and adopted into GFM's operations.

1. Environment

Environmental issues are among the most significant global challenge today. GFM recognises the roles it can and should play to mitigate climate change, as well as to contribute towards sustainable use of resources through responsible energy efficiency and waste management.

Environmental element influences how GFM operates its business, taking into account key factors, namely:-

- Waste and pollution management
- Preservation of natural resources
- Energy conservation and efficiency

2. Social

Social element influences the way GFM manages relationships with its stakeholders, particularly to its:-

- Employees
- Suppliers and business partners
- Clients
- Shareholders
- Community

GFM recognises significance in fulfilling the needs of these stakeholders. However, more importantly, is the necessity to balance such fulfilments in order to ensure long term growth and sustainability.

3. Governance

Governance exists to ensure that GFM is operated, regulated or controlled by combination of rules and processes. GFM adopts the policies mentioned earlier to establish such rules and has obtained ISO certification as attestation that the processes utilized are properly documented. The Safety, Health and Environmental, Risk Management and Internal Audit and Compliance Units exists to monitor, maintain, enforce and improve governance.

In addition to these internal elements, GFM is also reviewed by external auditors for its financial accounts and as part of its ISO certification requirements.

SUSTAINABILITY REPORT

DERIVING GFM'S TOP 5 SUSTAINABILITY AGENDAS

GFM has taken the following steps in deriving top 5 Sustainability Agendas: -

1. Identify & Assess

GFM conducted a materiality assessment to identify and confirm the important potential ESG issues that could affect the business, both positively and negatively.

The process involved a series of interviews with senior management across the Group, assessment of media reports about the Group, reviews of clients and peers' sustainability reports, and referenced to recent sustainability reporting submissions.

2. Prioritise & Rank

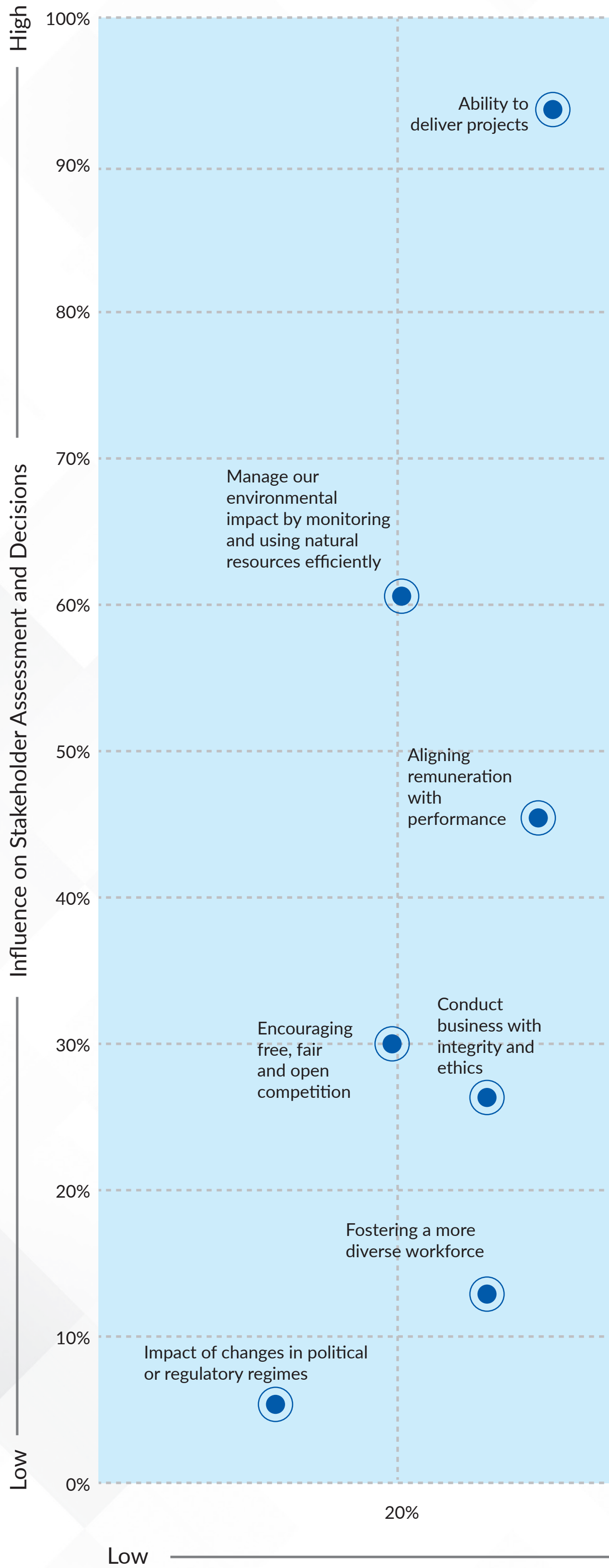
30 potential material issues have been shortlisted to form the basis of our survey. The survey was sent to a selection of stakeholders identified.

Respondents were asked to prioritise the 30 identified potential material issues which were structured using GRI Guidelines to rank, on a percentile scale, their: -

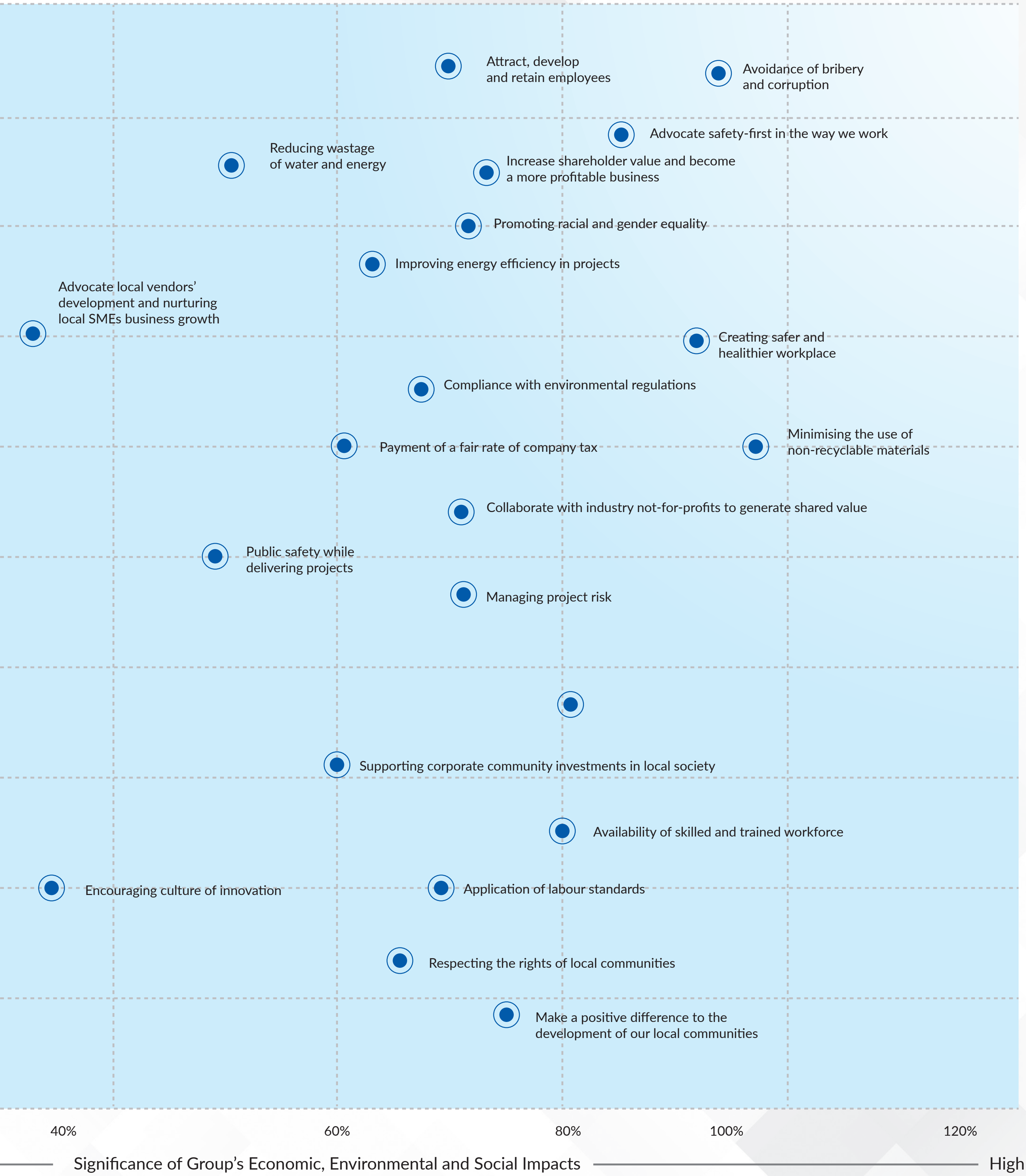
- Importance in their assessment of, and decisions regarding, the Group; and
- Current or potential impact in terms of revenue, costs, investments or risks, on the medium and long-term success of the Group.

The agendas were revisited in 2021. Based on the analysis, the list of 5 material issues has been drawn by prioritising the issues that are important to the Group and its stakeholders.

Based on the prioritizing exercise, a list of Top 5 Sustainability Agendas are derived.



SUSTAINABILITY REPORT



SUSTAINABILITY REPORT

GFM'S TOP 5 SUSTAINABILITY AGENDAS:

AGENDA 1 – PROVIDE SAFE, SUPPORTIVE AND POSITIVE WORKPLACE FOR EMPLOYEES.

Organisations must provide a safe and positive work environment.

Without compromising this obligation, GFM has extended this scope in to a shared responsibility mindset, where employees, as front liners of GFM operations, are empowered and encouraged, to play a proactive role in identifying and mitigating workplace hazard.

In addition to safety, GFM is committed to ensure a positive working environment. This element of positive working environment is addressed by Agenda 3.

Initiatives to support this agenda include:-

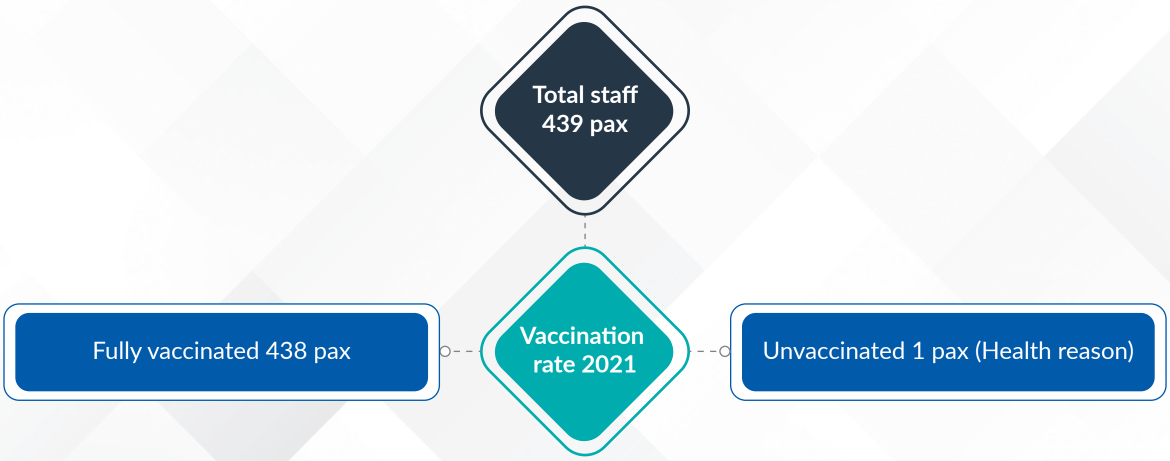
1) **Workplace Safety**

The continuing worldwide COVID-19 pandemic has led GFM to take extra precautions and adopted the new norms in its work culture. Various measures had been implemented to protect employees, business partners and clients.

GFM combined the regulations issued by the Government, with the additional requirements set by its clients and inputs from its Safety, Health and Environmental Unit, Internal Audit and Compliance Unit, Human Resources Department at Group level and Site Operations to develop its own standard of best practices to reduce the impact of COVID-19.

2) **GFM Immunisation Encouragement**

In response to the Government immunisation program, the Group has strongly encouraged all employees to be vaccinated by providing education and benefits.



Such encouragements were cascaded to subcontractors.

3) **Continuation of initiatives by the Safety, Health and Environment ("SHE") Unit**

The SHE Unit is responsible for the overall planning, formation and dissemination of safety guidelines for all Operation Sites.

A comprehensive review on compliance status to external and internal regulations was conducted. This joint venture exercise with the Internal Audit and Compliance Unit reviewed over twenty Acts, Regulations and ISO requirements, the impact to operations and its compliance status. The review was reported to ARMC.

In addition, the SHE Unit continued with the publication of SHE alerts, reminders, posters and training materials on new or revised guidelines, as well as the execution of in-house training sessions for all sites.

SUSTAINABILITY REPORT

2021 Highlights:

Safety Highlight of 2021

- 1 case lost time injury indicates recorded
- RM240,000 additional budget allocated for COVID-19 initiative
- Total of 6 safety campaigns conduct at all sites

AGENDA 2 – ACT WITH INTEGRITY, HONESTY & RESPECTFULLY TOWARDS VARIOUS STAKEHOLDERS

GFM's commitment to integrity aims to ensure that all levels of employees will opt to makes choices and conduct themselves in accordance to good governance and ethical practices.

This will not only foster trust and respect, but also enable GFM to effectively execute its sustainability strategies. Such stringent system of integrity and ethics also makes GFM resilient against increased regulations and expectations on ESG issues.

Initiatives to support this agenda include:-

1) **Continuous enhancement and enforcement: Code of Ethics, Code of Conducts, Anti-Bribery and Corruption, and Whistle-Blowing Policies**

   The existing Code of Ethics, Code of Conduct, Anti-Bribery and Corruption, and Whistle-Blowing policies were reviewed, and where applicable, updated, in 2021.

2) **Continuous engagement with stakeholders**

   GFM continues to conduct engagement sessions with its staffs, clients, suppliers and business partners. These engagements, done in a transparent and sincere manner creates trust between parties, and was crucial in 2021, with the challenges brought by the pandemic and economic slowdown.

2021 Highlights

"Be a lifelong student. The more you learn, the more you earn and more self-confidence you will have." ~ Brian Tracy

In line of being a learning organisation and to provide staffs with a better insight of who we are and who we want to be in the future, GFM has started an initiative on continuous learning and improvement through GFM Playbook. Some topics highlighted in GFM playbooks consist of:-

- High Ethical Standards
- Integrity
- Respect
- Fairness
- Reliable
- Trustworthy
- Dignity

These topics allows GFM staffs to further educate and instill high ethical standards in carrying out their duty towards GFM.

SUSTAINABILITY REPORT

AGENDA 3 – DEVELOP A PERFORMANCE AND COLLABORATIVE CULTURE

GFM conducts engagement exercises to identify skill gaps, train and develop its people, and share knowledge across the Group.

Initiatives to support this agenda include:-

1) Employee engagement

GFM seeks to create a culture in where everyone feels valued and their contributions recognised. This is achieved not only through formal performance evaluations, but in the day-to-day interactions between employees at all levels, including the leadership and senior management teams. The following table presents a summary of the key engagement methods and communications channels.

No	Engagement method/Channel	Engagement Frequency
1	**Forums and Training**	
	• Townhall session	Annually
	• Site Safety Forum	Quarterly
	• Training & Talent Development	Monthly
	• ToolBox briefings	Daily
2	**Online Platforms**	
	• Internal Collaboration using Microsoft Teams	Weekly
	• Internal Knowledge Sharing of department	Quarterly
3	**Media/Publications**	
	• Bulletins/Notices • LinkedIn: GFM Services Berhad • Youtube: GFM Services Berhad • Connecteam (Internal within GFM)	Regular/When required
4	**Survey/Evaluation**	
	• Employee Engagement Survey	Bi-Annually
	• Diagnostic Survey	Annually
	• Employee Performance Evaluation	Bi-Annually

2) Investing in talent

GFM encourages continuous learning and development that can increase the capabilities of its workforce through building agility, enhancing productivity and accelerating impact delivery.

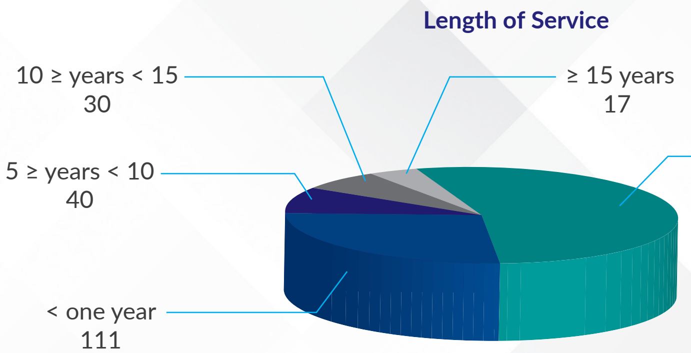
Average training hours by employment category:-

Management	Executive	Non-executive
9 hours	9 hours	13.5 hours

3) Managing employee retention and turnover rate

The retention and turnover rates help provide feedback on sustainability. In 2021, 20% of GFM's staffs have been in service with the company for more than 5 years.

SUSTAINABILITY REPORT

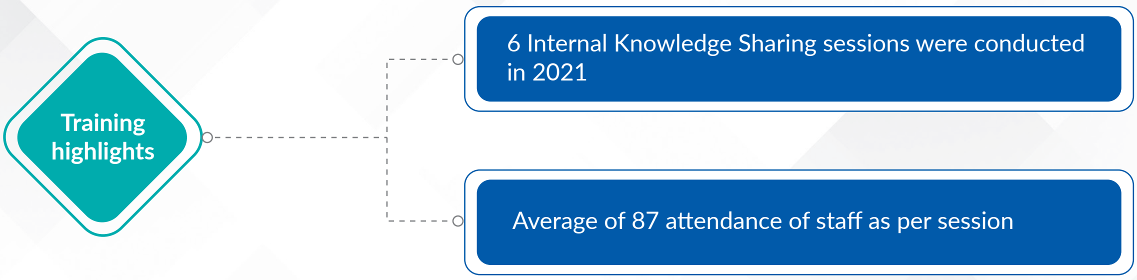


4) Performance Diversity

GFM aims to increase and leverage the diversity that exists across the organisation. This includes increasing and retaining the number of women employed at all levels by seeking to overcome the challenges associated with a relatively small number of women entering the technical profession.

Of the total 435 employees across GFM, 20% are women.

2021 Highlights



1) In 2021, an initiative and collaborative effort of GFS team and HR is for GFM to conduct an Internal Seminar / Knowledge Sharing for 2021.

The 2 main objectives of this session include:-

i. To act as a platform to enhance knowledge and encourage learning culture amongst GFM employees,
ii. To enhance communication & presentation skill of GFM employees through sharing of knowledge, thoughts and ideas

The topics that were highlighted in these sessions are:-

- Performance Management Through Services Level & KPI
- Improving FM Operations by using historical Data
- How to be a Client Centric Person
- IOT Adaptation in FM Services
- Day to day Routines of a SHO
- Managing COVID-19 at PIC
- Be the Brand and The Importance of Communication & Marketing

SUSTAINABILITY REPORT

2) In 2021, an Operation & FM Knowledge Sharing Workshop was also conducted to improve FM & operations skills and management. The participants in this workshop is trained by the Managing Director and Management.

The topics highlighted in these workshops are as follows:-

- Project and Financial Management
- Performance Management & Project Costings
- Budget & Costing
- Contract & Warranty Management
- The Workplace Post COVID-19
- Legal & Communication
- Contract Management & Legal Part 2

Flood Volunteering

At GFM, whenever a crisis strikes, we are able to immediately pivot due to our agility and experience, striking a balance for our employees' well-being by adopting a holistic approach that takes into consideration their personal needs and professional responsibilities as well as health and wellness.

In 2021, assistance, in the form of financial support and manpower to clean the houses of flood victims located in Selangor.

SUSTAINABILITY REPORT

AGENDA 4 – SEEK COMPETITIVE ADVANTAGE BY INNOVATING SERVICE DELIVERY

For GFM, innovation means challenging conventional practices and adopting new technologies, proactively investing in the future, sharing knowledge and learning from mistakes. To this, GFM has enhanced its IT solutions system.

Initiatives to support this agenda include:-

Enhancement of GFM Enterprise Management Systems ("GEMS")

Development of GEMS as a proprietary Computerised Maintenance Management System ("CMMS") data integrity driven product that encompass 11 modules covering standard CMMS requirements, operational requirements and GFM internal needs. GEMS will allow visibility, integrations and standardization through a single digital platform.

GEMS operation is fully digitised from conventional processes into digital, converting operations to leverage on mobile phones applications and web applications to maintain building assets in real time alerts. It is built based on years of FM experience, research, product comparisons and end user need to have simplicity in using the product. Our GEMS application Services target user are Internal Team, client, Stakeholder and also, GFM partners and vendors.

Initiatives taken and continued in 2021 include the continuation of an in-house CMMS called GEMS at 10 operating projects for Work Order Management, Preventive Planned Maintenance (PPM) Management, Technical Audits and Management Dashboard. Current GEMS 2.0 modules continue to enhance, developed for Phase 2 modules as illustrated in the Table below:-

Existing Modules & Features	Enhanced Modules & Features
Asset Management • Asset Register • Asset Inventory • Asset Warranty	**Inventory Management** • Stock In/ Out Record • Real Time Monitoring • Recorder Point Alert • Movement Trail
Planned Preventive Management • Work Plan • Digital Checklist • Mobile Verification • Geo-Location Tracking	**Drawing Management** • Technical Drawing • Supported pdf, dwg
Work Order Management • Request/Complaints • Register • Mobile Verification & Approval	**Utilities Management** • Utilities Record & Management
Helpdesk Management • Work Monitoring • Technical Support	**Key Performance Indicator (KPI) & Ascertained Performance Deduction (APD)** • KPI & Deduction Measurement
Real Time Reporting • Performance Dashboard	**Attendance System** • Attendance Scheduler • Overtime Request & Approval

In addtion to the new modules, GEMS has been further extended to the following sites:-

2019	2020	2021
• Bank Negara Malaysia, Headquarters • Bank Negara Malaysia, Sasana Kijang • Bank Negara Malaysia Tunas Kijang • Bank Negara Malaysia Data Centre	• Pusat Pentadbiran Negeri Sabah • University of Reading Malaysia (UoRM) • EduCity – Iskandar EduCity	• Petronas Refinery and Petrochemical Corporation • UiTM Mukah

With the additional modules developed under GEMS 2.0, GFM will be introducing a new performance evaluation system, called GAMIFICATION in 2022. GAMIFICATION is aimed to encourage employees to improve their service delivery in terms of productivity, efficiency, and proactive action.

SUSTAINABILITY REPORT

AGENDA 5 – USE RESOURCES EFFICIENTLY, MINIMISE WASTE & PROMOTE DELIVERY OF ENERGY EFFICIENT, ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE PROJECTS

GFM is committed to using resources efficiently, minimising waste and promoting the delivery of energy efficient, environmentally and socially responsible projects. By constantly innovating, GFM seeks to improve efficiency and reduce waste, thereby lowering costs, improving value proposition and promoting client loyalty.

Initiatives to support this agenda include:-

1) Energy management and efficiency initiatives at sites

For energy management, a project to improve electrical energy efficiency was implemented for selected sites, based on clients' approval. This initiative was done by our Energy Unit and Facility Managers to improve energy efficiency performance.

Electrical energy efficiency implementation at sites:-
- Bank Negara Malaysia, Headquarters
- Bank Negara Malaysia, Sasana Kijang
- Bank Negara Malaysia Tunas Kijang
- Bank Negara Malaysia Data Centre
- Malaysia External Trade Development Corporation (MATRADE)
- Universiti Teknologi Mara, Tapah
- Pusat Rehabilitasi Perkeso Melaka (Perkeso)
- Pusat Pentadbiran Negeri Sabah (PPNS)

2) Energy management and efficiency initiatives at GFM

GFM commitment and initiatives are as follows:-

No	Initiative	Proposed initiative
1	**Awareness Programme** • Continuous Energy Training for Working Committee • Setup energy policy for sites • Energy Satisfaction Survey (Energy enhancement)	• Energy Audit for system • Rectification works
2	**Installation of highly efficient unit** • Replacement of fluorescent Lamp to LED type and fixture	
3	**Operation Control** • Implement Maximum Demand Control System • Implement better air distribution system control • Conduct yearly servicing • Repair and optimisation system	

Achievements

- An average of 5 % reduction in annual electricity consumption
- National Energy Award
  Seda's Two Diamond for low-carbon building

3) Continuation of compliance to environmental regulations

For 2021, no action and penalty taken against GFM with regards to non-compliance of environmental regulations. This was achieved by continuously implementing of action plans to monitor and ensure adherence.

BOARD OF DIRECTORS' PROFILE

ABDUL RAHIM BIN ABDUL HAMID

72 | MALE | MALAYSIAN

Independent Non-Executive Director
(Board Chairman)

Date of Appointment
18 OCTOBER 2016

Length of Service
66 MONTHS

Date of Last Re-election
24 JUNE 2021

Membership of Board Committees:
- Chairman of Board of Directors
- Member of Audit and Risk Management Committee

Academic/Professional Qualifications:
- Fellow of Association of Chartered Certified Accountants (FCCA)
- Member of the Malaysian Institute of Certified Public Accountants (MICPA)

Working Experience:
He started his career in Coopers & Lybrand (previously known as Cooper Brothers & Co) as Audit Assistant in 1971. He rose in the firm to eventually become its Managing Partner in 1993. Upon the firm merging with Price Waterhouse in 1998, he assumed the position of Deputy Executive Chairman of PricewaterhouseCoopers until he retired in June 2004.

Present Directorship(s) in other Listed Companies:
1) Petra Energy Berhad
2) Aeon Co. (M) Berhad

Mr. Abdul Rahim does not have any family relationship with any Director and/or major shareholder of GFM Services Berhad, or any conflict of interest with the Company. He has not been convicted of any offence over the past five years and there was no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year. Mr. Abdul Rahim does not hold any ordinary share and warrant in the Company.

Mr. Abdul Rahim attended all the six (6) Board of Directors' Meetings held during the financial year ended 31 December 2021.

BOARD OF DIRECTORS' PROFILE

RUSLAN BIN NORDIN

62 | MALE | MALAYSIAN

Executive Vice Chairman

Date of Appointment
18 OCTOBER 2016

Length of Service
66 MONTHS

Date of Last Re-election
24 June 2021

Membership of Board Committees:
None

Academic/Professional Qualifications:
- Bachelor of Engineering (Electrical & Electronic), Plymouth Polytechnic, United Kingdom
- Diploma in Electrical Engineering, Universiti Teknologi Malaysia

Working Experience:
Mr. Ruslan has been an Executive Director of the Company since his appointment to the Board on 18 October 2016. He was redesignated as Non-Independent Non-Executive Director on 1 January 2020 and also subsequently redesignated as Executive Vice Chairman on 2 June 2020.

He has more than 32 years of working experience in engineering, project management, marketing and facilities management. His previous employments include the Lembaga Letrik Negara, ABB Sdn. Bhd., Mobil Oil Malaysia Sdn. Bhd. (1991-1992: Territory Manager) and Propel-Johnson Controls Sdn. Bhd. (Manager, Commercial Division) before founding GFM.

Mr. Ruslan does not have any family relationship with any Director and/or major shareholder of GFM Services Berhad, or any conflict of interest with the Company. He has not been convicted of any offence over the past five years and there was no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year. As at the date of this Annual Report, Mr. Ruslan directly holds 32,300,004 ordinary shares representing 5.61% in the Company and indirectly holds 74,800,340 ordinary shares representing 13.00% in GFM Global Sdn. Bhd. He does not hold any warrant in the Company.

Mr. Ruslan attended all the six (6) Board of Directors' Meetings held during the financial year ended 31 December 2021.

BOARD OF DIRECTORS' PROFILE

MOHAMMAD SHAHRIZAL BIN MOHAMMAD IDRIS

52 | MALE | MALAYSIAN

Managing Director

Date of Appointment
18 OCTOBER 2016

Length of Service
66 MONTHS

Date of Last Re-election
23 JULY 2020

Membership of Board Committees:
None

Academic/Professional Qualifications:
- Master of Science in Facilities Management, Universiti Teknologi Malaysia
- Bachelor of Engineering (Honours) in Mechanical Engineering, Universiti Teknologi Malaysia
- Certified, Institute of Workplace and Facilities Management, United Kingdom

Working Experience:
Mr. Mohammad Shahrizal has been an Executive Director of the Company since his appointment to the Board on 18 October 2016. He was redesignated as Non-Independent Non-Executive Director on 7 January 2020 and subsequently redesignated as Managing Director on 1 March 2021.

He has approximately 27 years of working experience in the field of engineering services and facilities management. He started his career in 1995 as a Technical Executive of GrahaTech Resources Sdn. Bhd. specialising in providing diagnostic engineering services. In 1998, he joined Mechanalysis Sdn. Bhd., an operation and maintenance company to manage various client accounts for the provision of facility maintenance services. Later in 2001, he joined Global Facilities Management Sdn. Bhd. (a wholly-owned subsidiary of GFM) as an Executive Director responsible for operations of facility management services.

Mr. Mohammad Shahrizal does not have any family relationship with any Director and/or major shareholder of GFM Services Berhad, or any conflict of interest with the Company. He has not been convicted of any offence over the past five years and there was no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year. As at the date of this Annual Report, Mr. Mohammad Shahrizal directly holds 87,248,730 ordinary shares representing 15.16% in the Company. He does not hold any warrant in the Company.

Mr. Mohammad Shahrizal attended all the six (6) Board of Directors' Meetings held during the financial year ended 31 December 2021.

BOARD OF DIRECTORS' PROFILE

ZAINAL BIN AMIR

62 | MALE | MALAYSIAN

Non-Independent Non-Executive Director

Date of Appointment
18 OCTOBER 2016

Length of Service
66 MONTHS

Date of Last Re-election
20 JUNE 2019

Membership of Board Committees:

- Member of Audit and Risk Management Committee

Academic/Professional Qualifications:

- Bachelor of Science in Mechanical Engineering, Sunderland University, United Kingdom

Working Experience:

Mr. Zainal Bin Amir has been an Executive Director of the Company since his appointment to the Board on 18 October 2016. He was subsequently redesignated as Non-Independent Non-Executive Director on 31 October 2019.

He has more than 32 years of working experience in mechanical engineering and project management. His previous employments include Malaysian Tobacco Company Bhd (Engineering Manager) and Mechanalysis Sdn. Bhd. (1998-2001: General Manager) before joining GFM as Business Development Director.

Mr. Zainal Bin Amir does not have any family relationship with any Director and/or major shareholder of GFM Services Berhad, or any conflict of interest with the Company. He has not been convicted of any offence over the past five years and there was no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year. As at the date of this Annual Report, Mr. Zainal Bin Amir directly holds 80,300,333 ordinary shares representing 13.96% in the Company. He does not hold any warrant in the Company.

Mr. Zainal Bin Amir attended all the six (6) Board of Directors' Meetings held during the financial year ended 31 December 2021.

BOARD OF DIRECTORS' PROFILE

ZAINAL ARIFIN BIN KHALID

64 | MALE | MALAYSIAN

Independent Non-Executive Director

Date of Appointment
18 OCTOBER 2016

Length of Service
66 MONTHS

Date of Last Re-election
23 JULY 2020

Membership of Board Committees:

- Chairman of Nomination and Remuneration Committee
- Member of Audit and Risk Management Committee

Academic/Professional Qualifications:

- Master of Science Degree, University of Kentucky, United States
- Bachelor of Arts Degree, California State University Chico, United States

Working Experience:

He has approximately 39 years of working experience in education, fast moving consumer goods, IT, management consulting and leadership development. His previous employments include Malaysian Tobacco Company Bhd (1983-1996: Head of IT South East Asia and Head of BAT Asia Pacific Data Centre), British American Tobacco (UK & Export) Ltd (1998-2000: Country Manager) and British American Tobacco Malaysia Berhad (2000-2008: IT Director). In 2009, he was appointed as a Director for NBO Leadership Sdn. Bhd., a strategic transformation leadership development company.

Mr. Zainal Arifin does not have any family relationship with any Director and/or major shareholder of GFM Services Berhad, or any conflict of interest with the Company. He has not been convicted of any offence over the past five years and there was no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year. Mr. Zainal Arifin directly holds 60,000 ordinary shares representing 0.01% in the Company. He does not hold any warrant in the Company.

Mr. Zainal Arifin attended all the six (6) Board of Directors' Meetings held during the financial year ended 31 December 2021.

BOARD OF DIRECTORS' PROFILE

YONG HEE KONG

64 | MALE | MALAYSIAN

Independent Non-Executive Director

Date of Appointment
18 OCTOBER 2016

Length of Service
66 MONTHS

Date of Last Re-election
23 JULY 2020

Membership of Board Committees:

- Member of Audit and Risk Management Committee
- Member of Nomination and Remuneration Committee

Academic/Professional Qualifications:

- Postgraduate Diploma in Islamic Studies, International Islamic University, Malaysia
- Diploma in Corporate Treasury, Association of Corporate Treasurers, United Kingdom
- Institute of Chartered Accountants of England and Wales (ICAEW)
- Bachelor of Engineering (Hons) (Civil and Structural Engineering), University of Bradford, England
- Masters in Business Admin, University of Bradford, England

Working Experience:

He has more than 32 years of working experience in corporate finance, business development and consultancy. His previous employments include Deloitte, Haskins and Sells, Leeds, United Kingdom (1981-1988: Manager), BDO Binder Hamlyn, England (1990-1991: Corporate Finance Senior Manager), PricewaterhouseCoopers Malaysia (previously known as Price Waterhouse) (1991-1996: Corporate Finance Director-in-Charge of Privatisation), Amsteel Capital Holdings Sdn. Bhd. (1996-1998: Head, Regional Corporate Finance), Bintai Kinden Corporation Berhad (1998-2005: Vice President (Business Development/ Special Projects) and Commonwealth Secretariat, London (2008-2014: Adviser, Public Private Partnerships). He was a Trustee and the Chair of the Audit and Risk Committee of the WorldFish, and a member of the Audit and Risk Committee of CGIAR, the Consultative Group of International Agricultural Research Centres. He was a Board member of PERKESO where he also chaired the Risk Committee.

Mr. Yong does not have any family relationship with any Director and/or major shareholder of GFM Services Berhad, or any conflict of interest with the Company. He has not been convicted of any offence over the past five years and there was no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year. Mr. Yong directly holds 60,000 ordinary shares representing 0.01% in the Company. He does not hold any warrant in the Company.

Mr. Yong attended all the six (6) Board of Directors' Meetings held during the financial year ended 31 December 2021.

BOARD OF DIRECTORS' PROFILE

ASHOK VIRENDRA SHAH

70 | MALE | SINGAPOREAN

Independent Non-Executive Director

Date of Appointment
18 OCTOBER 2016

Length of Service
66 MONTHS

Date of Last Re-election
20 JUNE 2019

Membership of Board Committees:
- Chairman of Audit and Risk Management Committee
- Member of Nomination and Remuneration Committee

Academic/Professional Qualifications:
- Member of Chartered Accountants of India
- Member of the Malaysian Institute of Accountants (MIA)
- Fellow Member of Singapore Society of Accountants
- Bachelor of Commerce (Hons) from Bombay University, India

Working Experience:
He has more than 32 years of working experience with engineering service companies in the oilfield and healthcare sectors. His previous employments include Brown & Root (1982-1986: Initially as Management Auditor for the Far East Operations and subsequently as Finance Manager), Schlumberger Group-Sedco Forex (1986-1993: Legal Accounting and Joint Ventures Manager), Schlumberger Group-Dowell Schlumberger (1986-1993: Chief Accountant), SSP Medical Technologies Sdn. Bhd. (1995-2002: Managing Director), Healthtronics (M) Sdn. Bhd. (2002-2007: Chief Executive Officer) and Faber Group Berhad (2008-2011: Senior General Manager).

Mr. Ashok does not have any family relationship with any Director and/or major shareholder of GFM Services Berhad, or any conflict of interest with the Company. He has not been convicted of any offence over the past five years and there was no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year. Mr. Ashok directly holds 60,000 ordinary shares representing 0.01% in the Company. He does not hold any warrant in the Company.

Mr. Ashok attended all the six (6) Board of Directors' Meetings held during the financial year ended 31 December 2021.

KEY SENIOR MANAGEMENT'S PROFILE

Ahmad Suhairi Bin Samsudin
Chief Customer Officer
50 | Male | MALAYSIAN

Date of Appointment
1 APRIL 2019

Mr. Ahmad Suhairi joined GFM in 2019. He is the Chief Customer Officer and oversees the Operations of the Group. He holds a Master's in Business Administration from University Utara Malaysia.

He brings along 25 years of extensive experience in the field of Business Development, Sales & Marketing and Operations with various companies and industries ranging from Media, Logistics, Manufacturing and Education namely Media Prima Bhd, Pos Malaysia Bhd, FedEx, Panasonic and Yayasan Pelajaran Johor.

Mr. Ahmad Suhairi does not hold any directorship in any public companies and listed issuers. He does not have any family relationship with any Director and/or any major shareholder of GFM Services Berhad, nor any conflict of interest with the Company. He has not been convicted of any offence over the past five years and there was no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year.

Mahput Bin Sairan
Head of Advisory and Consultancy Services
50 | Male | MALAYSIAN

Date of Appointment
1 AUGUST 2018

Mr. Mahput joined GFM in 2003 as a Business Process Manager, rising to his previous position as the Head of Operations for the Group. He has a Bachelor of Engineering (Chemicals) degree from the Royal Melbourne Institute of Technology (RMIT), Australia. He is a certified Quality Management System Auditor/ Senior Auditor (IATCA) and certified Lead Auditor and Internal Auditor (IRCA). In addition, he holds a Perakuan Kecekapan Pengurusan (Pembinaan) by CIDB Malaysia which certified him as Facility Management Manager (FMM).

Presently he is the Head of Advisory and Consultancy Services of GFM Solutions Sdn. Bhd., the consultancy arm of the Group. His responsibilities include promoting the Group in the provision of IFM Advisory services and relationship management of the partners and customers of the Group. He has prior working experience in various organisations including Sarawak Shell, PROPEL-Johnson Controls, SSP Medical Technologies and Beta Strategy with broad knowledge in facility management consultancy, operations, business processes, management systems and innovations.

Mr. Mahput does not hold any directorship in any public companies and listed issuers. He does not have any family relationship with any Director and/or any major shareholder of GFM Services Berhad, nor any conflict of interest with the Company. He has not been convicted of any offence over the past five years and there was no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE

Asmadey Bin Ibrahim
Head of Finance
45 | Male | MALAYSIAN

Date of Appointment
3 JANUARY 2022

Mr. Asmadey is the Head of Finance of the Group. He received his Bachelor's Degree in Accounting from University Putra Malaysia. Currently, he is a Chartered Accountant of Malaysian Institute of Accountants (MIA).

He brings along 22 years of extensive experience in the area of accounting, treasury and investment management various sectors and companies ranging from Oil & Gas, Manufacturing, and Real Estate, namely Daya Secadyme Group i.e., one of the Oil & Gas arm of Daya Materials Berhad, Spirit Aerosytems Malaysia, ARKEMA Thiochemicals, Olio Resources and TRX City.

He joined GFM in January 2022 and assumed the position of Head of Finance of the Group. He is responsible to oversee the Group's finance operations for all of the Company's financial reporting, tax and corporate finance related matters.

Mr. Asmadey does not hold any directorship in any public companies and listed issuers. He does not have any family relationship with any Director and/or any major shareholder of GFM Services Berhad, nor any conflict of interest with the Company. He has not been convicted of any offence over the past five years and there was no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year.

Triwana Binti Abdul Rahman
Senior Manager, Human Resources Management
44 | Female | MALAYSIAN

Date of Appointment
8 JULY 2021

Ms. Triwana joined GFM in 2018 as a Recruitment Manager overseeing both recruitment and administration. Since then, she took on the compensation and benefits portfolio in 2019. Today, heading the Human Resources Management, she strategically manages the governance of human resource that designs and implements company policies to promote a healthy work environment aims at creating operational excellence throughout the organisation.

Managing people matters is not new to her as prior to joining GFM, Ms. Triwana was a specialised recruiter in a Fortune 500 recruitment agency. She was an executive search specialist in senior manager roles up to C-Suite within Malaysia and APAC. She brings along a total of 16 years of working experience, 9 of it in Human Resources Management.

Ms. Triwana does not hold any directorship in any public companies and listed issuers. She does not have any family relationship with any Director and/or any major shareholder of GFM Services Berhad, nor any conflict of interest with the Company. She has not been convicted of any offence over the past five years and there was no public sanction or penalty imposed on her by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE

Azly Bin Ahmad Anwar
Senior Manager, Risk Management and Compliance Department
48 | Male | MALAYSIAN

Date of Appointment
13 JANUARY 2020

Mr. Azly joined GFM's Risk Management and Compliance Department in January 2020. He graduated from the University of Buckingham with degrees in Law and in Accounting and Financial Management. Mr. Azly's previous stints include the Securities Commission, Nestle (M) Berhad, AmanahRaya Investment Management Sdn. Bhd., EastSpring Investments Berhad and QSR Brands Sdn. Bhd. in the field of Risk Management, Internal Audit, Compliance and Corporate Governance.

During his first-year with GFM, the Safety, Health and Environment ("SHE") as well as Internal Audit was added to his portfolio of administrative responsibilities to further establish independence between Internal Auditors versus Risk, Compliance & SHE. To ensure independence, both Risk Management and Internal Audit units report directly to GFM's Audit and Risk Management Committee.

Mr. Azly does not hold any directorship in any public companies and listed issuers. He does not have any family relationship with any Director and/or any major shareholder of GFM Services Berhad, nor any conflict of interest with the Company. He has not been convicted of any offence over the past five years and there was no public sanction or penalty imposed on him by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

WE ARE COMMITTED TO CREATE VALUE FOR OUR STAKEHOLDERS

The Board is committed to ensure that the highest standards of corporate governance are practised throughout GFM, as a fundamental criterion of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Company.

This overview statement sets out the commitment and describes how the Group has applied the principles and recommendations of the following:-

1. ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"); and
2. Malaysian Code on Corporate Governance ("MCCG").

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Practice 1.1 – Board Leadership
Practice 2.1 – Board Charter

The Board retains full and effective control of the Group. The Board has the primary responsibility for guiding and monitoring the business and affairs of the Group including compliance with the Company's corporate governance objectives. In giving effect to the Board Charter, each Director will at all times act honestly, fairly and diligently in all respects in accordance with the law applicable to the Company. Each Director will at all times act in the interests of shareholders of the Company and of the Company as a whole, and will have regard to the interests of employees and customers of the Group and the community and environment in which the Group operates.

As set out in the Board Charter, the Board is responsible to shareholders for the management and performance of the Group, including the following matters:-

- Evaluating, approving and monitoring the Company's strategic and financial plans for the Group;
- Evaluating, approving and monitoring the annual budgets and business plans and evaluating the Group's performance in relation to them;
- Evaluating, approving and monitoring the progress of major capital expenditure, capital management, acquisitions, divestitures and all major corporate transactions including the issue and buy-back of any securities of the Company;
- Monitoring major litigation;

"The Board of GFM believes that good corporate governance is fundamental to the Group's continued success."

ABDUL RAHIM BIN ABDUL HAMID
BOARD CHAIRMAN

PRINCIPLE A
BOARD LEADERSHIP AND EFFECTIVENESS

PRINCIPLE B
EFFECTIVE AUDIT AND RISK MANAGEMENT

PRINCIPLE C
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- Approving all financial reports to be published and related stock exchange announcements;
- Monitoring other material reporting and external communications by the Company;
- Approving the dividend policy and payment of dividends;
- Succession planning, evaluation and appointments;
- Appointing external auditors (subject to shareholders' approval); and
- Considering and reviewing the social, ethical and environmental impact of the Group's activities and determining, monitoring and reviewing standards and policies to guide the Group in this regard.

The salient features of the Board Charter had been uploaded on the Company's website at www.gfmservices.com.my

The Board has delegated specific responsibilities to various Board Committees namely the Audit and Risk Management Committee ("ARMC") and the Nomination and Remuneration Committee ("NRC") whose functions are within their respective terms of reference approved by the Board. The said terms of reference are periodically reviewed by the Board, as and when necessary and the Board appoints the Chairman and members of each Committees. These Committees assist the Board in making informed decisions through in-depth discussions on issues in discharge of the respective Committees' terms of reference and responsibilities. The Chairman of the various Committees will report to the Board the outcome of the Committee meetings which will be recorded in the minutes of the Board meeting. The ultimate responsibility for decision making, however, lies with the Board.

For certain day-to-day operations, the Board has delegated authorities and powers to management with the prescribed limits of authority.

Practice 1.2 and 1.4 – The Board Chairman
Practice 1.3 – Separation in the Roles of Chairman and CEO

To ensure balance of power and authority, accountability and independent decision making, the roles of the Chairman and the Managing Director are distinct and separated.

The position of Chairman is held by Mr. Abdul Rahim Bin Abdul Hamid, an Independent Non-Executive Chairman of the Company. The Managing Director, Mr. Mohammad Shahrizal Bin Mohammad Idris is responsible for the daily management of the Group's operations and implementation of the Board's policies and decisions. He is responsible for communicating matters relating to the Group's business affairs and issues to the Board for its consideration and approval, where required. The Executive Directors are involved in the day-to-day management of the Company.

The positions of Chairman and Executive Directors are held by different individuals. The Chairman leads the Board and is responsible for ensuring the integrity and effectiveness of the governance process of the Board, acts as facilitator at the meetings and to ensure that Board proceedings are in compliance with good conduct and best practices. Whilst the Executive Directors are responsible for making and implementing operational and corporate decision as well as developing, coordinating and implementing business and corporate strategies.

The distinct and separate roles of the Chairman, Managing Director and Executive Directors, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The Board Chairman is also a member of the ARMC.

The Board Chairman was invited to participate in the ARMC Meeting and NRC Meeting as the committees are of the view that the Board Chairman's input and contribution is valuable to the review process.

Practice 1.5 – Company Secretary

Every Director also has unrestricted access to the advice and services of the Company Secretary. The Board believes that the current Company Secretary is capable of carrying out her duties to ensure the effective functioning of the Board. In the event that the Company Secretary fails to fulfil her functions effectively, the terms of the appointment permit their removal and appointment of successor which is a matter for the Board to decide.

The Company Secretary plays an advisory role to the Board in relation to the Company's Constitution, the Board's policies and procedures, and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary is suitably qualified, competent and capable of carrying out the duties required and has attended trainings and seminars conducted by relevant regulatories to keep abreast with the relevant updates on statutory and regulatory requirements and updates on the ACE LR of Bursa Securities.

The Company Secretary also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares, in accordance with Rule 14 of the ACE LR of Bursa Securities. Deliberations during the Board and Board Committees' meetings were properly minuted and documented by the Company Secretary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Practice 1.6 – Information and Support for Directors

The Board endeavours to meet at least four (4) times a year, at quarterly intervals which are scheduled well in advance at the commencement of the financial year to help facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. Where appropriate, decisions are also made by way of circular resolutions in between scheduled meetings during the financial year.

The Board met six (6) times during the FYE 2021 and the attendance records of each Director at the Board Meetings is set out below:-

Name of Directors	Attendance at Meeting	Total Attendance
Abdul Rahim Bin Abdul Hamid *– Independent Non-Executive Director (Board Chairman)*	6/6	100%
Ruslan Bin Nordin *– Executive Vice Chairman*	6/6	100%
Mohammad Shahrizal Bin Mohammad Idris *– Managing Director*	6/6	100%
Zainal Bin Amir *– Non-Independent Non-Executive Director*	6/6	100%
Zainal Arifin Bin Khalid *– Independent Non-Executive Director*	6/6	100%
Yong Hee Kong *– Independent Non-Executive Director*	6/6	100%
Ashok Virendra Shah *– Independent Non-Executive Director*	6/6	100%

The Key Senior Management staff and/or external advisors may be invited to attend Board meetings to advise the Board and to furnish the Board with information and clarification needed on relevant items on the agenda to enable the Directors to arrive at a decision.

At least seven (7) days prior to each Board meeting, members of the Board will be provided with an agenda and a set of Board papers containing reports and other relevant information detailing various aspects of the Group's operations and performance to enable them to make informed decisions. The Board papers may include financial, strategic and corporate proposals that require the Board's deliberation and approval.

The Senior Management, External Auditors and/or Internal Audit and Compliance Unit ("IACU") of GFM may be invited to attend the Board meetings, if required, to provide additional information on the relevant agenda tabled at the Board meetings.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at Board meetings. The Board members are required to notify the Board prior to their acceptance of new directorships in other companies with indication of time that will be spent on the new appointment.

All pertinent issues discussed at the Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretary.

Besides Board meetings, the Board also exercises control on matters that require its approval through the circulation of resolutions.

Board meetings were held to discuss matters that require members' input and decision. The Chairman ensures that all Directors have full and timely access to information. Prior to the meetings of the Board and the Board Committees, notice of agenda together with previous minutes and other relevant information were circulated to all Directors on a timely basis in order to enable the Directors to be well informed and briefed before the meetings.

All Directors also have full and free access to information within the Group and can as individual Director or as a full Board have unrestricted access to all information pertaining to the Group's business and affair. This is to enable them to carry out their duties effectively and diligently. As and when necessary, the Board may obtain independent professional advice, in furtherance of their duties, at the expense of the Group, in furtherance if their duties.

The External Auditors also briefed the Board members on the Financial Reporting Standards that would affect the Group's financial statements during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Practice 3.1 – Establishing and Implementing a Code of Conduct and Ethics

The Board acknowledges and emphasises the importance for all Directors and employees of the Group to embrace the highest standards of corporate governance practices and ethical standards.

In this respect, the Board has formalised a Code of Ethics and Code of Conduct. These codes are aimed to emphasise the Company's commitment to ethics and compliance with applicable laws and regulations.

The Code of Ethics and Code of Conduct had been uploaded on the Company's website at www.gfmservices.com.my

Practice 3.2 – Establishing and Implementing Whistle-Blowing Policies and Procedures

To enhance corporate governance practices across the Group, a Whistle-Blowing Policy was adopted which provide directors, employees, shareholders, vendors or any parties with a business relationship of the Group with an avenue to report suspected wrongdoings that may adversely impact the Group.

The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, as far as possible, be protected from reprisal, harassment or subsequent discrimination.

The salient features of the Whistle-Blowing Policy had been uploaded on the Company's website at www.gfmservices.com.my

The Board also adopted the Anti-Bribery and Corruption Policy to set out the Group approach in combating bribery and corruption on 15 April 2020, the said policy has been made available on the Company's website.

II. Board Composition

Practice 4.1 – Responsibility for the Governance of Sustainability

The Board is responsible to oversee the Group's sustainability agenda, practices, strategies and performance supported by the Management. The Management is tasked to integrate sustainability considerations in the day-to-day operations of the Group and ensuring the effective implementation of the Group's sustainability strategies and plans.

The Terms of Reference of the ARMC has been revised to provide the explicitly ARMC's responsibilities to renew the Group's sustainability policies, goals and risks periodically.

The Sustainability Report of the Group which provides an overview of the sustainability performance for the financial year ended 31 December 2021, is set out on pages 17 to 28 of the Annual Report 2021.

Practice 4.2 – Effective Communication with Stakeholders

The Company believes in transparency and open lines of communication with all the stakeholders. Transparency and communication are fundamental components of good corporate governance and serve to build vital relationships of trust the Company maintained with its stakeholders.

The Company engages its stakeholders through various means of communication to enable them to more understand the Group's business operation and seek their feedbacks and inputs on several matters relevant to them. The Group identified them through issues which are material based on their impact to the Group's operation and the number of stakeholders affected.

The Company strives to maintain an open and two-way communication with its employees to discuss, among others, the Company's performance and growth strategies. The Executive Vice Chairman has presented to the shareholders on the Group's overview, business model, strategy plans and financial review during the Annual General Meeting ("AGM").

Practice 4.3 – Sustainability Issues
Practice 4.5 – Actions or Measures Taken

The Board took note of the importance of the sustainable development. The Company had formed a Management Committee to address the sustainability issues relevant to the Group and its business in order to achieve sustainable long-term value.

As a responsible business entity, the Group has committed to develop sustainable strategies across all levels of management. In the effort to embed and achieve sustainable management and growth into the daily operations, the Group has established a governing body to oversee and implement sustainable programs.

The Management Committee was formed to drive and implement the sustainability strategy of an organisation, championing its goals and monitoring its efforts. The Management Committee was chaired by the Managing Director, Mr. Mohammad Shahrizal Bin Mohammad Idris and assist by its committee members comprising of senior management from Finance, Operations, Legal, Safety and Compliance, Business Development and Human Resources departments.

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The roles and responsibilities of the Managing Director were as follows:-

(a) Coordinate information and inputs from HOD;
(b) Develop and improve sustainability strategies; and
(c) Monitor sustainability programme performance.

The HODs also play their roles to: -

(a) Assist and gather information for sustainability reporting;
(b) Implement sustainability practices approved by Managing Director; and
(c) Identify ESG by department.

Practice 4.4 – Performance Evaluations of the Board

The Board of Directors and Board Committees' assessment and evaluation have been performed on yearly basis to assess the following areas:-

- Board and Board Committee Evaluation;
- Board Skills Matrix;
- Directors' Evaluation; and
- Independent Directors' Self-Assessment Checklist.

Based on the assessment and evaluation performed by each individual Directors and NRC, it was concluded that: -

(a) NRC was satisfied that the Directors had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors.

(b) NRC was satisfied with the current structure, size and composition of the Board which comprises people who possess different expertise and experience in various fields and specialisations enable the Board to lead and manage the Company effectively.

(c) NRC was satisfied with the performance and contribution of each individual Director and each Director is well qualified in his/her area of expertise and profession.

(d) NRC was satisfied with the level of independence demonstrated by the Independent Non-Executive Directors and their ability to act independently and objectively in the best interest of the Company.

Practice 5.1 – Responsibilities of Nomination Committee
Practice 5.7 – Appointment and Reappointment of Directors

The NRC was formed to assist the Board on 16 October 2016. The NRC had performed Board assessment on annual basis to ensure that the right group of people with appropriate mix of skill was appointed.

The NRC also conducted an assessment of Directors who are seeking for re-election at the forthcoming 9th AGM and concluded that Mr. Ashok Virendra Shah and Mr. Zainal Bin Amir are eligible for re-election. The Board had approved and proposed the re-election of Mr. Ashok Virendra Shah and Mr. Zainal Bin Amir at the coming AGM.

The Board had revised its Board Charter on retaining an Independent Director after a cumulative term of nine (9) years by seeking annual shareholders' approval through a two-tier voting process to be in line with the MCCG 2021.

The details of the Directors seeking re-election at the AGM including their qualification, working experience, directorship in other public listed company, relationship with any director or major shareholder and conflict of interests with the Company are set out in the Profile of Directors section as disclosed in the Annual Report 2021.

The details of the interest of the Directors in the securities of the Company and attendance at Board of Directors' Meetings held during the financial year ended 31 December 2021 are also disclosed in the Annual Report.

Practice 5.2 – Presence of Independent Directors on the Board
Practice 5.6 – Appointment of Directors

The principle emphasises the importance of right Board composition in bringing value to the Board deliberation and transparency of policies and procedures in selection and evaluation of Board members.

The Board currently has seven (7) members, consisting of one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors, one (1) Non-Independent Non- Executive Director and two (2) Executive Directors.

The Company complies with the criteria of ACE LR of Bursa Securities ensuring that at least two (2) Directors or one-third (1/3) of the Board of Directors, whichever is the higher, are independent directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The profiles of each of the Directors are presented on pages 29 to 35 of the Annual Report 2021.

The current composition of the Board is well balanced with the presence of Independent Non-Executive Directors of the necessary calibre to carry sufficient weight in the Board's decision- making process. All Independent Non-Executive Directors are independent of management duties and they do not have any family relationship with any of the other Board members which could interfere with their exercise of independent judgement during the decision-making process of the Board or the ability to act in the best interest of the Company and its shareholders.

The Executive Directors are responsible for the making of the day-to-day business and operational decisions and implementation of Board policies. There is a clear division of duties and responsibilities amongst them in order to maintain a balance of control, power and authority within the management.

The Independent Non-Executive Directors are responsible in exercising independent judgement and to act in the best interests of the Group in ensuring that decisions made by the Board are deliberated fully and objectively with regard to the long-term interest of all stakeholders.

The Independent Non-Executive Directors have declared themselves to be independent from management and free of any relationship which could interfere with the exercise of their independent judgement and objective participation and decision making process of the Board.

The Independent Non-Executive Directors act as a bridge between the management and stakeholders, particularly, shareholders. The Independent Non-Executive Directors provide relevant checks and balances and ensure that high standards of Corporate Governance are applied.

The decision of the Board is done collectively without undue influence or dominance by any individual Director or group of Directors.

The Board is confident that its current size and composition is sufficient and effective in discharging the Board's responsibilities and in meeting the Group's current needs and requirements.

The MCCG endorses a formal procedure for appointments to the Board based on the recommendation of a nominating committee. As such the Board has established an NRC who is responsible for:-

- recruitment, retention, training and basically developing the best available directors suitable for the Company;
- management of the Board's renewal and succession planning effectively; and
- reviewing and recommending to the Board, the remuneration frameworks for directors and assists the Company in ensuring that the remuneration of the directors reflects the responsibility and commitment undertaken by the board membership.

When there are changes in the regulatory requirements and retirement of directors, the Board would through the NRC review the composition of the Board members in order to ensure that the current composition of its Board functions competently.

Practice 5.3 and Step Up 5.4 – Tenure of Independent Directors

The Board has adopted the policy that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, an Independent Director may continue to serve the Board upon reaching the 9-year limit subject to the Independent Director's redesignation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as independent after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at a general meeting. In justifying the decision, the NRC is entrusted to assess the candidate's suitability to continue as an Independent Non- Executive Director based on the criteria on independence and the candidate's performance.

All the four (4) Independent Directors were appointed on 18 October 2016. At this juncture, their term of service as Independent Directors is less than nine (9) years.

Should the tenure of an Independent Director exceed nine (9) years, shareholders' approval will be sought at an AGM or if the services of the Director concerned are still required, the Director concerned will be redesignated as a Non-Independent Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Practice 5.5 – Sourcing of Directors

The NRC will recommend to the Board on suitable candidates for appointment as Board members, member of Board Committees and Executive Directors of the Company based on the following evaluation criteria:-

- Skills, knowledge, expertise and experience;
- Professionalism;
- Time commitment to effectively discharge his role as a director;
- Contribution and performance;
- Character, integrity and competence;
- Boardroom diversity including gender diversity; and
- In the case of candidates for the position of Independent Non-Executive Directors, the NRC shall also evaluate the candidates' ability to discharge such responsibilities and functions as are expected from Independent Non-Executive Directors.

The NRC will arrange for the induction of any new Directors appointed to the Board to enable them to have a full understanding of the nature of the business, current issues within the Company and corporate strategies as well as the structure and management of the Company.

Practice 5.9 – Gender Diversity

As at the date of issuance of this report, there are no women Directors on Board.

The Board acknowledges the call by the Government and MCCG for boards to comprise at least 30% woman on Board.

The Board is mindful that any gender representation should be in the best interest of the Company. Although the Company has not reached the 30% woman representation target at Board level as required, the Board is putting its effort in getting other suitable women who could meet the objective criteria, merit and with due regard for diversity in skills, experience, age to join the Board.

Practice 5.10 – Policy on Gender Diversity

The Board currently does not have a formal policy on its boardroom or gender diversity. The evaluation and selection criteria of a Director are very much dependent on the effective blend of knowledge, skills, competencies, experiences and time commitment of the new Board member. Nonetheless, the Board is supportive of gender diversity in the Boardroom composition as recommended by the MCCG and will endeavour to consider suitable and qualified female candidates for appointment to the Board.

Practice 5.8 – Chairmanship of the Nomination Committee
Practice 7.2 – Remuneration Committee

The NRC comprises of three (3) members who are the Independent Non-Executive Directors as follows:-

No.	Name	Designation
1)	Zainal Arifin Bin Khalid	Chairman
2)	Ashok Virendra Shah	Member
3)	Yong Hee Kong	Member

There were four (4) NRC Meetings held for the FYE 2021.

The NRC had reviewed and assessed the size of Board, required mix of skills, experience, performance and contribution of Directors, effectiveness of the Board as a whole, independence of Independent Directors and training courses required by the Directors and is satisfied with the current composition and performance of the Board for the FYE 2021.

The NRC has considered the performance and contribution of the Directors who stand for re-election at the forthcoming AGM to determine whether they are eligible for re-election. The NRC will recommend the re-election of Directors to the Board for approval. All the retiring Directors will abstain from deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

With the current composition, the NRC opines that all the Board members have the necessary knowledge, experience, requisite range of skills and competence to enable them to discharge their duties and responsibilities effectively. All Directors on the Board have many years of experience on the Boards of other companies and/or also as professionals in their respective fields of expertise.

Practice 6.1 – Evaluation for Board, Board Committees and Individual Directors
Practice 9.5 – Directors' Training

The Board, through the NRC, undertakes the process to assess the effectiveness and performances of each individual Director annually. The assessment is based on each Director's contribution to interaction, roles and duties, personal attributes, attendance record and training activities attended.

The Independent Non-Executive Directors play a key role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Non-Executive Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, considering the interest of all stakeholders in the Group.

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An assessment on the independence of the Directors based on the provisions of the ACE LR of Bursa Securities is carried out before the appointment of any new Independent Non-Executive Director. Further, the Board with the assistance from the NRC will undertake to carry out annual assessment of the effectiveness of the Board, as a whole, including Independent Non-Executive Directors and consider whether the Independent Non-Executive Director can continue to bring independence and objective judgment to Board deliberations.

Any Director who considers that he has or may have a conflict of interest or a material personal interest or a direct or indirect interest or relationship that could reasonably be considered to influence in a material way the Director's decisions in any matter concerning the Company is required to immediately disclose to the Board and to abstain from participating in any discussion or voting on the respective matter.

For the FYE 2021, the Board assessed the independence of its Independent Non-Executive Directors based on the criteria set out in the ACE LR of Bursa Securities. The Board is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company.

Talks, seminars and training programmes attended by Directors during the FYE 2021 are as follows:-

Name of Directors	Date	Seminar / Training Course Title
Abdul Rahim Bin Abdul Hamid	8 June 2021	Enterprise Risk Management - Awareness Training
	12 August 2021	Digital Disruptions - Winning Strategies for Legacy Companies
Ruslan Bin Nordin	26 July 2021	The Updated Malaysian Code on Corporate Governance April 2021
Mohammad Shahrizal Bin Mohammad Idris	March 2021	UTM Professional Talk Series 2/2021 – Power of Technology and Data – The Future of Facilities Management
	30 June 2021	The Updated Malaysian Code on Corporate Governance April 2021
	July 2021	UUM Lecture Series – Business Survival During COVID-19 Pandemic: A Case Study from Asset and Facilities Management Prospective
	August 2021	Sesi Libat Urus Industri Bagi Pembangunan Kerangka Dasar Senggara Infrastruktur Negara (DSIN) 2022 – 2030 Dan Pengkurniaan Mata CCD
	15 September 2021	Advocacy Sessions for Directors and Senior Management of ACE Market Listed Corporations
	27 October 2021	Asset Management Business Solution International Conference
	10 November 2021	Asset and Facility Management Conference 2021 – Gearing up to Post Pandemic World
Zainal Bin Amir	26 July 2021	The Updated Malaysian Code on Corporate Governance April 2021

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Name of Directors	Date	Seminar / Training Course Title
Zainal Arifin Bin Khalid	January 2021	Building Leadership – Thriving in Times of Change Webinar by Charlene Li
	April 2021	Data Driven Decision Making for Value Creation Webinar by University of Michigan Ross Business School
	May 2021	Accelerating Business Through Advancing Human Capability Webinar by University of Michigan Ross Business School
	June 2021	Strategy Festival Webinar by Cascade
	June 2021	Leading Diverse Teams and Organisations Webinar by University of Michigan Ross Business School
	July 2021	Launch of 2020 Malaysian Board Practices Report Webinar by ICDM
	July 2021	Igniting the New World of HR Webinar by University of Michigan Ross Business School
	September 2021	Advocacy Sessions for Directors and Senior Management for ACE Market Listed Corporations Webinar by Bursa Securities
	September 2021	The Future of Business: Tech Trends That Matter Webinar by McKinsey
	September 2021	LinkedIn Learning Asia Pacific Digital Summit Webinar by LinkedIn
	September 2021	IoT for You Webinar by LinkedIn
	October 2021	Innovation@Work Asia Webinar by Economist
Yong Hee Kong	January 2021	Vision for Emerging Southeast Asia: The Prospects of Malaysia's Foreign Policy
	January 2021	Islamic Thought and Sustainable Development
	February 2021	Leaving no one behind – Roundtable on 2030 Agenda for Sustainable Development
	February 2021	Malaysia Economic and Strategic Outlook
	February 2021	Post COVID-19 Recovery: Building SME Resilience
	February 2021	Malaysia Outlook Conference 2021
	March 2021	New Strategies for Pandemic's Second Year
	March 2021	The Malaysia Sustainability Leadership Summit
	March 2021	Towards Anew Philosophy of Science for a Sustainable Planet Earth: Islamic Perspectives
	April 2021	The Impacts of the Pandemic and the Stimulus Packages introduced in Malaysia and Taiwan

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name of Directors	Date	Seminar / Training Course Title
Yong Hee Kong	May 2021	Strengthening Trade and Reform Agenda for Sustainable Growth in the Region and Beyond
	June 2021	The Future of Malaysia's International Climate Commitments
	June 2021	Updated Malaysian Code of Corporate Governance – Implications to Listed Corporations, Directors and Management
	July 2021	Malaysian Economic Summit
	August 2021	IDEAS Online Discussion: Financial and Capital Market
	September 2021	Adapting to COVID-19: Malaysian Foreign Policy Priorities for the new World
	September 2021	Malaysian Banking and Finance Summit
	September 2021	National Recovery Summit
	September 2021	NOOR Conference: Good Governance and the Quest for the future
	September 2021	Poverty Alleviation in China – Lessons for Developing Countries
	October 2021	Plenary Session on the new Paradigms for Business and the Malaysian Economy
	October 2021	Webinar on Climate Change and Water Security Malaysia
	October 2021	Webinar: 12th Malaysia Plan: Is it Real and Rational reset for the Rakyat
	October 2021	2nd Malaysia Digital Economy Summit
	November 2021	Post Budget 2022: Towards Recovery
	November 2021	Regional Forum on Overcoming Environmental Challenges and Promoting Social Sustainability in SEA
	November 2021	Partners in Recovery: Malaysia and the new Southern Policy Plus
	November 2021	COP 26 – What we can expect
	November 2021	The NEP Beyond 50: Evaluating Strengths and Flaws, outlining a Cohesive Society
	December 2021	Book Launch and Seminar: COVID-19 and The Structural Crises of our Time
	December 2021	Global Chinese Economic and Technology Summit
	December 2021	CPTPP Impact on National Industries
	December 2021	The fifth ISTAC – World professorial lecture: Islamic Finance in Global Changing Realities

All Directors of the Company had attended the Mandatory Accreditation Programme prescribed by Bursa Securities for directors of public listed companies.

During the FYE 2021, the External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

III. Remuneration

Practice 7.1 and 7.2 – Remuneration Policy and Procedure for Directors and Senior Management

In general, the component parts of the remuneration for Executive Directors are structured so as to link rewards to corporate and individual performance of the Executive Directors. The remuneration of the Executive Directors includes salaries and other emoluments, bonus, fees and benefits in kind.

The level of remuneration for the Independent Non-Executive Directors reflects the experience and level of responsibilities undertaken by the particular Independent Non-Executive Director concerned. Currently the Non-Executive Directors are paid with Director's fees and attendance allowance for Board/general meetings they attended.

The Company's remuneration policy for Directors is formulated to attract and retain competent individuals. The remuneration is structured to link experience, expertise and level of responsibility undertaken by the Directors.

The NRC is entrusted with the responsibilities to make recommendations on the remuneration package for the Executive Directors to the Board. It is the ultimate responsibility of the entire Board to approve the remuneration of these Directors. Non-Executive Directors' remuneration will be decided by the Board as a whole with the Director concerned abstaining from deliberation and voting on decisions in respect of his individual remuneration.

Practice 8.1, 8.2 and Step Up 8.3 – Disclosure of Remuneration

The details of the remuneration of the Directors of the Company comprising remuneration received/receivable from the Company and subsidiary companies during the FYE 2021 are as follows:-

Company Level

Name of Directors	Salaries and other emoluments* (RM)	Fees (RM)	Attendance Allowance (RM)	Benefits in Kind (RM)	Total (RM)
Executive Director					
Ruslan Bin Nordin	1,200	72,000	10,500	-	**83,700**
Mohammad Shahrizal Bin Mohammad Idris[1]	71,596	60,000	9,000	-	**140,596**
Independent Non-Executive Director					
Abdul Rahim Bin Abdul Hamid	-	84,000	25,000	-	**109,000**
Zainal Arifin Bin Khalid	-	72,000	22,000	-	**94,000**
Yong Hee Kong	-	72,000	24,000	-	**96,000**
Ashok Virendra Shah	-	72,000	29,000	-	**101,000**
Non-Independent Non-Executive Director					
Zainal Bin Amir	-	72,000	18,000	-	**90,000**
Mohammad Shahrizal Bin Mohammad Idris[1]	-	12,000	3,000	-	**15,000**
TOTAL	**72,796**	**516,000**	**140,500**	**-**	**729,296**

* *Other emoluments include salaries, bonuses, allowance, Employees Provident Fund contributions, Employment Insurance System contributions and SOCSO contributions.*

Note:-

1. *Redesignated from Non-Independent Non-Executive Director to Managing Director on 1 March 2021.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

III. Remuneration

Subsidiary Level

Name of Directors	Salaries and other emoluments* (RM)	Fees (RM)	Attendance Allowance (RM)	Benefits in Kind (RM)	Total (RM)
Executive Director					
Ruslan Bin Nordin	-	96,000	-	-	**96,000**
Zainal Bin Amir	-	96,000	-	-	**96,000**
Mohammad Shahrizal Bin Mohammad Idris	-	96,000	-	-	**96,000**
TOTAL	-	288,000	-	-	288,000

* *Other emoluments include salaries, bonuses, allowance, Employees Provident Fund contributions, Employment Insurance System contributions and SOCSO contributions.*

Remuneration Bands

The details of the remuneration of the top five (5) Senior Management (including salary, bonus, benefit in kind and other emoluments) in each successive bands of RM50,000 during the FYE 2021 are as follows:-

Range of Remuneration per annum	Designation of Top Senior Management
RM100,001 - RM200,000	1) Head of Finance 2) Senior Manager, Risk Management and Compliance Department 3) Senior Manager, Human Resources Management
RM200,001 - RM250,000	1) Head of Advisory and Consultancy Services 2) Chief Customer Officer

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

Practice 9.1 and 9.5 – Chairman of the Audit and Risk Management Committee

The Audit Committee was established on 18 October 2016. Subsequently, the Audit Committee was renamed as Audit and Risk Management Committee on 26 February 2019.

The ARMC comprises of five (5) Non-Executive Directors, majority of whom are Independent Directors, including the Chairman as follows:-

No.	Name	Designation	Directorship
1)	Ashok Virendra Shah	Chairman	Independent Non-Executive Director
2)	Abdul Rahim Bin Abdul Hamid	Member	Independent Non-Executive Director, Board Chairman
3)	Yong Hee Kong	Member	Independent Non-Executive Director
4)	Zainal Bin Amir	Member	Non-Independent Non-Executive Director
5)	Zainal Arifin Bin Khalid *(Appointed as Member on 26 August 2021)*	Member	Independent Non-Executive Director

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Both the ARMC Chairman and BOD Chairman are not the same person.

The Chairman of the ARMC, Mr. Ashok Virendra Shah is a member of Chartered Accountants of India, member of the Malaysian Institute of Accountants (MIA), and fellow member of Singapore Society of Accountants. Whereas the Board Chairman, Mr. Abdul Rahim Bin Abdul Hamid is a fellow of Association of Chartered Certified Accountants (FCCA) and member of the Malaysian Institute of Certified Public Accountants (MICPA).

The composition of the ARMC and the qualification of the members comply with Rule 15.09 (1) of the ACE LR of Bursa Securities.

Practice 9.2 and 9.3 – Oversight of External Auditors by the Audit and Risk Management Committee

As a measure to safeguard the independence and objectivity of the audit process, the ARMC has incorporated a policy specification that governs the appointment of a former key audit partner to the ARMC.

The policy, which is codified in the ARMC's Terms of Reference, requires a former key audit partner to observe a cooling-off period of at least three (3) years before he/she can be considered for appointment as a Committee member.

To-date, the Company has not appointed a former audit partner to be a member of the ARMC.

The ARMC and Board place emphasis on the objectivity and independence of the external auditors in providing true and fair report to the shareholders. Through the ARMC, the Board maintains a transparent relationship with the IACU and External Auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. The ARMC is empowered to communicate directly with the IACU and External Auditors of GFM and vice versa to highlight any issues of concern at any point in time.

The IACU met the ARMC every quarter during the FYE 2021 to discuss the nature, scope of the audit, internal controls and issues that may require the attention of the ARMC or the Board. The audit plan was also tabled to the ARMC for discussion.

The audit and non-audit fees for services rendered by the External Auditors to the Group for the FYE 2021 are RM285,000 and RM6,000 respectively.

The External Auditors have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

In compliance with ACE LR of Bursa Securities and the MCCG, the ARMC within its duties reviews the scope of work, independence, objectivity and findings and recommendations of the audits conducted by both the IACU and External Auditors.

The ARMC also made arrangements to meet and discuss with the IACU and External Auditors separately without the presence of management on any matters relating to the Group and its audit activities.

Practice 9.4 – Independence of the Audit and Risk Management Committee

The Board recognises the importance of independence and objectivity in its decision making process which is in line with the MCCG.

The Directors with their different backgrounds and specialisation, collectively bring with them a wide range of experience and expertise in areas such as finance, legal, marketing and operations. The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The Independent Non-Executive Directors contribute their knowledge and experience towards formulating policies and in the decision-making process. They do not engage in day-to- day management of the Company and do not participate in any business dealings with the Company. The Independent Non-Executive Directors also bring with them objective and independent judgement to decision-making and provide a check and balance for the Executive Directors.

The Independent Non-Executive Directors on the Board who are neither related to any Director and/or major shareholders nor have any conflict of interests of the shareholders and the Group ensures that the interests of the shareholders and the Company are adequately protected.

II. Risk Management and Internal Control Framework

Practice 10.1 and 10.2 – Risk Management and Internal Control Framework

The Board has overall responsibility of maintaining a system of internal controls and risk management which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal policies and procedures.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises that risks cannot be fully eliminated. As such, the systems, processes and procedures being put in place are aimed at minimising and managing them and to provide reasonable and not absolute assurance against material misstatement, loss or fraud.

Risk Management is regarded by the Board to be an integral part of the system of internal control and is a good management practice that strengthens the business planning processes. The Group has an ongoing and systematic risk management process to identify, evaluate and manage the significant risks and to ensure that appropriate risk treatments are in place to mitigate those risks affecting the achievement of the Group's business objectives. This ongoing process is undertaken at all the major subsidiaries of the Group, as well as collectively at the Group level.

The Board regularly reviews internal control issues identified by internal auditors, management and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems. The Group's key elements of internal control are as follows:-

1. Clearly defined delegation of responsibilities to management and operating units, including authorisation levels for key aspects of the business.
2. Clearly documented internal policies, guidelines, procedures and manual, which are updated from time to time.
3. Regular meetings are held at operational and management to identify and resolve business, financial, operational and management issues and address weakness and improve efficiency.
4. Engagement of solicitors, financial advisors and relevant professional services as may be required in respect of any corporate exercise undertaken by the Group.
5. Financial results are reviewed on a quarterly basis by the Board and ARMC.
6. Informal Board and management meetings at operational level are held during the financial year to assess performance and controls.

Step up 10.3 – Establishment of Risk Management Committee

The Board Committees such as ARMC and NRC are established by the Board, and they are governed by terms of reference and authority for areas within their scope.

The Company had combined both Audit Committee and Risk Management Committee to overseeing the risk management function together with the management.

Practice 11.1 and 11.2 – Effectiveness of an Internal Audit Function

The Board has mandated the ARMC with the overall responsibility of ensuring adequacy, completeness and effectiveness of the internal control system and risk management. The ARMC undertakes periodic reviews and monitors the compliance to these systems via the internal audit function who carries out audit checks on such control processes and provides feedback on its effectiveness and compliance at the operating level. Any weaknesses or variances reported by the IACU to the ARMC will be turned into management actions to rectify any weaknesses in those control processes.

The Group's internal audit function is carried out by the IACU. IACU reports to the ARMC during the quarterly ARMC meetings and whenever called by the Committee.

The IACU is free from any relationships or conflicts of interest, which could impair their objectivity and independence. The IACU who reports directly to the ARMC are given full access to all the documents relating to the Company's and Group's governance, financial statements and operational assessments.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Engagement with Stakeholders

Practice 12.1 – Communication with Stakeholders

The Group recognises the importance of communication with its shareholders and utilises many channels to disseminate information and to interact with them. To augment the process of disclosure, the Group has a website in which shareholders and the public can access up-to-date information about the business and the Group. The Group's website can be accessed via www.gfmservices.com.my

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Group to the regulators, shareholders and stakeholders. Steps will be taken to formalise pertinent corporate disclosure policies to comply with the disclosure requirements as stipulated in the ACE LR of Bursa Securities, and to set out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders.

The Company aims to ensure that the shareholders and investors are kept informed of all major corporate developments, financial performance and other relevant information by promptly disseminating such information to shareholders and investors via announcements to Bursa Securities, which is in line with Bursa Securities' objectives of ensuring transparency and good corporate governance practices, through dialogue with analysts and the media.

The Annual Report and the quarterly announcements are the primary mode of communications to report on the Group's business activities and financial performance to all shareholders.

The Company also maintains an effective communication channel between the Board, shareholders and the general public through timely dissemination of all material information. Minority shareholders may communicate with the Company through the Company's website.

II. Conduct of General Meetings

Practice 13.1 – Notice of General Meeting

The Notice of the AGM will be circulated at least twenty-eight (28) days prior to the date of the AGM to enable shareholders to have sufficient time to peruse the Annual Report and papers supporting the resolutions proposed.

The sufficient time was given to the shareholders to allow them to make the necessary arrangements to attend and participate in person.

Pursuant to Rule 8.31A(1) of the ACE LR of Bursa Securities, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at the general meeting, is voted by poll.

Hence, all resolutions as set out in the notice of the Company's forthcoming AGM will be voted by poll.

Practice 13.2 – Attendance of Directors at General Meetings

The AGM is the principal forum for dialogue with the shareholders. All the Directors would be invited to attend and participate at the AGM. The Board encourages shareholders to attend the AGM and participate in its proceedings. Every opportunity is given to the shareholders to ask questions and seek clarification on the business and performance of the Group.

The ARMC is available at the AGM to answer questions and consider suggestions. The External Auditors are also present to provide their professional and independent clarification on issues of concern raised by the shareholders, if any.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Practice 13.3 – Electronic Voting

Due to COVID-19 Pandemic and the implementation of Movement Control Order in Malaysia, the Company's 8th AGM has been conducted fully virtual.

The AGM was conducted through live streaming and online poll voting whereby shareholders and proxies can access and participate remotely. With objective to keep our shareholders safe, this also can encourage participation of all shareholders in AGM.

Practice 13.4 – General Meetings
Practice 13.5 – Conduct of Virtual General Meeting

Shareholders are encouraged to participate and vote remotely during the Company's AGM using the Virtual Meeting Facilities. A registration link was provided to the shareholders in the Administrative Guide, which is released together with the Notice of AGM and made available on the Company's website and Bursa Securities' website.

Prior to the AGM, the shareholders are allowed to submit any questions online by scanning the QR Code or click onto the link provided in the Administrative Guide. During the AGM, the shareholders are encouraged to submit typed questions in real time within the Q&A Box at the bottom of the messaging screen. Any questions can be submitted at any time until the announcement of the closure of Q&A session.

The Directors and Management had answered all the questions submitted prior or during the meeting during the Q&A session.

All Directors and Senior Management had attended the fully virtual AGM held on 24 June 2021 to engage directly with shareholders and be accountable for their stewardship of the Company.

An Administrative Guide was released together with the Notice of AGM, whereby the shareholders are entitled to appoint proxy/proxies to participate and vote instead of shareholders themselves by submitting the Form of Proxy to the Registered Office of the Company not later than twenty-four (24) hours before the time appointed for the taking of poll at the meeting or adjourned meeting.

The Company has appointed HMC Corporate Services Sdn. Bhd. ("HMC") as Poll Administrator to conduct the poll by way of online voting and to provide a virtual meeting facility for the 8th AGM held on 24 June 2021. The Board was satisfied with the virtual meeting facilities provided by HMC for the previous AGM held in year 2021, therefore the Board had decided to engage the same service provider for coming AGM.

Prior to the AGM, the shareholders are allowed to submit any questions online by scanning the QR Code or click onto the link provided in the Administrative Guide. During the AGM, the shareholders are encouraged to submit typed questions in real time via the Q&A Box on the Virtual Meeting Facilities. Any questions can be submitted at any time until the announcement of the closure of Q&A session. The Directors and Management will address the questions submitted prior or during the meeting accordingly.

Practice 13.6 – Minutes of the General Meeting

The Summary of Proceedings and Key Matters discussed during the 8th AGM was made available to shareholders on its website. The Company will upload the minutes of coming 9th AGM no later than 30 business days after the AGM on its website.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made in accordance with Part A of Appendix 9C of the ACE LR of Bursa Securities:-

1. Statement of Directors' Responsibility in respect of the Financial Statements

The Directors are required by the Companies Act, 2016 to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group at the end of financial year and of the results and cash flows of the Company and of the Group for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Company and of the Group for the FYE 2021, the Company and the Group have used the appropriate accounting policies and applied them consistently and prudently. The Directors also consider that all relevant approved accounting standards have been followed in the preparation of these financial statements.

2. Material Contracts Involving Directors and/or Major Shareholders

There were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholder's interest which were still subsisting at the end of the FYE 2021 or entered into since the end of the previous financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3. Corporate Responsibility

The Group is mindful of the need to be corporately responsible and recognise that for long-term sustainability, its strategic orientation will need to look beyond financial parameters. Hence, the Group supports important causes such as employees' welfare, community and environment protection. However, the Group endeavours to broaden its scope of corporate responsibility initiatives over time and will plan accordingly.

4. Utilisation of Proceeds Raised from Corporate Proposals

As at the date of this Annual Report, a total of 54,400,000 Placement Shares have been issued and allotted in three (3) tranches, details of which are as follows:-

No.	Date of Allotment	Total Number of Private Placement	Proceeds (RM)
1.	2 June 2021	17,000,000	3,920,200
2.	12 July 2021	12,400,000	2,549,440
3.	13 April 2022	25,000,000	4,702,500
	TOTAL	**54,400,000**	**11,172,140**

The status of the utilisation of proceeds raised from the Proposed Private Placement is as follows:-

		Proposed Utilisation					
No.	Purpose	Base Scenario RM'000	Maximum Scenario RM'000	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
1.	New Investment	4,700	4,700	4,700	-	Within 24 months	4,700
2.	Working Capital for New Project						
	i) Amzass (M) Sdn. Bhd.	1,000	1,000	1,000	291	Within 24 months	709
	ii) Highbase Strategic Sdn. Bhd.	5,000	5,000	5,000	4,600		400
3.	Working Capital for Existing Project	3,000	3,000	206	-	Within 12 months	206
4.	General working capital expenses	1,462	32,699	-	-	Within 12 months	-
5.	Estimated expenses in relation to the Proposed Private Placement	412	1,091	266	266	Upon completion of the Proposed Private Placement	-
	TOTAL	**15,574**	**47,490**	**11,172**	**5,157**		**6,015**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

5. Contracts Relate to a Loan

There were no contracts which relate to a loan entered into by the Company and its subsidiaries during the FYE 2021.

6. Employees' Share Option Scheme ("ESOS") and Employees' Share Grant Scheme ("ESGS")

The Company had on 17 October 2017 obtained the approval from the shareholders in relation to the ESOS and ESGS at its Extraordinary General Meeting ("EGM").

The Company has offered ESOS and ESGS to the Board of Directors and eligible employees on 17 June 2019 and the details of the ESOS and ESGS are as follows:-

a) The total number of options granted, exercised, forfeited and outstanding under the ESOS and ESGS since its commencement up to the FYE 2021 are set out below:-

	Number of Options			
	Grand Total		Directors and Senior Management	
Description	ESOS	ESGS	ESOS	ESGS
Outstanding as at 1 January 2021	2,172,000	199,000	332,500	150,000
Granted	-	-	-	-
Exercised	-	98,000	-	90,000
Forfeited	432,000	7,500	18,000	-
Outstanding as at 31 December 2021	1,740,000	93,500	314,500	60,000

b) Percentages of options applicable to Directors and Senior Management under the ESOS and ESGS during the financial year and since its commencement up to the FYE 2021 are set out below:-

	Percentage	
Directors and Senior Management	During the financial year	Since Commencement up to 31 December 2021
Aggregate maximum allocation	15%	18%
Actual options granted	0%	6%

c) Breakdown of the options offered to and exercised by, or shares granted to and vested in (if any) by Non-Executive Directors under the ESOS and ESGS in respect of the FYE 2021 are set out below:-

Directors	Amount of options/shares granted (RM)	Amount of options exercised/shares vested (RM)
(1) Abdul Rahim Bin Abdul Hamid	120,000	-
(2) Zainal Arifin Bin Khalid	120,000	60,000
(3) Yong Hee Kong	120,000	60,000
(4) Ashok Virendra Shah	120,000	60,000
Total	**480,000**	**180,000**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

7. Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPT")

There were no RRPT conducted during the FYE 2021.

8. Non-Audit Fees

Non-audit fee of RM6,000 payable to External Auditors by the Group pertaining to the review of Statement on Risk Management and Internal Control for the FYE 2021.

9. Variation in Results

There was no material variance between the financial results and the profit forecast or unaudited results previously made for the FYE 2021.

10. Profit Guarantee

There was no profit guarantee given by the Company during the FYE 2021.

11. Profit Forecast Variance

There was no profit forecast issued during the FYE 2021.

12. Non-Observance of MCCG

There was no non-observance of the MCCG for the FYE 2021.

13. Succession Plan

It is the responsibility of the NRC to determine a fair remuneration package for the Directors, with the main purpose to attract and retain the right candidates. As part of the succession plan, the Senior Management are encouraged to identify and to train potential subordinates in order to prepare them for larger responsibilities within the Group.

STATEMENT OF COMPLIANCE WITH THE MCCG

The Board confirms that the Group has made effort to maintain high standards of corporate governance throughout the year under review. The Board acknowledges that achieving excellence in corporate governance is a continuous process and is committed to play a pro-active role in steering the Group towards the highest level of integrity and ethical standards.

This Corporate Governance Overview Statement was approved by the Board of Directors on 11 April 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of GFM is pleased to present the Audit and Risk Management Committee ("ARMC") Report for the FYE 2021.

MEMBERSHIP

The ARMC shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, a majority of whom shall be Independent Directors. All members of the ARMC should be Non-Executive Directors.

The members of the ARMC shall elect a Chairman from among their members who shall be an Independent Director. No Alternate Director shall be appointed as a member of the ARMC.

At least one (1) member of the ARMC:-

a) must be a member of the Malaysian Institute of Accountants; or
b) if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience and:-

- he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
- he/she must be a member of one (1) of the association of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
- fulfils such other requirements as prescribed by Bursa Securities.

The Audit Committee was established on 18 October 2016. Subsequently, the Audit Committee was renamed as Audit and Risk Management Committee on 26 February 2019.

The ARMC comprises of five (5) Non-Executive Directors, majority of whom are Independent Directors, including the Chairman as follows:-

	Name	Designation
1)	**Ashok Virendra Shah** *(Independent Non-Executive Director)*	Chairman
2)	**Abdul Rahim Bin Abdul Hamid** *(Independent Non-Executive Director, Board Chairman)*	Member
3)	**Yong Hee Kong** *(Independent Non-Executive Director)*	Member
4)	**Zainal Bin Amir** *(Non-Independent Non-Executive Director)*	Member
5)	**Zainal Arifin Bin Khalid*** *(Independent Non-Executive Director)*	Member

*Note: *Appointed as Member of the ARMC on 26 August 2021.*

The Chairman of the ARMC, Mr. Ashok Virendra Shah is a member of Chartered Accountants of India, member of the Malaysian Institute of Accountants (MIA), and fellow member of Singapore Society of Accountants.

The composition of the ARMC and the qualification of the members comply with Rule 15.09(1) of the ACE LR of Bursa Securities.

MEETINGS AND MINUTES

During the financial year, the ARMC conducted five (5) meetings of which all were duly convened with sufficient notices given to all ARMC members together with the agenda, report and proposals for deliberation at the meetings. The Key Senior Management were invited to all ARMC meetings to facilitate direct communication as well as to provide clarification on audit issues and the operations of the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The External Auditors and Internal Audit and Compliance Unit ("IACU"), as the case may be, were in attendance to present the relevant reports and proposals to the ARMC at the meetings which included inter alia, the internal audit reports, the auditors' audit plans, audit reports and the audited financial statements for the FYE 2021.

In the ARMC meetings, the External Auditors were given opportunities to raise any matters and gave unrestricted access to the External Auditors to contact them at any time should they become aware of incidents or matters during the course of their audits or review. The minutes of the ARMC meetings were tabled for confirmation at the following ARMC meeting and subsequently presented to the Board for notation.

The details of attendance of the ARMC members are as follows:-

Name	Designation	Meeting Attendance	Percentage of Attendance
Ashok Virendra Shah *(Independent Non-Executive Director)*	Chairman	5/5	100%
Abdul Rahim Bin Abdul Hamid *(Independent Non-Executive Director, Board Chairman)*	Member	5/5	100%
Yong Hee Kong *(Independent Non-Executive Director)*	Member	5/5	100%
Zainal Bin Amir *(Non-Independent Non-Executive Director)*	Member	5/5	100%
Zainal Arifin Bin Khalid *(Independent Non-Executive Director)*	Member	1/1	100%

RESPONSIBILITIES AND DUTIES

In fulfilling its primary objectives, the ARMC undertakes, amongst others, the following responsibilities and duties:-

a) To discuss with the external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of audit;

b) To review major audit findings arising from the interim and final external audits, the audit report and the assistance given by the Group's officers to the external auditors;

c) To review with the external auditors, their evaluation of the system of internal controls, their management letter and management's responses;

d) To review the following in respect of internal audit:-

- adequacy of scope, functions and resources of the firm of internal auditors (that was engaged to undertake the internal audit function) and that it has the necessary authority to carry out its work;
- the internal audit program and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
- the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- review any appraisal or assessment of the performance of members of the internal audit function; and
- review and approve any appointment or termination of senior staff members of the internal audit function.

e) To review the quarterly reporting to Bursa Securities and year-end annual financial statements of the Group before submission to the Board, focusing on:-

- compliance with accounting standards and regulatory requirements;
- any major changes in accounting policies;
- significant and unusual items and events; and
- incidences of fraud and material litigation, if any.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

f) To review any related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management's integrity;

g) To consider the nomination and appointment of external auditors, as well as the audit fee;

h) To review the resignation or dismissal of external auditors;

i) To review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for reappointment; and

j) To promptly report to Bursa Securities if it is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the ACE LR of Bursa Securities.

INTERNAL AUDIT FUNCTION

During the FYE 2021, GFM has conducted the internal audit function internally. The IACU provides the ARMC with independent and objective reports on the systems and state of internal controls of the Company.

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC's activities during the financial year under review comprised the following:-

External Auditors

- reviewed the external audit plan, outlining the audit scope, audit process and areas of emphasis based on the External Auditors' presentation of audit plan;
- reviewed the external audit planning memorandum and the response from the Management; and
- consideration and recommendation to the Board for approval of the audit fees payable to the External Auditors.

The ARMC recommended to the Board for approval of the audit fee of RM285,000 in respect of the FYE 2021.

Internal Control and Risk Management

The ARMC is overseeing the risk management and internal control process within the Company and the Group.

The IACU is responsible to conduct regular review and appraisals of the effectiveness of the governance, risk management and internal control process within the Company and the Group.

The IACU reports to the Executive Vice Chairman administratively and to the ARMC and the Board functionally. The ARMC are given full access to all the documents relating to the Company and Group's governance, financial statements and operational assessments.

RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

The ARMC will review the RRPT and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

The ARMC will review the RRPT and conflict of interest situation presented by the management prior to the Company entering into such transaction. The ARMC also ensure that the adequate oversight over the controls on the identification of the interested parties and possible conflict of interest situation before entering into transaction.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Statement on Risk Management and Internal Control is made pursuant to Rule 15.26(b) of the ACE LR of Bursa Securities which requires the Board of GFM to include in this Annual Report a statement about the state of risk management and Internal Control of the Group and Practice 10.2 of the MCCG 2021 which enunciates that "the Board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework". This statement however does not cover joint ventures whereby risk management and internal controls are overseen by the respective governing bodies.

The following statement outlines the nature and scope of the Group's risk management and internal control for FYE 2021 as guided by the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers introduced by Bursa Securities.

BOARD'S RESPONSIBILITIES

- The Board and Management recognise their overall responsibilities in maintaining a sound system of internal controls that covers financial, operational, compliance and risk management practices in the organisation.
- The Board acknowledges its overall responsibility to review and maintain an adequate system of internal controls with consistent integrity designed to manage rather than eliminate risks to improve the governance process of the organisation.
- The Group has established an on-going process for identifying, evaluating and managing the significant risks that may affect the achievement of its business objectives. The system of internal controls has been in place during the financial year and the system is subject to regular reviews by the Board.
- The Board has received assurance from the Management, during the quarterly Audit and Risk Management Committee ("ARMC") meetings that the Company's risk management and internal control systems are operating adequately and effectively, in all material aspects.
- However, there are limitations inherent in any system of internal controls; the evaluation and implementation of the system can only provide reasonable assurance and not absolute assurance against any material loss or misstatement.

RISK MANAGEMENT FRAMEWORK

The Group's Enterprise Risk Management ("ERM") adheres to the GFM's ERM framework which adopts ISO 31000:2018 Risk Management requirements. The ERM framework has been communicated to staff of relevant levels and reviewed for continuous improvement. The key objectives of the ERM framework are amongst others to:-

- Streamline operations to recognise the business goals of the Group;
- Accord ownership of risk to process owners, including mitigating measures to address the risk within knowledgeable and acceptable levels; and
- Provide a structured form of guidance to identify, evaluate, control, report and monitor significant risk faced by the Group.

RISK MANAGEMENT APPROACH

The ERM framework provides a standard and consistent approach in implementing ERM in the Group.

In 2020, GFM's Risk Management Unit ("RMU") has extended its scope of risk review to include the monitoring of operational risk at its respective sites. The operational risk review provides a more in depth of the risk assessment by providing focus on the financial, compliance, manpower, supply chain and daily operational risks and their impact to each respective site. The operational risk reviews for all of GFM's sites was completed in 2021.

Both ERM and operational risk reviews provide the Board with the risk encountered for Group and site level, thus giving both micro and macro prospective.

The risk reviews are tabled by the RMU to the Management Risk Committee ("MRC") which consists of GFM's key management and leadership team. The risk reviews are then tabled to representatives of the Board who sits in the ARMC.

To ensure independence from the Management, the RMU reports directly to ARMC.

KEY RISK FACTORS

In 2021, RMU continued to monitor GFM's key risks. Key risks faced in 2021 were mostly related to COVID-19:-

a) Non-compliance to COVID-19 related regulations

In January of 2021, the Government imposed MCO 2.0. GFM overcame the challenges in obtaining the status of Essential Services, to allow it and its business partners to continue operations. This also meant the need to adhere to additional regulations introduced in order to operate during MCO 2.0.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

With the MCO 2.0 later relaxed, began the process of the nation returning to work ("RTW"). A revised set of regulations was introduced to allow RTW.

Throughout 2021, the operations teams at site worked closely with Safety, Health and Environmental Unit, Internal Audit and Compliance Unit, Human Resource Department at Group level to pre-empt the amendments in regulations, allowing GFM's operations to stay one step ahead of changes and ensuring compliance to COVID-19 regulations. This mitigation plan has benefited GFM, its business partners and clients.

b) **Shortage of manpower**

Manpower challenges were caused by work, travel restrictions or quarantine orders.

The risk of manpower shortage caused by work or travel restrictions were mitigated by pre-empting changes in regulations.

Mitigating the risk of manpower shortage due to quarantine orders involve efforts from various departments within GFM. Among those involved are the Facilities Managers at site, tasked to revise work schedules that breaks the staffs into smaller groups or shifts, to minimise contamination. The Risk Management Unit has prepared an assessment process to identify high risk staffs, in terms those who are more likely to contract the virus and those with health conditions. The Safety, Health and Environmental Unit provides consultation and conducts spot checks to enforce regulations and best practices.

c) **Additional cost to business**

This risk is unavoidable. However, GFM has ensured funds are available to meet the additional costs and that such costs are monitored and managed efficiently.

In 2021, GFM has set up an emergency fund that was managed by the Group Human Resource Department. To date, the fund was spent on staff safety and welfare, namely for office sensitization and financing of COVID-19 tests. All expenditures are reported during the Management Committee Meeting.

Besides the COVID-19 related risks, top risks for 2021 are:-

(i) **Risk of securing new business**

The key indicator to this risk was the ability to meet growth and revenue targets. Despite the challenge in meeting growth target, GFM revenue target was achieved with the success of securing variation orders.

(ii) **Information Technology related risk**

Common cybersecurity threats, combined with staffs working remotely from home, presents a key risk in relation to Information Technology faced in 2021.

To mitigate these risks, the ARMC commissioned two audits to assess the strength of GFM's cybersecurity, data protection and website security. The findings and action plans committed were presented to the ARMC.

INTERNAL CONTROL FRAMEWORK

Internal controls are imperative to support the function of the Risk Management. The Group continually reviews and enhances its internal control procedures with the input from Risk Management and Internal Audit and Compliance units.

a) **Organisation Structure**

Despite the constant changes in manpower due to new projects and redeployment of staff, GFM still manage to ensure that a proper organisation structure and reporting line is maintained.

b) **Code of Ethics and Code of Conduct**

The Code of Ethics and Code of Conduct (the "Codes") are vital in setting and driving the ethical tone of the Group by articulating the expectations relating to the conduct of day-to-day business affairs and engagement with all stakeholders. These Codes have been put in place to guide Directors and all employees of the Group in observing high standards of personal and corporate integrity across the Group.

c) **Whistle-Blower Policy**

The Board has established a Whistle-Blower Policy that enables the stakeholders of the Group to escalate bona fide concerns regarding any unethical, unlawful or undesirable conduct via a reporting channel in an objective manner. The Whistle-Blower Policy is made available on GFM's website.

d) **Anti-Bribery and Corruption Policy**

The Group has adopted and implemented Anti Bribery and Corruption Policy during the financial year in conjunction with the introduction of corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The stated policy describes the principles and guidelines to employees and business associates with regards to avoidance of improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

e) **Guidelines on Misconduct and Discipline**

Guidelines are established to govern the handling of misconduct and disciplinary matters of Directors and employees who breach the Code of Ethics and Code of Conduct, which will be reported to Human Resources Management for further investigation proceedings.

f) **Delegated Authority Limits**

Clearly defined limits of authority, responsibility and accountability have been established to govern the business and standard day-to-day operations, including matters requiring the Board's approval. The establishment of the Delegated Authority Limit provides a sound framework of authority, responsibility and segregation of duties within the Company.

g) **Key Performance Indicators ("KPI")**

The Group's KPI was developed to keep track and monitor the execution of future growth, operation and financial aspects of the business and to ensure the Group achieves its performance targets for the FYE 2021.

h) **Board Committee**

- **Audit and Risk Management Committee ("ARMC")**

  The primary function of the ARMC is to assist the Board in reviewing the adequacy and integrity of the Group's quarterly financial results and year-end financial statements, related party transactions, conflict of interest situations, external and internal audit as well as risk management and internal controls. Further details on the ARMC are elaborated in the ARMC Report.

- **Nomination and Remuneration Committee ("NRC")**

  The NRC, amongst others, assists the Group in appointing new Directors and/or Senior Management, evaluating the size and balance of the Board, re-election, re-appointment, resignation and termination of the Board members and performing annual assessments on relevant policies and procedures within the Group.

i) **Planning, Monitoring and Reporting**

- **Strategic Thrust**

  The Group has established a Strategic Thrust which sets out the business objectives, strategies and targets for the financial year by focusing on the market, services, process and manpower of the business. The strategic business plans are prepared on an annual basis whilst also considering the Group's overall budget. The Group's performance is monitored on an ongoing basis throughout the year;

- **Integrated Management System Accreditation**

  The Integrated Management System of GFM consists of Quality Management System ("QMS"), Environmental Management System ("EMS") and Occupational Health & Safety Management System ("OHSMS") have been internationally recognised and certified by Bureau Veritas Certification ("BVC") which carries the ISO9001:2015, ISO14001:2015 and ISO45001:2018 certifications respectively. These certifications serve as a testament to GFM's robust work processes that are in line with industry best practices;

- **Operational Policies and Procedures**

  A series of internal policies and procedures are set out in the Group's standard operating procedures to clearly define the day-to-day operations of relevant departments within the Group. The standard operating procedures are updated and revised when deemed necessary;

- **Financial Performance Review**

  The quarterly financial reports of the Group are reviewed by the ARMC and approved by the Board prior to releasing it to the regulators and stakeholders. The full year financial statements are audited by the external auditor and similarly, reviewed by the Audit Committee and approved by the Board before disclosing the financial statements to the public.

- **Assessment of Performance and Controls**

  The Group's management team monitors and reviews the performance of the financial and operational results. Regular meetings are held at the operational and the management level to discuss and assess the performance of the Group and address any areas of concern such as strategic, operational, financial and management issues.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

j) **Business Continuity Management**

- **Business Continuity Plan**

  In order to ensure continuous non-stop Information and Communication Technology ("ICT") operations, the Group established a Business Continuity Plan ("BCP") to counter against any disasters, emergencies or catastrophic incidents. BCP will ensure that business operations can function in a resilient manner.

- **Insurance**

  The Group has in place insurance policy over its employees and major assets against any untoward events, in which is beyond the Group's control that could result in material losses. The insurance coverage is reviewed at specific intervals to ensure its adequacy.

INTERNAL AUDIT FUNCTION

In 2020, GFM established in-house Internal Audit and Compliance Unit ("IACU") which reports directly to the ARMC.

IACU continues to provide assurance to the ARMC through the execution of internal audit work, based on a risk-based audit plan which also takes into account concerns raised by the Board and Management. The internal audit plan requires the approval of the ARMC before the commencement of review.

In carrying out its activities, IACU has unrestricted access to the relevant records, personnel and physical properties of the Group.

The internal audit work is carried out based on GFM's Internal Audit Methodology, documented in its Business Policy Manual. The methodology is closely aligned with the International Professional Practices Framework ("IPPF") of the Institute of Internal Auditors, of which final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable and relevant information that signifies a satisfactory conclusion of the internal audit work.

For 2021, IACU assessed the adequacy and operating effectiveness of internal controls deployed in the following areas: -

- Integrated Management Systems (ISO) Audit
- Revision and Application of Delegated Authority Limit
- Compliance to Safety Regulations
- Compliance to Employment Act
- Procurement Process Review
- GFM Website Security
- GFM Cyber Security Process
- Contractor's Compliance to COVID-19 Regulations

REVIEW BY THE EXTERNAL AUDITORS

In accordance to Rule 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this statement for inclusion in the Annual Report of GFM for the FYE 2021.

The review of this Statement by the External Auditors was performed in accordance with the scope set out in Audit and Assurance Practice Guides 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG 3"), issued by the Malaysian Institute of Accountants.

The External Auditors reported that nothing has come to their attention which caused them to believe that the Statement intended to be included in the Annual Report of the Company was not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor was it factually inaccurate.

COMMENTARY ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Based on this assurance, the input from external and internal auditors, as well as the Board's review, the Board is of the view that the risk management and internal control system is adequate to meet the needs of the Group in addressing financial, operational and compliance risks and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's annual report. Notwithstanding this, the Board and Senior Management remain committed to strengthening the Group's control environment and processes. Ongoing measures and appropriate action plans will be put in place to enhance the Group's system of internal control as and when necessary.

The Group have also provided documented assurance that the Group's risk management and internal control system, in all material aspects, are operating adequately and effectively based on the risk management and internal control framework of the Group, in all material aspects, during the financial year under review and up to the date of this Statement.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 11 April 2022.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holdings. The principal activities of its subsidiaries are disclosed in Note 12 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Profit/(loss) for the financial year, net of tax	10,009,360	(3,072,395)
Attributable to:		
Owners of the Company	10,009,360	(3,072,395)

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year were as follows:

	RM
First and final single-tier tax exempt dividend of 0.6473 sen per ordinary share in respect of the financial year ended 31 December 2020, declared on 25 June 2021, paid on 27 August 2021	3,562,564

The Directors do not recommend any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUANCE OF SHARES AND DEBENTURES

During the financial year, the Company has increased its issued and paid-up capital by way of the following for working capital purposes:

(i) issuance of 17,000,000 new ordinary shares on 3 June 2021 at RM0.2306 per share totaling RM3,920,200 pursuant to a private placement;

(ii) allotment of 98,000 new ordinary shares on 5 July 2021 at RM0.449 per share totaling RM44,002 pursuant to the vesting of shares under the Employees' Share Grant Scheme; and

(iii) issuance of 12,400,000 new ordinary shares on 13 July 2021 at RM0.2056 per share totaling RM2,549,440 pursuant to a private placement.

DIRECTORS' REPORT

ISSUANCE OF SHARES AND DEBENTURES (CONT'D)

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The Company has not issued any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES AND EMPLOYEES' SHARE SCHEME ("ESS")

No options were granted to any person to take up unissued shares of the Company during the financial year other than the issue of share options pursuant to the ESS.

The Company's ESS are governed by the By-Laws which was approved by the Company's shareholders on 17 October 2017 and is administered by the ESS Committee which is appointed by the Board of Directors, in accordance with the By-Laws.

The ESS comprised Employees' Share Option Scheme ("ESOS") and Employees' Share Grant Scheme ("ESGS"). The salient features, terms and details of the ESS are disclosed in Note 20(b) to the financial statements. The details of the share options and share grants granted under ESS and its vesting conditions during the financial year and the number of share options and share grants outstanding at the end of the financial year are disclosed in Note 20(b) to the financial statements.

BONUS WARRANTS

On 7 February 2019, the Company listed and quoted 235,456,618 free warrants ("Bonus Warrants") pursuant to the Bonus Issue of Warrants at an exercise price of RM0.38 per warrant on the basis of one Bonus Warrant for every two existing ordinary shares in the Company held by entitled shareholders of the Company. The Bonus Warrants are constituted by the Deed Poll dated 10 January 2019.

As at 31 December 2021, the total numbers of Warrants that remain unexercised were 235,456,129. Subsequently on 26 January 2022, 6,500 warrants have been converted to ordinary shares. The remaining unexercised 235,449,629 warrants have been expired and lapsed on 28 January 2022.

DIRECTORS OF THE COMPANY

The Directors in office during the financial year and at the date of this report are:-

Abdul Rahim bin Abdul Hamid
Ashok Virendra Shah
Mohammad Shahrizal bin Mohammad Idris *
Ruslan bin Nordin *
Yong Hee Kong
Zainal Arifin bin Khalid
Zainal bin Amir *

* *Directors of the Company and certain subsidiaries.*

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 ("Act"), the interests of Directors in office at the end of the financial year in shares and warrants in the Company and its ultimate holding company during the financial year were as follows:

	Number of Ordinary Shares			
	At 1.1.2021 Unit	Bought Unit	Sold Unit	At 31.12.2021 Unit
Ordinary shares in the Company				
Direct interests:				
- Mohammad Shahrizal bin Mohammad Idris	25,700,003	-	(11,051,603)	14,648,400
- Ruslan bin Nordin	30,300,004	1,000,000	-	31,300,004
- Zainal bin Amir	25,700,003	1,000,000	(20,000,000)	6,700,003
Indirect interests:				
- Mohammad Shahrizal bin Mohammad Idris *	220,001,000	-	-	220,001,000
- Ruslan bin Nordin *	220,001,000	-	-	220,001,000
- Zainal bin Amir *	220,001,000	-	-	220,001,000

	Number of Bonus Warrants			
	At 1.1.2021 Unit	Granted Unit	Exercised Unit	At 31.12.2021 Unit
Bonus warrants in the Company				
Direct interests:				
- Mohammad Shahrizal bin Mohammad Idris	3,250,341	-	(3,250,341)	-
- Ruslan bin Nordin	3,750,351	-	(3,750,351)	-
- Zainal bin Amir	4,350,341	-	(4,350,341)	-
Indirect interests:				
- Mohammad Shahrizal bin Mohammad Idris *	23,600,500	-	(23,600,500)	-
- Ruslan bin Nordin *	23,600,500	-	(23,600,500)	-
- Zainal bin Amir *	23,600,500	-	(23,600,500)	-

	Number of Options over Ordinary Shares			
	At 1.1.2021 Unit	Granted Unit	Exercised Unit	At 31.12.2021 Unit
Option shares in the Company				
Direct interests:				
- Abdul Rahim bin Abdul Hamid	60,000	-	-	60,000
- Ashok Virendra Shah	60,000	-	-	60,000
- Yong Hee Kong	60,000	-	-	60,000
- Zainal Arifin bin Khalid	60,000	-	-	60,000

	Number of unissued ESGS entitlements			
	At 1.1.2021 Unit	Granted Unit	Allotted Unit	At 31.12.2021 Unit
Unissued ESGS entitlements in the Company				
Direct interests:				
- Abdul Rahim bin Abdul Hamid	60,000	-	-	60,000
- Ashok Virendra Shah	30,000	-	(30,000)	-
- Yong Hee Kong	30,000	-	(30,000)	-
- Zainal Arifin bin Khalid	30,000	-	(30,000)	-

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 ("Act"), the interests of Directors in office at the end of the financial year in shares and warrants in the Company and its ultimate holding company during the financial year were as follows: (cont'd)

	Number of Ordinary Shares			
	At 1.1.2021 Unit	**Bought Unit**	**Sold Unit**	**At 31.12.2021 Unit**
Ordinary shares in the ultimate holding company				
- GFM Global Sdn. Bhd.				
Direct interests:				
- Mohammad Shahrizal bin Mohammad Idris	33	-	-	33
- Ruslan bin Nordin	34	-	-	34
- Zainal bin Amir	33	-	-	33

* Shares held through ultimate holding company in which the Directors have substantial financial interests.

By virtue of the Directors' interests in the ordinary shares of the Company and pursuant to Section 8 of the Act, Mohammad Shahrizal bin Mohammad Idris, Ruslan bin Nordin and Zainal bin Amir are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

DIRECTORS' REMUNERATION AND BENEFITS

The amount of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company and its subsidiaries for their services to the Company and its subsidiaries were as follows:

	Company RM	Subsidiaries RM
Fees	516,000	288,000
Salaries and other emoluments	166,610	-
Total fees and other benefits	682,610	288,000

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during or at the end of the financial year which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options under the ESOS and ESGS.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

(a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps: (cont'd)

  (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts inadequate to any substantial extent;

  (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;

  (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

  (iv) not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.

(c) At the date of this report, there does not exist:

  (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

  (i) no contingent or other liability has become enforceable, or likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

  (ii) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

  (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

(e) The total amount paid to or receivable by the auditors as remuneration for their services as auditors for the financial year from the Company and its subsidiaries are RM121,000 and RM170,000 respectively.

(f) There was no amount paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by any Director or past Director of the Company.

(g) During the financial year, the total amount of indemnity coverage and insurance premium paid for Directors and certain Officers of the Group and of the Company are RM5,000,000 and RM44,000 respectively.

DIRECTORS' REPORT

ULTIMATE HOLDING COMPANY

The Directors regard GFM Global Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company of the Company. Effective from 21 January 2022, GFM Global Sdn. Bhd. ceased to be the ultimate holding company of the Company.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 30 to the financial statements.

SUBSEQUENT EVENT

Details of subsequent event are disclosed in Note 31 to the financial statements.

AUDITORS

The auditors, Messrs. Moore Stephens Associates PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 22 April 2022.

Ruslan Bin Nordin

Zainal Bin Amir

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 77 to 158 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 22 April 2022.

Ruslan Bin Nordin

Zainal Bin Amir

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Ruslan bin Nordin, being the Director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 77 to 158 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed
at Kuala Lumpur in the Federal Territory
on 22 April 2022

Ruslan Bin Nordin

Before me,

TAN KIM CHOOI (W661)
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GFM SERVICES BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of GFM Services Berhad, which comprise the statements of financial position as at 31 December 2021, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 77 to 158.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment review of goodwill

As at 31 December 2021, as shown in Note 11 to the financial statements, included in the carrying amount of intangible assets of the Group is goodwill amounted to RM8,608,517 which arose from the Group's acquisition of a subsidiary. The Group is required to perform an annual impairment review on the goodwill regardless of whether there is any indicator of impairment.

The Group estimated the recoverable amount of the cash generating unit ("CGU") based on value-in-use ("VIU") by using a discounted cash flows covering the remaining maintenance period of a facilities management segment. Estimating the VIU of the CGU involved estimates made by the management relating to the future cash inflows and outflows that will be derived from the CGU and discounting them at the appropriate rate. The cash flows forecast included a number of significant judgements and estimates such as maintenance rate, gross profit margin, expected operating costs and discount rate.

We consider this to be an area of focus for our audit as the amount involved is significant, involved significant judgements about the future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amount of the goodwill.

Our procedures to address this area of focus included, among others, the following:

- Evaluated whether key assumptions which comprised the gross profit margin, expected operating costs and discount rate were reasonable, taking into consideration the current and expected outlook of the economic growth;
- Tested the mathematical accuracy of the cash flows calculation; and
- Analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions on the recoverable amounts.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GFM SERVICES BERHAD

Key Audit Matters (cont'd)

2. Fair value of investment in Redeemable Convertible Preference Shares ("RCPS")

As at 31 December 2021 as shown in Note 14 to the financial statements, the carrying amount of the investment in RCPS of the Group and of the Company amounted to RM16,685,000.

Fair value change of investment in RCPS is recognised through other comprehensive income. The Group and the Company estimated the fair value of their unquoted investments based on income approach. Such valuation is based on assumptions that are highly judgemental. Due to significance of the investment and subjective nature of the valuation, we consider this to be an area of audit focus.

Our procedures to address this area of focus included, among others, the following:

- Obtained an understanding of the methodology adopted by management in estimating the fair value of the investment and whether such methodology is consistent with those used in the industry;
- Discussed with management to obtain an understanding of the related underlying data used as input to the valuation model;
- Discussed with the management the key assumptions and estimates used in the valuation model; and
- Assessed the appropriateness of the valuation technique and checked the reasonableness of the discount rate used.

3. Impairment assessment of investments in subsidiaries

As at 31 December 2021, as shown in Note 12 to the financial statements, the carrying amount of the investments in subsidiaries of the Company amounted to RM163,546,182, representing approximately 80% of the Company's total assets.

As at the reporting date, the Company reviewed its investments in subsidiaries for indicators of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of such investments. The Company estimated the recoverable amount of the respective cash generating units ("CGU") based on VIU. Estimating the VIU of the CGUs involved estimates made by the management relating to the future cash inflows and outflows that will be derived from the CGU and discounting them at the appropriate rate. The cash flows forecast included a number of significant judgements and estimates such as revenue growth rate, gross profit margin, expected operating costs, discount rate and terminal growth rate.

We consider this to be an area of focus for our audit as the amount involved is significant, involved significant judgements about the future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amount of the investments in subsidiaries.

Our procedures to address this area of focus included, among others, the following:

- Evaluated whether key assumptions which comprised the revenue growth rate, gross profit margin and discount rate were reasonable by making comparisons to historical trend, taking into consideration the current and expected outlook of the economic growth;
- Tested the mathematical accuracy of the cash flows calculation; and
- Analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions on the recoverable amounts.

4. Recoverability assessment of amounts owing by subsidiaries

As at 31 December 2021, as shown in Note 16 to the financial statements, included in the carrying amount of trade and other receivables of the Company are amounts owing by subsidiaries amounted to RM19,177,431.

We have identified the recoverability of amounts owing by subsidiaries as an area of focus for our audit due to the assessment on recoverability involving judgements by management as to the likelihood of the recoverability of these amounts owing by subsidiaries, which is based on a number of factors, including whether there will be sufficient cash flows in the future to repay the outstanding amount.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GFM SERVICES BERHAD

Key Audit Matters (cont'd)

4. Recoverability assessment of amounts owing by subsidiaries (cont'd)

Our procedures to address this area of focus included, among others, the following:

- Evaluated management's assessment on the sufficiency of future cash flows of relevant subsidiaries by comparing management's forecast of future cash flows to historical results and evaluating the assumptions used in those forecasts;
- Tested the mathematical accuracy of the cash flows calculation; and
- Analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions on the recoverable amounts.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GFM SERVICES BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

LO KUAN CHE
03016/11/2022 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 22 April 2022

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Revenue	4	124,123,969	117,530,387	8,488,785	18,212,328
Cost of sales		(79,142,749)	(69,590,324)	-	-
Gross profit		44,981,220	47,940,063	8,488,785	18,212,328
Other income		2,003,617	2,576,278	40,334	14,535
Administrative expenses		(6,692,477)	(8,959,517)	(3,348,339)	(5,737,169)
Other operating expenses		(790,385)	(338,088)	-	(107,655)
Profit from operations		39,501,975	41,218,736	5,180,780	12,382,039
Finance costs		(21,074,328)	(23,465,678)	(8,214,726)	(8,350,093)
Share of results of an associate, net of tax		5,456	(20,135)	-	-
Profit/(loss) before tax	5	18,433,103	17,732,923	(3,033,946)	4,031,946
Tax expense	6	(8,423,743)	(9,170,160)	(38,449)	(296,706)
Profit/(loss) for the financial year		10,009,360	8,562,763	(3,072,395)	3,735,240
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Net change in fair value on financial asset at fair value through other comprehensive income ("FVOCI"), representing total other comprehensive income for the financial year		(2,415,000)	-	(2,415,000)	-
Total comprehensive income for the financial year		7,594,360	8,562,763	(5,487,395)	3,735,240
Profit/(loss) attributable to:-					
Owners of the Company		10,009,360	8,562,763	(3,072,395)	3,735,240
Total comprehensive income attributable to:					
Owners of the Company		7,594,360	8,562,763	(5,487,395)	3,735,240
Earnings per share attributable to Owners of the Company (sen)					
- Basic	7	1.87	1.72		
- Diluted	7	1.86	1.72		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	8	13,051,689	13,892,109	9,837	13,020
Investment property	9	6,174,000	6,174,000	-	-
Operating financial asset	10	302,766,079	312,522,869	-	-
Intangible assets	11	23,201,717	24,417,817	-	-
Investments in subsidiaries	12	-	-	163,546,182	163,627,276
Investment in an associate	13	68,708	63,252	50,225	50,225
Other investment	14	16,685,000	15,000,000	16,685,000	15,000,000
Deferred tax assets	15	20,070	256,162	-	-
		361,967,263	372,326,209	180,291,244	178,690,521
Current assets					
Operating financial asset	10	32,308,428	33,423,000	-	-
Trade and other receivables	16	19,392,739	18,351,403	20,327,951	24,727,213
Contract assets	17	13,820,727	14,768,362	32,178	70,857
Tax recoverable		5,342,239	3,968,669	238,911	32,572
Deposits, cash and bank balances	18	79,285,394	73,377,766	2,526,880	1,502,647
		150,149,527	143,889,200	23,125,920	26,333,289
TOTAL ASSETS		512,116,790	516,215,409	203,417,164	205,023,810
EQUITY AND LIABILITIES					
Equity					
Share capital	19	82,536,993	76,023,351	82,536,993	76,023,351
Other reserves	20	(2,014,009)	526,087	(2,014,009)	526,087
Retained earnings/(Accumulated loss)		89,723,463	83,195,573	(762,014)	5,872,945
Reorganisation deficit	21	(45,265,315)	(45,265,315)	-	-
Total equity		124,981,132	114,479,696	79,760,970	82,422,383
Non-current liabilities					
Trade and other payables	22	-	-	112,668,234	112,453,109
Loans and borrowings	23	278,616,858	301,562,174	-	-
Deferred tax liabilities	15	45,004,886	43,086,208	-	-
		323,621,744	344,648,382	112,668,234	112,453,109
Current liabilities					
Trade and other payables	22	20,813,300	16,552,492	10,987,960	10,148,318
Contract liabilities	17	11,430,346	10,460,149	-	-
Loans and borrowings	23	31,144,149	29,204,378	-	-
Tax payables		126,119	870,312	-	-
		63,513,914	57,087,331	10,987,960	10,148,318
Total liabilities		387,135,658	401,735,713	123,656,194	122,601,427
TOTAL EQUITY AND LIABILITIES		512,116,790	516,215,409	203,417,164	205,023,810

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Attributable to Owners of the Company						
			Non-distributable				Distributable	
	Note	Share capital RM	Fair value reserve RM	Share option reserve RM	Share grant reserve RM	Re-organisation deficit RM	Retained earnings RM	Total equity RM
Group								
At 1 January 2021		76,023,351	-	433,855	92,232	(45,265,315)	83,195,573	114,479,696
Profit for the financial year		-	-	-	-	-	10,009,360	10,009,360
Net change in fair value on financial asset at fair value through other comprehensive income, representing total other comprehensive income for the financial year		-	(2,415,000)	-	-	-	-	(2,415,000)
Total comprehensive income for the financial year		-	(2,415,000)	-	-	-	10,009,360	7,594,360
Transactions with Owners of the Company:								
Issuance of ordinary shares	19							
- Pursuant to private placement		6,469,640	-	-	-	-	-	6,469,640
- Pursuant to vesting of share grants		44,002	-	-	(44,002)	-	-	-
Forfeiture of shares								
- After vesting period		-	-	(64,217)	(16,877)	-	81,094	-
Dividend	24	-	-	-	-	-	(3,562,564)	(3,562,564)
Total transactions with Owners of the Company		6,513,642	-	(64,217)	(60,879)	-	(3,481,470)	2,907,076
At 31 December 2021		82,536,993	(2,415,000)	369,638	31,353	(45,265,315)	89,723,463	124,981,132

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Attributable to Owners of the Company					
			Non-distributable			Distributable	
	Note	**Share capital RM**	**Share option reserve RM**	**Share grant reserve RM**	**Re-organisation deficit RM**	**Retained earnings RM**	**Total equity RM**
Group (cont'd)							
At 1 January 2020		67,616,657	426,485	511,677	(45,265,315)	75,271,498	98,561,002
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	8,562,763	8,562,763
Transactions with Owners of the Company:							
Issuance of ordinary shares	19						
- Pursuant to private placement		7,792,686	-	-	-	-	7,792,686
- Pursuant to vesting of share grants		614,008	-	(614,008)	-	-	-
Share option vested		-	161,338	-	-	-	161,338
Share grant vested		-	-	394,559	-	-	394,559
Forfeiture of shares							
- During vesting period		-	(19,743)	(52,877)	-	-	(72,620)
- After vesting period		-	(134,225)	(147,119)	-	281,344	-
Dividend	24	-	-	-	-	(920,032)	(920,032)
Total transactions with Owners of the Company		8,406,694	7,370	(419,445)	-	(638,688)	7,355,931
At 31 December 2020		76,023,351	433,855	92,232	(45,265,315)	83,195,573	114,479,696

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Share capital RM	Non-distributable Fair value reserve RM	Non-distributable Share option reserve RM	Non-distributable Share grant reserve RM	Distributable Retained earnings/ (Accumulated loss) RM	Total equity RM
Company							
At 1 January 2021		76,023,351	-	433,855	92,232	5,872,945	82,422,383
Loss for the financial year		-	-	-	-	(3,072,395)	(3,072,395)
Net change in fair value on financial asset at fair value through other comprehensive income, representing total other comprehensive income for the financial year		-	(2,415,000)	-	-	-	(2,415,000)
Total comprehensive income for the financial year		-	(2,415,000)	-	-	(3,072,395)	(5,487,395)
Transactions with Owners of the Company:							
Issuance of ordinary shares	19						
- Pursuant to private placement		6,469,640	-	-	-	-	6,469,640
- Pursuant to vesting of share grants		44,002	-	-	(44,002)	-	-
Forfeiture of shares							
- After vesting period		-	-	(64,217)	(16,877)	-	(81,094)
Dividend	24	-	-	-	-	(3,562,564)	(3,562,564)
Total transactions with Owners of the Company		6,513,642	-	(64,217)	(60,879)	(3,562,564)	2,825,982
At 31 December 2021		82,536,993	(2,415,000)	369,638	31,353	(762,014)	79,760,970

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Share capital RM	← Non-distributable → Share option reserve RM	Share grant reserve RM	Distributable Retained earnings RM	Total equity RM
Company (cont'd)						
At 1 January 2020		67,616,657	426,485	511,677	3,022,311	71,577,130
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	3,735,240	3,735,240
Transactions with Owners of the Company:						
Issuance of ordinary shares	19					
- Pursuant to conversion of Bonus Warrants		7,792,686	-	-	-	7,792,686
- Pursuant to vesting of share grants		614,008	-	(614,008)	-	-
Share option vested		-	161,338	-	-	161,338
Share grant vested		-	-	394,559	-	394,559
Forfeiture of shares						
- During vesting period		-	(19,743)	(52,877)	-	(72,620)
- After vesting period		-	(134,225)	(147,119)	35,426	(245,918)
Dividend	24	-	-	-	(920,032)	(920,032)
Total transactions with Owners of the Company		8,406,694	7,370	(419,445)	(884,606)	7,110,013
At 31 December 2020		**76,023,351**	**433,855**	**92,232**	**5,872,945**	**82,422,383**

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash Flows from Operating Activities				
Profit/(loss) before tax	18,433,103	17,732,923	(3,033,946)	4,031,946
Adjustments for:-				
Amortisation of intangible assets	1,216,100	1,216,100	-	-
Allowance for impairment losses on:				
- trade receivables	790,385	267,624	-	-
- other receivables	-	107,655	-	107,655
Bad debt written off	-	81,185	-	-
Depreciation of property, plant and equipment	1,474,140	1,642,995	3,183	3,183
Dividend income	-	-	(8,000,000)	(17,000,000)
Gain on disposal of property, plant and equipment	(70,003)	(80,772)	-	-
Interest expenses	21,074,328	23,465,678	8,214,726	8,350,093
Interest income	(887,860)	(1,275,117)	(30,596)	(14,252)
Interest income on operating financial asset	(33,423,000)	(34,433,927)	-	-
Reversal of impairment loss on trade receivables	(523,865)	(37,191)	-	-
Share-based payments	-	483,277	-	53,770
Share of results of an associate, net of tax	(5,456)	20,135	-	-
Operating profit/(loss) before working capital changes	8,077,872	9,190,565	(2,846,633)	(4,467,605)
Changes in working capital				
Operating financial asset	44,294,362	44,294,359	-	-
Contract assets/(liabilities)	1,917,832	(2,592,782)	38,679	58,067
Receivables	(1,307,856)	(32,534)	(224,263)	(590,194)
Payables	4,260,808	2,616,245	39,218	154,324
Cash generated from/(used in) operations	57,243,018	53,475,853	(2,992,999)	(4,845,408)
Interest paid	(20,188,293)	(21,574,782)	(8,214,726)	(8,350,093)
Interest received	887,860	1,025,321	30,596	14,252
Dividend received	-	-	8,000,000	17,000,000
Tax paid	(8,386,736)	(7,996,033)	(244,788)	(200,000)
Net cash from/(used in) operating activities	29,555,849	24,930,359	(3,421,917)	3,618,751

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash Flows from Investing Activities					
Changes in escrow account, finance service reserve account, liquidity reserve account, revenue account, disbursement account and designated account		1,895,147	6,204,788	-	-
Changes in pledged deposits		(1,784,347)	1,831,550	300,000	(300,000)
Investment in redeemable convertible preference shares		(4,100,000)	(14,000,000)	(4,100,000)	(14,000,000)
Purchase of property, plant and equipment	(ii)	(497,717)	(284,069)	-	-
Proceeds from disposal of property, plant and equipment		212,000	434,295	-	-
Repayment from an associate		-	32,879	-	32,879
Repayment from/(Advance to) subsidiaries		-	-	4,623,525	(5,800,603)
Net cash (used in)/from investing activities		(4,274,917)	(5,780,557)	823,525	(20,067,724)
Cash Flows from Financing Activities					
Advance from subsidiaries	(iv)	-	-	1,015,549	3,099,728
Dividend paid	24	(3,562,564)	(920,032)	(3,562,564)	(920,032)
Drawdown of revolving credit	(iv)	4,027,744	-	-	-
Proceeds from issuance of ordinary shares	19	6,469,640	7,792,686	6,469,640	7,792,686
Repayment of lease liabilities	(iii), (iv)	(563,995)	(1,084,183)	-	-
Repayment of term loans	(iv)	(24,905,441)	(24,800,717)	-	-
Net cash (used in)/from financing activities		(18,534,616)	(19,012,246)	3,922,625	9,972,382
Net increase/(decrease) in cash and cash equivalents		6,746,316	137,556	1,324,233	(6,476,591)
Cash and cash equivalents at beginning of the financial year		25,813,831	25,676,275	1,202,647	7,679,238
Cash and cash equivalents at end of the financial year	(i)	32,560,147	25,813,831	2,526,880	1,202,647

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Notes:

(i) Cash and cash equivalents comprised of the following:

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Deposits, cash and bank balances	79,285,394	73,377,766	2,526,880	1,502,647
Less: Bank overdrafts	(1,985,533)	(2,713,421)	-	-
Deposits pledged as security	(8,393,867)	(6,609,520)	-	(300,000)
Escrow account	(14,652,128)	(13,610,067)	-	-
Finance service reserve account	(5,764,985)	(5,659,617)	-	-
Liquidity reserve account	(12,318,635)	(12,094,431)	-	-
Revenue account	(3,031,879)	(6,010,001)	-	-
Disbursement account	(846)	(875)	-	-
Designated account	(577,374)	(866,003)	-	-
	32,560,147	25,813,831	2,526,880	1,202,647

(ii) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM775,717 (2020: RM510,663) and Nil (2020: RM15,390) which are satisfied by the following:

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash payments	497,717	284,069	-	-
Lease arrangements	278,000	211,204	-	-
Transfer from other receivables	-	15,390	-	15,390
	775,717	510,663	-	15,390

(iii) Cash outflows for leases as a lessee:

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Included in net cash from/(used in) operating activities:				
Payment relating to short-term leases	(451,885)	(136,260)	(51,459)	(191,178)
Payment relating to leases of low value assets	(91,048)	(105,916)	-	-
Interest paid in relation to lease liabilities	(18,696)	(62,423)	-	-
Included in net cash (used in)/from financing activities:				
Repayment of lease liabilities	(563,995)	(1,084,183)	-	-
Total cash outflows for leases	(1,125,624)	(1,388,782)	(51,459)	(191,178)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Notes: (cont'd)

(iv) Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Note	Lease liabilities RM	Medium-term notes RM	Revolving credit RM	Term loans RM
Group					
2021					
At 1 January		904,693	150,248,861	-	176,899,577
Non-cash changes					
Interest expenses		18,696	11,493,532	102,365	9,274,980
Cash from/(used in) operating activities					
Interest paid		(18,696)	(10,607,497)	(102,365)	(9,274,980)
Cash flows (used in)/from financing activities					
Drawdown of revolving credit		-	-	4,027,744	-
Repayment of term loans		-	-	-	(24,905,441)
Repayment of lease liabilities		(563,995)	-	-	-
Acquisition of new lease	(ii)	278,000	-	-	-
At 31 December		618,698	151,134,896	4,027,744	151,994,136

	Note	Lease liabilities RM	Medium-term notes RM	Term loans RM
Group				
2020				
At 1 January		1,777,672	148,885,017	201,700,294
Non-cash changes				
Interest expenses		62,423	11,942,282	11,235,478
Accruals		-	-	(527,052)
Cash used in operating activities				
Interest paid		(62,423)	(10,578,438)	(10,708,426)
Cash flows from financing activities				
Repayment of term loans		-	-	(24,800,717)
Repayment of lease liabilities		(1,084,183)	-	-
Acquisition of new leases	(ii)	211,204	-	-
At 31 December		904,693	150,248,861	176,899,577

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Notes: (cont'd)

(iv) Reconciliation of movements of liabilities to cash flows arising from financing activities: (cont'd)

	Company	
	2021	**2020**
	RM	**RM**
Amounts owing to subsidiaries		
At 1 January	121,900,654	118,800,926
Non-cash changes		
Interest expenses	8,214,726	8,350,093
Cash used in operating activities		
Interest paid	(8,214,726)	(8,350,093)
Cash flows from financing activities		
Advance from	1,015,549	3,099,728
At 31 December	122,916,203	121,900,654

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at A-3A-1, Melawati Corporate Centre, Jalan Bandar Melawati, Taman Melawati, 53100 Kuala Lumpur.

The Company is principally engaged in investment holdings. The principal activities of its subsidiaries are disclosed in Note 12. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

The Directors regard GFM Global Sdn. Bhd., a private limited liability company incorporated in Malaysia as the ultimate holding company of the Company. Effective from 21 January 2022, GFM Global Sdn. Bhd. ceased to be the ultimate holding company of the Company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 April 2022.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and 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 Group and the Company have 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

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

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

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

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

Effective for financial periods beginning on or after 1 April 2021

Amendment to MFRS 16	Covid-19 – Related Rent Concessions beyond 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

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

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 to 2020

Effective for financial periods beginning on or after 1 January 2023

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

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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 on the financial statements of the Group and of the Company upon their initial application.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for those as disclosed in the accounting policy notes.

(c) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(d) Significant accounting estimates and judgements

The summary of accounting policies as described in Note 3 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. The Directors exercise their judgement in the process of applying the Group's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

2. BASIS OF PREPARATION (CONT'D)

(d) Significant accounting estimates and judgements (cont'd)

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

(i) Impairment of goodwill

The Group is required to perform an annual impairment test and at other times when such indicators exist of the cash-generating units ("CGUs") or groups of CGUs to which goodwill has been allocated. The Group estimates the recoverable amounts of its CGUs or group of CGUs to which goodwill is allocated based on the higher of fair value less costs to sell and value-in-use.

This requires management to estimate the expected future cash flows of the CGUs and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(ii) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

(iii) Carrying value of investments in subsidiaries

Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and pre-tax discount rates. Changes in assumptions could significantly affect the carrying value of investments in subsidiaries.

(iv) Impairment of financial assets

The Group and the Company assess on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, amounts owing by subsidiaries and amount owing by an associate, the Group and the Company apply the approach permitted by MFRS 9, which require the Group and the Company to measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

2. BASIS OF PREPARATION (CONT'D)

(d) Significant accounting estimates and judgements (cont'd)

(v) Fair value of other investment

Where fair values of financial instruments recorded on the statements of financial position cannot be derived from active markets, they are determined using valuation techniques. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values.

The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, the risk profile and economic assumptions regarding the industry in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(a) Basis of consolidation

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant power activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) Potential voting rights held by the Company, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiaries.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction cost incurred are expensed and included in the profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in the profit or loss or a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Goodwill is initially measured at cost, being excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in the profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

Reorganisation

Acquisition of entities under a reorganisation scheme does not result in any change in economic substance. Accordingly, the consolidated financial statements of the Company are a continuation of the acquired entity and are accounted for as follows:

(i) The assets and liabilities of the acquired entity is recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to the fair value;
(ii) The retained earnings and other equity balances of acquired entity immediately before the business combination are those of the Group; and
(iii) The equity structure, however, reflects the equity structure of the Company and the differences arising from the change in equity structure of the Group will be accounted for in other reserves.

Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

Associate

Associates are entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the associate's operations or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in the profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss.

Investment in an associate is measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction costs.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions between subsidiaries in the Group, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Revenue and other income recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and the Company's customary business practices.

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- The customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- The Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced; or
- The Group's and the Company's performance do not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Maintenance income and facilities management services

Revenue from maintenance income and facilities management services are recognised over time using time elapsed (output method) to measure progress towards complete satisfaction of service because the customer simultaneously receives and consumes the benefits provided by the Group.

Consultancy services

Revenue from consultancy services provided are recognised when the services are performed by the Group. Revenue is recognised over time based on contract.

Asset management services

Revenue from asset management services is recognised over time when the services are rendered.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income on operating financial asset

Interest income from concession contract is recognised as it accrues using the effective interest method in profit or loss. The notional interest income resulting from the accretion of its financial asset using effective interest method is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Revenue and other income recognition (cont'd)

Other income earned by the Group and the Company are recognised on the following basis:

Management fees

Management fees are recognised over time when services are rendered.

Rental income

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the lease terms.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Wage subsidy

Wage subsidy is recognised on monthly basis over the qualified period under the criteria set by the Malaysia Government.

(c) Employee benefits

Short-term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the period/year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leaves are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when absences occur.

Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after reporting date are discounted to present value.

Share-based payments

Equity-settled share-based payment

The Group operates an equity-settled share-based Employees' Share Scheme ("ESS"), which comprises Employees' Share Option Scheme ("ESOS") and Employees' Share Grant Scheme ("ESGS") for its employees and Non-executive Directors.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Employee benefits (cont'd)

Share-based payments (cont'd)

(i) ESOS

The ESOS allows the Group's employees and Non-executive Directors to acquire shares of the Company. The total fair value of share options granted is recognised as an employee cost with a corresponding increase in the share options reserve within equity over the vesting period and taking into account the probability that the options will vest.

The fair value of share options is measured at grant date using the Trinomial model. The options granted are vested one year after the date of grant and the settlement is by issuance of fully paid ordinary shares. The exercise price of each grant is set at 10% below the five-day volume-weighted average price of the Company's share price before the grant date. The contractual term of each option granted is five years from the grant date and expire on March 2023. The options carry neither rights to dividends nor voting rights. Options may be exercised any time from the date of vesting to the date of expiry.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share options reserve.

The fair value of the share options recognised in the share options reserve is transferred to share capital when the share options are exercised, or transferred to retained earnings upon expiry of the ESOS.

The proceeds received net of any direct attributable transaction costs are credited to equity when the options are exercised.

(ii) ESGS

Employees and Non-executive Directors are entitled to ESGS as consideration for services rendered.

The ESGS are settled by way of issuance and transfer of new shares upon vesting. The total fair value of ESGS granted is recognised as an employee cost with a corresponding increase in the share grants reserve within equity over the vesting period after taking into account the probability that the ESGS will vest.

The fair value of share grant is measured at grant date using the Trinomial model. The options granted are vested one year after the date of grant and the settlement is by issuance of fully paid ordinary shares.

At each reporting date, the Group revises its estimates of the number of ESGS that are expected to vest on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share grants reserve.

The fair value of the share grant recognised in the share grant reserve is transferred to share capital when the share grant options are exercised, or transferred to retained earnings upon expiry of the ESGS.

In the Company's separate financial statements, the grant of the share grant to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share grant measured at the grant date is accounted for as an increase to the investments in subsidiaries with a corresponding credit to the employee share grant reserves. Upon expiry of the share grant, the employee share grant reserves are transferred to retained profits.

When the share options are exercised and the share grant are vested, the employee share option and share grant reserves are transferred to share capital, if new ordinary shares are issued.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Income taxes

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised using the liability method for all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

(e) Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

If right-of-use assets relate to a class of property, plant and equipment to which the lessee applies the revaluation model in MFRS 116, a lessee may elect to apply that revaluation model to all of the right-of-use assets that relate to that class of property, plant and equipment.

The right-of-use assets are presented as part of property, plant and equipment in the statements of financial position.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the Group's incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether they will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(f) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(g) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and to the Company and their cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group and the Company will obtain ownership by the end of the lease term in which case they will be depreciated over their useful lives.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

Depreciation is recognised in the profit or loss on straight-line basis over its estimated useful lives of each component of an item of property, plant and equipment at the following annual rates:

Computers	5 to 10 years
Engineering equipment	5 years
Furniture and fittings	10 years
Motor vehicles	5 years
Office equipment	10 years
Office units	100 years
Renovation	10 years
Building extension	5 years
Operation sites	3 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances, deposits and other short-term, highly liquid investments with a maturity of twelve months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts, and pledged deposits, escrow account, finance service reserve account, liquidity reserve account, revenue account, disbursement account and designated account.

(i) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities.

Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Issuance expenses

Costs directly attributable to the issuance of instruments classified as equity are recognised as a deduction from equity.

(j) Intangible assets

(i) Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiaries at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Goodwill is also tested for impairment when indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Intangible assets (cont'd)

(i) Goodwill (cont'd)

Upon the disposal of investment in the subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary in the profit or loss.

(ii) Customer contract

Customer contract acquired in a business combination is recognised at fair value at the acquisition date.

Subsequent to recognition, customer contract is stated at cost less accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(l)(ii).

(iii) Amortisation

Amortisation is calculated based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful life for the current and comparative periods is as follows:

Customer contract	20 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(k) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Any gain or loss on derecognition is recognised in profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 3(l)(i)) where the effective interest rate is applied to the amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

The Group and the Company categorise financial instruments as follows: (cont'd)

Financial assets (cont'd)

(b) Fair value through other comprehensive income ("FVOCI")

(i) Debt instrument

FVOCI category comprises debt instrument where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt instruments, and its contractual terms give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt instrument is not designated as fair value through profit or loss ("FVTPL"). Interest income calculated using effective interest method, foreign exchange gains and losses and impairment loss are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective rate to the gross amount except for credit impaired financial assets (see Note 3(l)(i)) where the effective interest rate is applied to the amortised cost.

(ii) Equity instrument

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

All financial assets, except for those measured at FVTPL or FVOCI, are subject to impairment assessment under Note 3(l)(i).

Financial liabilities

(a) Amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, which allocates interest expenses at a constant rate over the term of the financial liabilities. The effective interest rate is calculated at initial recognition and is the rate that discounts the estimated future cash flows (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the amortised cost of the financial liability.

Subsequent to initial recognition, the amortised cost of a financial liability is the amount at initial recognition minus principal repayments, plus the cumulative amortisation using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Financial instruments (cont'd)

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position when, and only when, the Group and the Company have a legally enforceable right to set off the amounts and they intend either to settle them on a net basis or to realise the asset and liability simultaneously.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of *MFRS 15 Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(v) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different term, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income ("FVOCI"), contract assets and operating financial asset. Expected credit losses are a probability-weighted estimate of credit losses.

Loss allowances of the Group and of the Company are measured on either of the following bases:

(i) 12-month ECLs – represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

(ii) Lifetime ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach - trade receivables, operating financial asset and contract assets

The Group and the Company apply the simplified approach to provide ECLs for all trade receivables, operating financial asset and contract assets as permitted by MFRS 9. The simplified approach required expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where applicable.

General approach - other financial instruments and financial guarantee contracts

The Group and the Company apply the general approach to provide for ECLs on all other financial instruments and financial guarantee contracts which requires the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward looking information, where available.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

Credit impaired financial assets

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Impairment (cont'd)

(i) Financial assets (cont'd)

Credit impaired financial assets (cont'd)

Evidence that a financial asset is credit impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or significant past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider (e.g. the restructuring of a loan or advance by the Group and the Company on terms that the Group and the Company would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or another financial reorganisation; or
- The disappearance of an active market for security because of financial difficulties.

The Group and the Company consider a financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditors and the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held). The Group and the Company only apply a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due. Any recoveries made are recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus of the assets to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flow that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Impairment (cont'd)

(ii) Non-financial assets (cont'd)

An impairment loss recognised for goodwill is not reversed.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

(m) Service concession arrangement

The Group constructs and upgrades infrastructure (construction and upgrade services) used to provide for a public service and operates and maintains that infrastructure (operation services) for a specific period of time. These arrangements may include infrastructure used in public-to-private service concession arrangement for its entire concession period. Under the concession arrangement, the grantor controls the significant residual interest in the infrastructure at the end of the concession period.

The Group accounts for its service concession arrangement under the financial asset model. The financial asset model is used when the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services.

In the financial asset model, the amount due from grantor meets the definition of a receivable which is recognised at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest income on that amount is calculated using the effective interest method.

The operating financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the operating financial asset are transferred to another party.

The impairment policy of the operating financial asset is disclosed in Note 3(l)(i).

(n) Contract assets/(liabilities)

Contract assets and liabilities in services contract represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group and the Company issue billing to the customer. Contract assets are recognised as revenue when performance obligations are satisfied.

Contract liabilities are the obligation to transfer goods or services to customers for which the Group and the Company have received the consideration or have billed the customer. In the case of services contract, contract liabilities are the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include down payments received from customers and other deferred income where the Group and the Company have billed or have collected the payment before the goods are delivered or services are provided to the customers.

(o) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Borrowing costs (cont'd)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(p) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

(q) Investment property

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the financial period in which they arise.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(r) Government grant/assistance

Grants/assistance from government is recognised when there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants/assistance relating to costs are deferred and recognised in the statements of profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grants/assistance related to assets are presented in the statements of financial position as deferred revenue and recognised in the profit or loss on a systematic basis over the useful life of the asset.

(s) Bonus Issue of Warrants

There is no proceed received by the Company arising from the Bonus Issue of Warrant, accordingly, no allocation of proceeds is required to account for the fair value of Warrant issued.

(t) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Fair value measurement (cont'd)

The Group and the Company use valuation techniques that are appropriate in the circumstances and for what sufficient data are available to measure fair value, maximising the use if relevant observable inputs and minimising the use of unobservable inputs.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. REVENUE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Revenue from contract with customers:				
Asset management services	931,458	1,296,678	-	-
Consultancy services	350,515	449,907	-	-
Facilities management services	80,157,446	72,376,663	-	-
Maintenance income	9,261,550	8,973,212	-	-
	90,700,969	83,096,460	-	-
Revenue from other sources:				
Dividend income	-	-	8,000,000	17,000,000
Interest income on operating financial asset	33,423,000	34,433,927	-	-
Management fees	-	-	488,785	1,212,328
	33,423,000	34,433,927	8,488,785	18,212,328
	124,123,969	117,530,387	8,488,785	18,212,328
Timing of revenue recognition:				
At a point in time	-	-	8,000,000	17,000,000
Over time	124,123,969	117,530,387	488,785	1,212,328
	124,123,969	117,530,387	8,488,785	18,212,328

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

4. REVENUE (CONT'D)

(a) Disaggregation of revenue

The Group reports the following major segments: facilities management and concession arrangements in accordance with *MFRS 8 Operating Segments*. For the purpose of disclosure of disaggregation of revenue from contract with customers, it disaggregates revenue into major goods or services and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

	Facilities management RM	Concession arrangements RM	Total RM
Group			
2021			
Major goods or services:			
Asset management services	931,458	-	931,458
Consultancy services	350,515	-	350,515
Facilities management services	80,157,446	-	80,157,446
Maintenance income	-	9,261,550	9,261,550
	81,439,419	9,261,550	90,700,969
Other revenue:			
Interest income on operating financial asset	-	33,423,000	33,423,000
	81,439,419	42,684,550	124,123,969
2020			
Major goods or services:			
Asset management services	1,296,678	-	1,296,678
Consultancy services	449,907	-	449,907
Facilities management services	72,376,663	-	72,376,663
Maintenance income	-	8,973,212	8,973,212
	74,123,248	8,973,212	83,096,460
Other revenue:			
Interest income on operating financial asset	-	34,433,927	34,433,927
	74,123,248	43,407,139	117,530,387

(b) Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

	Year	RM
Concession contract	2022 to 2035	158,209,430
Facilities management contracts	2022 to 2034	194,151,879

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

4. REVENUE (CONT'D)

(c) Nature of goods and services

The following information reflects the typical transactions of the Group and of the Company:

Nature of services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Asset management services	Revenue is recognised over time when the services are rendered in accordance to the expected life cycle.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Consultancy services	Revenue is recognised over time when the services are rendered.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Facilities management services	Revenue is recognised over time when the facilities management services are rendered in accordance to facilities management contract.	Credit period of 30 days from invoice date.	Penalties and deductions for not meeting key performance indicators.	Not applicable.	Not applicable.
Maintenance income	Revenue is recognised over time when the maintenance services are rendered in accordance to concession agreement.	Credit period of 30 days from invoice date.	Penalties and deductions for not meeting maintenance standards.	Not applicable.	Not applicable.
Management fees	Revenue is recognised over time when the services are rendered.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

5. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is arrived at after charging/(crediting):

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Auditors' remuneration:				
- Current year	285,000	240,000	115,000	70,000
- Non-statutory audit fee	6,000	6,000	6,000	6,000
- Overprovision in prior year	(3,800)	-	-	-
Allowance for impairment losses on:				
- Trade receivables	790,385	267,624	-	-
- Other receivables	-	107,655	-	107,655
Amortisation of intangible assets	1,216,100	1,216,100	-	-
Bad debt written off	-	81,185	-	-
Depreciation of property, plant and equipment	1,474,140	1,642,995	3,183	3,183
Employee benefits expense (excluding benefits-in kind) (Note (a))	24,375,057	27,056,812	1,401,184	2,546,152
Expenses relating to:				
- short-term leases	451,885	136,260	51,459	191,178
- leases of low value assets	91,048	105,916	-	-
Gain on disposal of property, plant and equipment	(70,003)	(80,772)	-	-
Interest expense:				
- Amount owing to a subsidiary	-	-	8,214,726	8,350,093
- Bank guarantee	61,401	210,867	-	-
- Bank overdrafts	123,354	14,628	-	-
- Lease liabilities	18,696	62,423	-	-
- Medium-term notes	11,493,532	11,942,282	-	-
- Revolving credit	102,365	-	-	-
- Term loans	9,274,980	11,235,478	-	-
Interest income from financial institutions	(887,860)	(1,275,117)	(30,596)	(14,252)
Rental income	(19,500)	-	-	-
Reversal of impairment loss on trade receivables	(523,865)	(37,191)	-	-
Subsidy received from government (Note (c))	(167,400)	(1,066,613)	-	-

(a) Employee benefits expense

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Staff costs				
Salaries, bonus, wages, allowance and overtime	19,119,904	21,273,957	418,756	1,424,313
Directors' remuneration (Note (b))	1,030,610	994,759	742,610	716,759
Defined contribution plan	2,308,995	2,274,361	72,240	126,483
Share-based payments	-	451,647	-	22,140
Social security contributions	285,584	250,363	1,519	2,102
Termination benefits	-	370,435	-	-
Other benefits	1,629,964	1,441,290	166,059	254,355
	24,375,057	27,056,812	1,401,184	2,546,152

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

5. PROFIT/(LOSS) BEFORE TAX (CONT'D)

(b) The remuneration of the Directors are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Directors of the Company and subsidiaries				
Executive Directors				
- Fees	420,000	320,000	132,000	42,000
- Salaries and emoluments	83,481	20,629	83,481	20,629
- Defined contribution plan	11,410	-	11,410	-
- Social security contributions	167	-	167	-
	515,058	340,629	227,058	62,629
Non-executive Directors				
- Fees	384,000	474,000	384,000	474,000
- Allowances	131,552	148,500	131,552	148,500
- Share-based payments	-	31,630	-	31,630
	515,552	654,130	515,552	654,130
	1,030,610	994,759	742,610	716,759

(c) This relates to wage subsidy granted by the government to the subsidiaries of the Company.

6. TAX EXPENSE

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Income tax:				
- Current year provision	6,728,318	8,162,239	79,280	281,385
- (Over)/underprovision in prior year	(459,345)	257,731	(40,831)	15,321
	6,268,973	8,419,970	38,449	296,706
Deferred tax: (Note 15)				
- Origination of temporary differences	1,508,319	761,667	-	-
- Under/(over) provision in prior year	646,451	(11,477)	-	-
	2,154,770	750,190	-	-
Tax expense for the financial year	8,423,743	9,170,160	38,449	296,706

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2020: 24%) of the estimated assessable results for the financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

6. TAX EXPENSE (CONT'D)

The reconciliations from the tax amount at statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(loss) before tax	18,433,103	17,732,923	(3,033,946)	4,031,946
Tax at the statutory income tax rate of 24% (2020: 24%)	4,423,945	4,255,902	(728,147)	967,667
Tax effect on:				
- non-deductible expenses	3,905,904	4,843,438	2,727,427	3,393,718
- non-taxable income	(101,149)	(134,930)	(1,920,000)	(4,080,000)
Tax effect on share of results of an associate	(1,309)	-	-	-
Deferred tax asset not recognised during the financial year	9,246	-	-	-
Utilisation of deferred tax assets not recognised in prior years	-	(40,504)	-	-
(Over)/under provision in respect of prior years:				
- income tax	(459,345)	257,731	(40,831)	15,321
- deferred tax	646,451	(11,477)	-	-
Tax expense for the financial year	8,423,743	9,170,160	38,449	296,706

A subsidiary of the Company, Dynasty Harmony Sdn. Bhd. ("DHSB") is established solely for the issuance of Islamic Securities that adopt the principles of Shariah and approved by the Securities Commission Malaysia. DHSB is not subject to income tax and is not required to comply with tax compliance or administrative procedures under Section 60I of the Income Tax Act, 1967.

The Group has the following estimated unutilised tax losses and unabsorbed capital allowances available for set-off against future taxable profits:

	Group	
	2021 RM	2020 RM
Unabsorbed capital allowances	904	-
Unutilised tax losses	81,400	45,586
	82,304	45,586

The availability of the unutilised tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit. In the announcement of Malaysia 2022 Budget, the unutilised tax losses will be allowed to be carried forward for 10 consecutive years of assessment ("YA") (previously 7 YAs) deemed to be effective from YA 2019.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

7. EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the financial year is calculated by dividing the profit after tax attributable to Owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2021 RM	**2020 RM**
Profit after tax attributable to Owners of the Company	10,009,360	8,562,763
Weighted average number of ordinary shares for basic earnings per share (unit)	536,646,214	496,485,802
Basic earnings per share (sen)	1.87	1.72

(b) Diluted

Diluted earnings per share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2021 RM	**2020 RM**
Profit after tax attributable to Owners of the Company	10,009,360	8,562,763
Weighted average number of ordinary shares for basic earnings per share (unit)	536,646,214	496,485,802
Effect of dilution from:		
- Share options	*	*
- Share grants	93,500	199,000
- Bonus Warrants	*	*
Weighted average number of ordinary shares for diluted earnings per share (unit)	536,739,714	496,684,802
Diluted earnings per share (sen)	1.86	1.72

* Share options and Bonus Warrants have no dilutive effect as the average market price of the ordinary share was lower than the exercise prices of the share options and Bonus Warrants.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

8. PROPERTY, PLANT AND EQUIPMENT

	Computers RM	Engineering equipment RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Office units RM	Renovation RM	Building extension RM	Right-of-use assets RM	Total RM
Group										
2021										
Cost										
At 1 January 2021	3,184,421	853,225	162,262	-	423,477	8,856,465	2,088,893	95,000	3,091,465	18,755,208
Additions	392,092	43,576	-	-	31,108	-	-	-	308,941	775,717
Disposal	-	-	-	-	-	-	-	-	(340,794)	(340,794)
Expiry of lease contract	-	-	-	-	-	-	-	-	(163,296)	(163,296)
Transfer	1,419,400	-	-	270,615	-	-	-	-	(1,690,015)	-
At 31 December 2021	4,995,913	896,801	162,262	270,615	454,585	8,856,465	2,088,893	95,000	1,206,301	19,026,835
Accumulated depreciation										
At 1 January 2021	1,573,537	637,397	108,055	-	213,625	265,694	486,737	45,917	1,532,137	4,863,099
Depreciation for the financial year	793,644	81,885	11,836	-	37,118	88,565	204,094	19,000	237,998	1,474,140
Disposals	-	-	-	-	-	-	-	-	(198,797)	(198,797)
Expiry of lease contract	-	-	-	-	-	-	-	-	(163,296)	(163,296)
Transfer	354,850	-	-	270,614	-	-	-	-	(625,464)	-
At 31 December 2021	2,722,031	719,282	119,891	270,614	250,743	354,259	690,831	64,917	782,578	5,975,146
Carrying amount										
At 31 December 2021	2,273,882	177,519	42,371	1	203,842	8,502,206	1,398,062	30,083	423,723	13,051,689

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM	Computers RM	Engineering equipment RM	Furniture and fittings RM	Office equipment RM	Office units RM	Renovation RM	Building extension RM	Right-of-use assets RM	Total RM
Group (cont'd)										
2020										
Cost										
At 1 January 2020	6,174,000	2,965,091	849,401	162,262	422,037	8,856,465	2,088,893	95,000	3,538,680	25,151,829
Transferred to investment property (Note 9)	(6,174,000)	-	-	-	-	-	-	-	-	(6,174,000)
Additions	-	294,195	3,824	-	1,440	-	-	-	211,204	510,663
Disposal	-	(74,865)	-	-	-	-	-	-	(658,419)	(733,284)
At 31 December 2020	-	3,184,421	853,225	162,262	423,477	8,856,465	2,088,893	95,000	3,091,465	18,755,208
Accumulated depreciation										
At 1 January 2020	-	1,159,058	548,549	96,148	177,020	177,129	282,643	26,917	1,132,401	3,599,865
Depreciation for the financial year	-	487,849	88,848	11,907	36,605	88,565	204,094	19,000	706,127	1,642,995
Disposal	-	(73,370)	-	-	-	-	-	-	(306,391)	(379,761)
At 31 December 2020	-	1,573,537	637,397	108,055	213,625	265,694	486,737	45,917	1,532,137	4,863,099
Carrying amount										
At 31 December 2020	-	1,610,884	215,828	54,207	209,852	8,590,771	1,602,156	49,083	1,559,328	13,892,109

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Computers RM	Office equipment RM	Total RM
Company			
Cost			
2021			
At 1 January 2021/31 December 2021	1,050	15,390	16,440
Accumulated depreciation			
At 1 January 2021	342	3,078	3,420
Depreciation for the financial year	105	3,078	3,183
At 31 December 2021	447	6,156	6,603
Carrying amount			
At 31 December 2021	603	9,234	9,837
2020			
At 1 January 2020	1,050	-	1,050
Additions	-	15,390	15,390
At 31 December 2020	1,050	15,390	16,440
Accumulated depreciation			
At 1 January 2020	237	-	237
Depreciation for the financial year	105	3,078	3,183
At 31 December 2020	342	3,078	3,420
Carrying amount			
At 31 December 2020	708	12,312	13,020

(a) The carrying amounts of property, plant and equipment of the Group pledged to the financial institutions as security for term loan facilities as disclosed in Note 23(a) are as follows:

	Group 2021 RM	Group 2020 RM
Office units	8,502,206	8,590,771

The office units are held under a master title in favour of the developer and it is in the process of applying for strata title.

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8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Right-of-use assets

The Group leases several assets including motor vehicles, computers and operation sites. The net carrying amount of right-of-use assets recognised by the Group are as follows:

	Motor Vehicles RM	Computers RM	Operation sites RM	Total RM
Group				
2021				
Cost				
At 1 January 2021	1,304,487	1,419,400	367,578	3,091,465
Additions	308,941	-	-	308,941
Disposal	(340,794)	-	-	(340,794)
Expiry of lease contract	-	-	(163,296)	(163,296)
Transfer	(270,615)	(1,419,400)	-	(1,690,015)
At 31 December 2021	1,002,019	-	204,282	1,206,301
Accumulated depreciation				
At 1 January 2021	987,566	354,850	189,721	1,532,137
Depreciation for the financial year	129,839	-	108,159	237,998
Disposals	(198,797)	-	-	(198,797)
Expiry of lease contract	-	-	(163,296)	(163,296)
Transfer	(270,614)	(354,850)	-	(625,464)
At 31 December 2021	647,994	-	134,584	782,578
Carrying amount				
At 31 December 2021	354,025	-	69,698	423,723
2020				
Cost				
At 1 January 2020	1,962,906	1,419,400	156,374	3,538,680
Additions	-	-	211,204	211,204
Disposal	(658,419)	-	-	(658,419)
At 31 December 2020	1,304,487	1,419,400	367,578	3,091,465
Accumulated depreciation				
At 1 January 2020	1,000,736	70,970	60,695	1,132,401
Depreciation for the financial year	293,221	283,880	129,026	706,127
Disposals	(306,391)	-	-	(306,391)
At 31 December 2020	987,566	354,850	189,721	1,532,137
Carrying amount				
At 31 December 2020	316,921	1,064,550	177,857	1,559,328

The Group leases various site offices with lease terms that run between 2 and 3 years.

The interest on lease liabilities and expenses relating to short-term lease and lease of low-value assets are disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS
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9. INVESTMENT PROPERTY

	Group 2021 RM	Group 2020 RM
Freehold land		
At 1 January	6,174,000	-
Transferred from property, plant and equipment (Note 8)	-	6,174,000
At 31 December	6,174,000	6,174,000

(a) The above carrying amount of the investment property of the Group is pledged to the financial institutions as security for term loan facilities and revolving credit facilities to be drawdown by a subsidiary as disclosed in Note 23(a).

(b) The fair value of investment property as at 31 December 2021 is RM15,131,200 (2020: RM13,577,900). The fair value is determined by the Directors based on market value for similar property in the same vicinity. The fair value of the investment property is categorised as Level 3 in the fair value hierarchy as disclosed in Note 28.

10. OPERATING FINANCIAL ASSET

	Group 2021 RM	Group 2020 RM
Non-current	302,766,079	312,522,869
Current	32,308,428	33,423,000
	335,074,507	345,945,869

On 21 November 2011, a wholly-owned subsidiary, KP Mukah Development Sdn. Bhd. ("KPMD") entered into a Concession Agreement with the Government of Malaysia and Universiti Teknologi Mara ("UiTM") for the rights and authority to undertake the planning, design, finance, development, construction, landscaping, equipping, installation, completion, testing, commissioning and leasing of the Facilities and Infrastructure of UiTM Sarawak Campus and thereafter to carry out the Asset Management Services of the Facilities and Infrastructure (collectively referred to as the "Concession").

The salient terms of the Concession Agreement are as follows:

(i) the Concession Period shall be for a period of twenty-three (23) years which consists of three (3) years for construction works and twenty (20) years for Asset Management Services commencing from the construction commencement date and ending on 8 October 2035 ("Concession expiry date").

(ii) the Asset Management Services will commence upon the issuance of Certificate of Acceptance by UiTM and expiring on the concession expiry date or the termination date, whichever is earlier.

(iii) at the end of concession expiry date, KPMD is required to handover the facilities and infrastructure at no cost to UiTM in a well-maintained and operational condition.

The construction was completed and the Certificate of Acceptance was issued by UiTM on 9 October 2015. The issuance of Certificate of Acceptance was to confirm the acceptance of the availability of Facilities and Infrastructure by UiTM and to confirm the commencement of the Asset Management Services Period was on 9 October 2015.

UiTM shall pay KPMD throughout the Asset Management Services Period the following charges:

(i) Availability Charges for the availability of the Facilities and Infrastructure; and

(ii) Asset Management Services Charges for the provision of maintenance services and asset replacement programme in accordance with the provision of the Concession Agreement.

NOTES TO THE FINANCIAL STATEMENTS

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10. OPERATING FINANCIAL ASSET (CONT'D)

The carrying amount of the operating financial asset represents the fair value of the consideration receivable for the construction of Facilities and Infrastructure delivered during the concession period. It carries an imputed interest rate of 9.80% (2020: 9.80%) per annum and is repayable in the form of Availability Charges upon fulfilment of the terms and conditions in the Concession Agreement.

All rights, interest and title limited to the Availability Charges, any amount payable by the Government of Malaysia, and reimbursement of costs by UiTM are assigned to a financial institution to secure a term loan facility granted to KPMD as disclosed in Note 23(a).

11. INTANGIBLE ASSETS

	Customer contract RM	Goodwill RM	Total RM
Group			
2021			
Cost			
At 1 January 2021/31 December 2021	24,322,000	8,608,517	32,930,517
Accumulated amortisation			
At 1 January 2021	8,512,700	-	8,512,700
Amortisation charge for the financial year	1,216,100	-	1,216,100
At 31 December 2021	9,728,800	-	9,728,800
Carrying amount			
At 31 December 2021	14,593,200	8,608,517	23,201,717
2020			
Cost			
At 1 January 2020/31 December 2020	24,322,000	8,608,517	32,930,517
Accumulated amortisation			
At 1 January 2020	7,296,600	-	7,296,600
Amortisation charge for the financial year	1,216,100	-	1,216,100
At 31 December 2020	8,512,700	-	8,512,700
Carrying amount			
At 31 December 2020	15,809,300	8,608,517	24,417,817

(a) Customer contract

Customer contract is related to the valuation performed via Purchase Price Allocation ("PPA") exercise upon acquisition of a subsidiary of the Company in previous years. The customer contract is amortised over 20 years.

The amortisation expense is shown in the "administrative expenses" line item in the statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
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11. INTANGIBLE ASSETS (CONT'D)

(b) Goodwill

Goodwill arising from business combinations has been allocated to a cash-generating unit ("CGU"), Everfine FMS Sdn. Bhd. ("Everfine") for impairment testing as follows:

The recoverable amount of Everfine has been determined based on value-in-use calculation using cash flows projections from financial forecast and projections approved by Board of Directors covering a 12-year period. The pre-tax discount rate (per annum) applied to the cash flows projections are as follows:

	2021 %	2020 %
Average gross profit margin	30.00	36.00
Pre-tax discount rate	9.62	4.36

(i) Average gross profit margin — This is based on the facilities management services agreement between Unitapah Sdn. Bhd. ("Unitapah") and Everfine dated 17 March 2014.

Unitapah has appointed the subsidiary for the maintenance works of the facilities and infrastructure of Universiti Teknologi Mara.

(ii) Discount rate used for cash flows discounting purpose is the weighted average cost of capital of the Company. The discount rate applied to the cash flows projections is pre-tax and reflects management's estimates of the risk specific to the CGU at the date of assessment.

(iii) There are no significant changes in maintenance income.

Sensitivity to changes in assumptions

The sensitivity analysis below indicates the approximate change in the recoverable amount of the intangible assets that would arise if the following key estimates and assumptions adopted in the value-in-use method had changed at the reporting date, assuming all other estimates, assumptions and other variables remained constant.

	Change in assumption, holding other inputs constant	Decrease in recoverable amount of goodwill RM
Pre-tax discount rate	Increased by 1%	1,848,000
Direct cost	Increased by 1%	1,410,000

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM	2020 RM
Unquoted shares, at cost		
At 1 January/31 December	162,014,753	162,014,753
Capital contribution to subsidiaries (Note (a))		
At 1 January	1,612,523	1,428,934
Addition	-	429,507
Forfeiture of shares	(81,094)	(245,918)
At 31 December	1,531,429	1,612,523
Net carrying amount		
At 31 December	163,546,182	163,627,276

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12. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Capital contribution to subsidiaries

In prior financial year, the capital contribution amounting to RM429,507 which represents ESOS granted by the Company to the employees of its subsidiaries and is treated as additional cost of its investments in the subsidiaries.

During the financial year, the capital contribution amounting to RM81,094 (2020: RM245,918) relating to the forfeiture of ESOS and ESGS is treated as reversal cost of its investments in the subsidiaries.

(b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective equity interest 2021 %	Effective equity interest 2020 %	Principal activities
Global Facilities Management Sdn. Bhd. ("GFMSB")	Malaysia	100	100	Provision of facilities operations, maintenance management and engineering services
KP Mukah Development Sdn. Bhd. ("KPMD")	Malaysia	100	100	Concession arrangement, provision of infrastructure facility and provision of maintenance services
GFM Solutions Sdn. Bhd.	Malaysia	100	100	Provision of facilities audit and engineering services
Dynasty Harmony Sdn. Bhd. ("DHSB")	Malaysia	100	100	Issuance of Islamic securities and invest in Shariah- compliant securities
GFM Shared Services Sdn. Bhd. ("GFMSS")	Malaysia	100	100	Render group management and administrative services
Subsidiary of GFMSB				
Everfine FMS Sdn. Bhd. ("Everfine")	Malaysia	100	100	Provision of facilities management services

13. INVESTMENT IN AN ASSOCIATE

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Unquoted shares, at cost				
At 1 January/31 December	50,225	50,225	50,225	50,225
Share of post-acquisition reserves				
At 1 January	13,027	33,162	-	-
Share of results	5,456	(20,135)	-	-
At 31 December	18,483	13,027	-	-
Carrying amount				
At 31 December	68,708	63,252	50,225	50,225

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13. INVESTMENT IN AN ASSOCIATE (CONT'D)

Details of the associate are as follows:

Name of company	Country of incorporation	Effective equity interest 2021 %	Effective equity interest 2020 %	Principal activities
Tanand Technology Sdn. Bhd. * #	Malaysia	10	10	Customised engineering services, Internet of Things ("IoT") technologies and big data analytics

* *Tanand Technology Sdn. Bhd. is considered an associate although the Company does not own more than 20% of its equity as the Company is able to exercise significant influence over its financial and operating activities through the appointment of one of the Directors of the Company as a corporate representative of the associate.*

\# *Not audited by Moore Stephens Associates PLT.*

14. OTHER INVESTMENT

	Group and Company 2021 RM	Group and Company 2020 RM
At Fair Value through Other Comprehensive Income:		
At 1 January	15,000,000	1,000,000
Addition	4,100,000	14,000,000
Changes in fair value	(2,415,000)	-
At 31 December	16,685,000	15,000,000

Represented by:

	Group and Company 2021 RM	Group and Company 2020 RM
Unquoted equity securities:		
Highbase Strategic Sdn. Bhd. (Note (a))	16,685,000	15,000,000

(a) Highbase Strategic Sdn. Bhd.

On 17 December 2019, the Company had entered into a Redeemable Convertible Preference Shares ("RCPS") Subscription Agreement ("RCPS SA") with Highbase Strategic Sdn. Bhd. ("HSSB") to subscribe for up to RM20,000,000 HSSB RCPS subject to a minimum subscription of RM15,000,000 HSSB RCPS.

In the previous financial year ended, the Group and the Company have subscribed a cumulative of up to RM15,000,000 HSSB RCPS pursuant to the terms and conditions of the RCPS SA.

During the financial year, the Company entered into a Second Supplemental HSSB RCPS SA for the proposed subscription for up to additional RM5,000,000 of RCPS to be satisfied by cash. On 24 July 2021, 26 November 2021 and 7 December 2021, the Company has subscribed additional of RM2,000,000, RM1,500,000 and RM600,000 pursuant to the Second Supplemental HSSB RCPS SA.

The Group and the Company designated the investments in equity as fair value through other comprehensive income because these investments in equity securities are for long-term strategic purposes.

During the financial year, the Group and the Company accounted for the changes in fair value of the investment in RCPS amounting to RM2,415,000 in the fair value reserve.

NOTES TO THE FINANCIAL STATEMENTS
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14. OTHER INVESTMENT (CONT'D)

(a) Highbase Strategic Sdn. Bhd. (cont'd)

In the previous financial year, the unquoted equity instruments were carried at cost and this is considered to be appropriate estimate of fair value.

The fair value of the unquoted investment is determined based on input and the information applicable to level 3 fair value measurement. The fair value of unquoted investment has been estimated using Discounted Cash Flows ("DCF") technique. The DCF model incorporates unobservable inputs, amongst others, the forecast cash flows, long-term growth rates, cost of capital and long-term operating margins.

The salient terms of the RCPS are as follows: -

(i) Redemption price

The redemption price of the RCPS ("Redemption price") shall be based on the sum of the Issue Price and all dividends accrued up to the Redemption Date and all dividends outstanding which are remain unpaid based on the Dividend rate.

(ii) Dividend rate

Each RCPS carries a fixed dividend rate of 6% per annum calculated based on the Issue price. The fixed dividend is due and payable on the 31 December of every year, subject to the availability of distributable profits, and/or as the Board of Directors of the Issuer deem fit and/or expedient and in the best interest of the Issuer.

To the extent that the fixed dividend or any part thereof is not declared or paid after the date on which the RCPS are first issued, it shall continue to accumulate and be declared or paid on accumulative basis not later than the Maturity date.

(iii) Conversion

Any RCPS that is not redeemed prior to 1 May 2024 and any accrued dividend from the RCPS as at 30 April 2024, the investee shall be automatically converted to Issuer's shares.

(iv) Redemption rights

Both the Issuer and the Investors shall have the right to issue notice of redemption respectively.

(v) Transferability

The RCPS may be transferred to any party, subject to prior written consent from the Issuer, at the subscription amount plus the accrued dividend, subject to any rules and regulations applicable to such transfer.

(vi) Collateral

The collateral pledged for the RCPS upon the subscription thereof shall be:

(i) A property asset which is valued at approximately RM3,000,000; and
(ii) Personal guarantee by certain Directors of HSSB.

(vii) Ranking

(i) The RCPS shall rank equally amongst themselves and shall rank in priority to all other preference shares of HSSB; if any
(ii) The RCPS shall rank in priority to the HSSB shares and unsecured obligations of the Issuer;
(iii) The RCPS will rank ahead in regards to payment of dividends in all classes of the HSSB shares;
(iv) Upon liquidation of the Issuer, the Investor being the holder of the RCPS shall have the priority in the redemption of the RCPS based on the redemption price over any payment to the shareholders of the Issuer;

NOTES TO THE FINANCIAL STATEMENTS
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14. OTHER INVESTMENT (CONT'D)

(a) Highbase Strategic Sdn. Bhd. (cont'd)

(vii) Ranking (cont'd)

(v) The investor being the holder of the RCPS shall not be entitled to participate in the balance assets of the Issuer after the redemption of the RCPS; and

(vi) The new RCPS shares to be issued pursuant to the conversion of the RCPS shall, upon issuance and allotment, rank pari passu in all respect with the existing HSSB shares, save and except that the said new HSSB shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions which are declared or paid, the entitlements date of which is prior to the date of allotment and issuance of the said new HSSB shares.

15. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2021 RM	2020 RM
At 1 January	(42,830,046)	(42,079,856)
Recognised in profit or loss (Note 6)	(2,154,770)	(750,190)
At 31 December	(44,984,816)	(42,830,046)

Presented after appropriate offsetting:

	Group	
	2021 RM	2020 RM
Deferred tax assets	20,070	256,162
Deferred tax liabilities	(45,004,886)	(43,086,208)
	(44,984,816)	(42,830,046)

The Group has recognised the deferred tax assets as it is probable that its subsidiaries would generate sufficient taxable profits in future against which the deferred tax assets can be utilised based on profit forecast and projections approved by the Board of Directors covering a 12-month period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Presented before appropriate offsetting:

	Group	
	2021 RM	2020 RM
Deferred tax assets	1,945,296	2,683,273
Deferred tax liabilities	(46,930,112)	(45,513,319)
	(44,984,816)	(42,830,046)

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15. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

This is in respect of estimated deferred tax assets/(liabilities) arising from temporary differences as follows:

	Group 2021 RM	Group 2020 RM
Deferred tax liabilities		
Differences between property, plant and equipment and their tax base	(351,661)	(280,461)
Customer contract	(3,502,368)	(3,794,232)
Operating financial asset	(43,076,083)	(41,438,626)
	(46,930,112)	(45,513,319)
Deferred tax assets		
Contract liabilities	1,639,188	2,191,236
Unabsorbed capital allowances	217	-
Unutilised tax losses	513	1,165
Other deductible temporary differences	305,378	490,872
	1,945,296	2,683,273
	(44,984,816)	(42,830,046)

The estimated temporary difference for which no deferred tax asset has been recognised in the financial statements is as follows:

	Group 2021 RM	Group 2020 RM
Unutilised tax losses	79,258	40,732

16. TRADE AND OTHER RECEIVABLES

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Trade				
Trade receivables (Note (a))	17,052,398	17,203,809	-	-
Less: Allowance for impairment loss	(1,007,969)	(3,108,612)	-	-
	16,044,429	14,095,197	-	-
Non-trade				
Other receivables	644,029	1,066,134	328,204	112,655
Less: Allowance for impairment loss	(110,565)	(110,565)	(107,655)	(107,655)
	533,464	955,569	220,549	5,000
Amounts owing by subsidiaries (Note (b))	-	-	19,177,431	23,800,956
Amount owing by an associate (Note (c))	316,896	316,896	316,896	316,896
Deposits (Note (d))	805,767	798,127	508,250	502,500
Goods and Services Tax ("GST") refundable	339,433	340,708	-	1,275
Prepayments	1,352,750	1,844,906	104,825	100,586
	3,348,310	4,256,206	20,327,951	24,727,213
	19,392,739	18,351,403	20,327,951	24,727,213

NOTES TO THE FINANCIAL STATEMENTS
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16. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

The Group's normal trade credit term is 30 days (2020: 30 days) from the date of invoice. Other credit terms are assessed and approved on a case-by-case basis.

(b) Amounts owing by subsidiaries

Amounts owing by subsidiaries are non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

(c) Amount owing by an associate

Amount owing by an associate is non-trade in nature, unsecured, interest-free and repayable by way of supply of assets as stated in the Collaboration Agreement entered by the Company and the associate.

(d) Deposits

Included in the deposits of the Group and of the Company is an amount of RM500,000 (2020: RM500,000) which represents the refundable Initial Deposit paid in relation to Heads of Agreement ("HOA") with Hamzah bin Omar, Mohd Ismail bin Norbat and Mazlan bin Ali ("collectively known as "Sellers") to acquire 70% equity interest in Amzass (M) Sdn. Bhd. ("Amzass") by the Company ("Proposed Acquisition").

Pursuant to the HOA, the Company and the Sellers shall use their best endeavor to negotiate exclusively and to enter into a Shares Sale Agreement ("SSA") relating to the Proposed Acquisition ("Definitive Agreement") on or before 31 December 2020.

On 4 January 2021, 25 March 2021 and 16 July 2021, the Company had entered into Supplemental HOA with the Sellers to extend the Stop date to 31 March 2021, 30 June 2021 and 30 September 2021 respectively for the Company and the Sellers to enter into the Definitive Agreement in relation to the Proposed Acquisition.

On 20 September 2021, the Company has agreed to vary the Initial Proposal to a joint venture between the Company and Amzass and entered into a Joint Venture Agreement ("JVA") with Amzass for the purpose of collaborating to carry out and complete the Project based on the terms and conditions stipulated in the JVA.

Pursuant to the JVA, within 30 business days from the date on which the JVC is incorporated, the Company and the Sellers shall cause the following transaction documents to be entered into, namely:

(i) the deed of assignment in the agreed form between Amzass and the JVC for the assignment of the rights and benefits under the Project from Amzass to JVC ("Deed of Assignment");
(ii) the shareholders' agreement between the Company, Amzass and the JVC in the form set out in the JVA (mainly to set out the rights and obligations of the Company and the Sellers as shareholders of the JVC) ("Shareholders' Agreement");
(iii) the option agreement between the Company and Amzass in the form set out in the JVA ("Option Agreement").

Subsequently on 20 April 2022, the Company has announced of the termination of the JVA due to the unsatisfactory results of the due diligence review and accordingly, the condition precedent is not fulfilled in accordance with the JVA. The Company has further demanded a refund of the Initial Deposits of RM500,000. Upon receipt of the refund, the agreement constituted by the JVA shall become void and of no effect.

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17. CONTRACT ASSETS/(LIABILITIES)

	Group 2021 RM	Group 2020 RM
Contract assets relating to:		
Facilities management services	13,820,727	9,540,770
Concession contract	-	5,227,592
	13,820,727	14,768,362
Contract liabilities relating to:		
Facilities management services	-	(1,330,000)
Concession contract	(11,430,346)	(9,130,149)
	(11,430,346)	(10,460,149)

	Company 2021 RM	Company 2020 RM
Contract assets relating to:		
Accrued billings for management fees	32,178	70,857

The contract assets relate to the Group's and the Company's right for consideration for services rendered but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 30 days.

The contract liabilities relating to:

(i) facilities management services represent floating funds contributed by certain contracts with customers for the purpose of carrying out facilities management services which will be incurred during the maintenance period pursuant to the facilities management contracts by a subsidiary of the Company; and

(ii) a concession contract represents maintenance reserve fund established for the purpose of carrying out capital replacements for the Facilities and Infrastructure of UiTM Campus which will be incurred during the concession period pursuant to the Concession Agreement by a subsidiary of the Company.

Movement of contract assets/(liabilities) is as follows:

(i) Facilities management services

	Group 2021 RM	Group 2020 RM
At 1 January	8,210,770	3,895,769
Revenue recognised during the financial year (Note 4)	80,157,446	72,376,663
Billing issued during the financial year	(74,547,489)	(68,061,662)
At 31 December	13,820,727	8,210,770

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17. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

Movement of contract assets/(liabilities) is as follows: (cont'd)

(ii) Concession contract

	Group 2021 RM	Group 2020 RM
At 1 January	(3,902,557)	(2,180,338)
Revenue recognised during the financial year (Note 4)	42,684,550	43,407,139
Billing issued during the financial year	(50,212,339)	(45,129,358)
At 31 December	(11,430,346)	(3,902,557)

(iii) Management fee

	Company 2021 RM	Company 2020 RM
At 1 January	70,857	128,924
Revenue recognised during the financial year (Note 4)	488,785	1,212,328
Billing issued during the financial year	(527,464)	(1,270,395)
At 31 December	32,178	70,857

18. DEPOSITS, CASH AND BANK BALANCES

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash and bank balances	30,415,373	27,125,671	1,052,076	47,352
Deposits with licensed banks	48,870,021	46,252,095	1,474,804	1,455,295
	79,285,394	73,377,766	2,526,880	1,502,647
Interest rate (%)	1.00 - 2.00	1.45 - 3.10	1.50	1.45 - 3.10
Maturity period (days)	1 - 365	30 - 365	30	34

Included in the deposits, cash and bank balances of the Group and of the Company are:

(i) an amount of Nil (2020: RM300,000) pledged as a security for bank guarantee granted to the Company for working capital purpose;

(ii) an amount of RM8,393,867 (2020: RM6,309,520) pledged as a security for term loan facilities, bank overdrafts and revolving credit granted to a subsidiary of the Company as disclosed in Note 23(a), (d) and (e);

(iii) escrow accounts of RM14,652,128 (2020: RM13,610,067) pledged as a security for the refinancing of the construction of the UiTM Campus as disclosed in Note 23(a). This amount is not freely available for general use;

(iv) an amount of RM21,116,345 (2020: RM23,764,924) held under a subsidiary's Disbursement Account, Finance Service Reserve Account, Liquidity Reserve Account and Revenue Account (collectively known as "Designated Accounts"). The subsidiary has assigned and charged to the Security Trustee all its present and future rights, title, interest and benefits in and under the Designated Accounts for repayment of the total secured amount for the Medium-Term Notes as disclosed in Note 23(c). The Designated Accounts are operated solely by the Security Trustee and therefore restricted from general use by the subsidiary; and

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18. DEPOSITS, CASH AND BANK BALANCES (CONT'D)

Included in the deposits, cash and bank balances of the Group and of the Company are: (cont'd)

(v) designated account of RM577,374 (2020: RM866,003), which is part of the security arrangements of Medium-Term Notes facilities undertake by a subsidiary. The Designated Account is operated solely by the Security Trustee and therefore restricted from general use by the subsidiary.

19. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2021 Unit	2020 Unit	2021 RM	2020 RM
Issued and fully paid:				
At 1 January	520,880,625	472,284,725	76,023,351	67,616,657
Issuance of shares				
- ESGS	98,000	1,367,500	44,002	614,008
- Private placement	29,400,000	47,228,400	6,469,640	7,792,686
At 31 December	550,378,625	520,880,625	82,536,993	76,023,351

Ordinary shares

During the financial year, the Company has increased its issued and paid-up capital by way of:

(i) issuance of 17,000,000 new ordinary shares on 3 June 2021 at RM0.2306 per share totaling RM3,920,200 pursuant to a private placement;

(ii) allotment of 98,000 new ordinary shares on 5 July 2021 at RM0.449 per share totaling RM44,002 pursuant to the vesting of shares under the Employees' Share Grant Scheme; and

(iii) issuance of 12,400,000 new ordinary shares on 13 July 2021 at RM0.2056 per share totaling RM2,549,440 pursuant to a private placement.

In the previous financial year, the Company had increased its issued and paid-up capital by way of:

(i) issuance of 47,228,400 new ordinary shares on 30 June 2020 at RM0.165 per share totaling RM7,792,686 pursuant to a private placement; and

(ii) allotment of 1,367,500 new ordinary shares on 5 October 2020 at RM0.449 per share totaling RM614,008 pursuant to the vesting of shares under the ESGS.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

Bonus Warrants ("Warrants")

On 7 February 2019, the Company listed and quoted 235,456,618 free warrants ("Bonus Warrants") pursuant to the Bonus Issue of Warrants at an exercise price of RM0.38 per warrant on the basis of one Bonus Warrant for every two existing ordinary shares in the Company held by entitled shareholders of the Company. The Bonus Warrants are constituted by the Deed Poll dated 10 January 2019.

As at 31 December 2021, the total numbers of Warrants that remain unexercised were 235,456,129 (2020: 235,456,129).

NOTES TO THE FINANCIAL STATEMENTS
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19. SHARE CAPITAL (CONT'D)

Bonus Warrants ("Warrants") (cont'd)

The salient terms of the Warrants were as follows:

(a) The Warrants will be issued at no cost to the Entitled Shareholders; and

(b) The Bonus Warrants Exercise Price has been fixed after taking into consideration the following:

(i) The five-day volume weighted average price ("VWAP") of the Company immediately prior to the price fixing date; and

(ii) The theoretical fair value of the Bonus Warrants immediately prior to the price fixing date taking into account the Bonus Warrants Exercise Price, market value of the Company's shares, Exercise Period, expected volatility of the Company's shares, interest rate and expected dividends of the Company; and

(iii) The potential future earnings of the Company; and

(iv) The Warrants shall as between the Warrant Holders rank equally in all respect.

The Exercised Shares shall, upon allotment and issuance, rank equally in all respects with the existing ordinary shares except that the Exercised Shares will not be entitled to any dividend, right, allotment and/or other distributions that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the Exercised Shares.

(c) The Warrants may be exercisable at any time within a period of three (3) years commencing from and including the date of issuance of the Warrants and ending at 5pm on the expiry date, i.e. 28 January 2022. The expiry date is a day falling immediately before the 3rd anniversary of the date of issuance of the Warrants and if such date is not a market day, then on the preceding market day.

(d) The Warrants holders are not entitled to any voting rights or to participate in any form of distribution and/or offer of securities in the Company other than on winding-up, compromise or arrangement of the Company until and unless such Warrants holders exercise their Warrants into new ordinary shares of the Company.

20. OTHER RESERVES

	Group and Company	
	2021 RM	**2020 RM**
Fair value reserve (Note (a))	(2,415,000)	-
Share option reserve (Note (b))	369,638	433,855
Share grant reserve (Note (b))	31,353	92,232
	(2,014,009)	526,087

(a) Fair value reserve of financial assets at FVOCI

This reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income ("FVOCI") until the investments are derecognised or disposed.

The Group has elected to recognise changes in fair value of investment in RCPS in other comprehensive income, as explained in Note 14. These changes are accumulated within the fair value reserve of financial assets at FVOCI.

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20. OTHER RESERVES (CONT'D)

(b) Share option reserve and share grant reserve

This relates to the Employees' Share Scheme ("ESS") implemented on 9 March 2018. The ESS, which comprises the Employees' Share Option Scheme ("ESOS") and Employees' Share Grant Scheme ("ESGS") allows the Company to grant share options and share grants under the ESOS and ESGS respectively to eligible Non-Executive Directors and eligible employees of the Company and/or its eligible subsidiaries. The ESS is governed by the By-Laws of the ESS which was approved by the shareholders on 17 October 2017 and is administered by the ESS Committee which is appointed by the Board of Directors, in accordance with the By-Laws.

The main features of the ESS are as follows:

(i) The maximum number of new ordinary shares which may be made available under the Scheme at the point in time when an ESS award is offered shall not be more than five percent (5%) of the issued and paid-up ordinary share capital of the Company; and

(ii) In the case of the ESGS, the shares will be vested with the grantee at no consideration on the vesting date; while in the case of the ESOS, the option price will be determined based on the five (5) days volume weighted average market price of the ordinary shares on the date the ESOS award is offered with a potential discount of not more than ten percent (10%) or any such other limit in accordance with any prevailing guideline issued by the By-Laws.

ESOS

The number and weighted average exercise price ("WAEP") of share options outstanding are as follows:

	WAEP 2021	No. of share options Units 2021	WAEP 2020	No. of share options Units 2020
1 January	RM0.4298	2,172,000	RM0.4298	2,905,000
Forfeited *	RM0.4298	(432,000)	RM0.4298	(733,000)
At 31 December	RM0.4298	1,740,000	RM0.4298	2,172,000

* Forfeited due to cessation of eligible employees.

The number of shares exerciseable as at 31 December 2021 is 1,740,000 (2020: 2,172,000) shares.

The weighted average exercise price for options outstanding as at 31 December 2021 is RM0.4298 (2020: RM0.4298) and the remaining contractual life for the share options oustanding as at 31 December 2021 was 1.2 years (2020: 2.2 years).

The fair values of the share options granted under the ESOS to which *MFRS 2 Share-based Payment* applies were determined using the Trinomial model. The significant inputs into the model were as follows:

	ESOS Offer 1	ESOS Offer 2
Exercise price	RM0.4555	RM0.4041
Date of grant	30.8.2018	17.6.2019
Fair value at grant date	RM0.2201	RM0.1836
Vesting period	1 year	1 year
Weighted average share price at grant date	RM0.5050	RM0.4350
Expected dividend yield	None	None
Risk-free interest rates	3.839%	3.460%
Expected volatility	41.891%	47.922%

NOTES TO THE FINANCIAL STATEMENTS
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20. OTHER RESERVES (CONT'D)

(b) Share option reserve and share grant reserve (cont'd)

ESGS

The movement during the financial year in the number of share grants in which eligible Non-Executive Directors and eligible employees of the Company and/or its eligible subsidiaries are entitled to are as follows:

	At 1.1.2021 Unit	Vested Unit	Forfeited * Unit	At 31.12.2021 Unit
Date of offer				
Offer 1	50,500	-	(2,500)	48,000
Offer 2	148,500	(98,000)	(5,000)	45,500

* Forfeited due to cessation of eligible employees.

The fair values of the share grants under the ESGS to which *MFRS 2 Share-based Payment* applies were determined using the Trinomial model. The significant inputs into the model were as follows:

	ESGS Offer 1	Offer 2
Exercise price	*	*
Date of grant	30.8.2018	17.6.2019
Fair value at grant date	RM0.5061	RM0.4490
Vesting period	1 year	1 year
Weighted average share price at grant date	RM0.5050	RM0.4350
Expected dividend yield	None	None
Risk-free interest rates	3.839%	3.460%
Expected volatility	41.891%	47.922%

* The shares under the ESGS will vest with the grantee at no consideration on the vesting date.

The remaining contractual life for the share grants outstanding as at 31 December 2021 was 1.2 years (2020: 2.2 years).

The expected volatility reflected the assumption that the historical volatility was indicative of future trends, which may also not necessarily be the actual outcome.

21. REORGANISATION DEFICIT

	Group 2021 RM	2020 RM
At 1 January/31 December	(45,265,315)	(45,265,315)

(a) Related to the acquisition of GFMSB in previous financial years as a continuation of the acquired entity. Therefore, the share capital of GFMSB is reflected as reorganisation deficit as at 1 January 2016 and 31 December 2016.

(b) In previous financial years, the Company completed its Pre-Initial Public Offering Reorganisation on 26 December 2016. Consequently, capital reorganisation deficit represented the difference between the purchase consideration to acquire GFMSB and the share capital of GFMSB as at 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS
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22. TRADE AND OTHER PAYABLES

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Non-current:				
Non-trade				
Amount owing to a subsidiary (Note (b))	-	-	112,668,234	112,453,109
Current:				
Trade				
Trade payables (Note (a))	7,226,187	8,007,225	-	-
Non-trade				
Amounts owing to subsidiaries (Note (c))	-	-	10,247,969	9,447,545
Other payables	2,703,068	3,062,019	186,220	203,300
Deposits received	-	586	-	-
Accruals	10,884,045	5,482,662	553,771	497,473
	13,587,113	8,545,267	10,987,960	10,148,318
Total current payables	20,813,300	16,552,492	10,987,960	10,148,318
Total payables	20,813,300	16,552,492	123,656,194	122,601,427

(a) The normal trade credit terms granted by the trade payables to the Group range from 30 to 90 (2020: 30 to 90) days.

(b) This amount owing to a subsidiary is non-trade in nature, secured, bearing interest at rate of 7.46% (2020: 7.46%) per annum and repayable over a period of more than 5 years in accordance to the scheduled payment as stated in an Inter-company Financing Agreement.

(c) Amounts owing to subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand, except for an amount of RM8,000,000 (2020: RM8,000,000) owing to a subsidiary, DHSB in relation to the Inter-company Financing Agreement as disclosed in Note 22(b).

23. LOANS AND BORROWINGS

	Note	Group 2021 RM	Group 2020 RM
Non-current liabilities			
Term loans	(a)	128,029,603	151,861,867
Lease liabilities	(b)	410,920	337,481
Medium-term notes	(c)	150,176,335	149,362,826
		278,616,858	301,562,174

NOTES TO THE FINANCIAL STATEMENTS
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23. LOANS AND BORROWINGS (CONT'D)

		Group	
	Note	2021 RM	2020 RM
Current liabilities			
Term loans	(a)	23,964,533	25,037,710
Lease liabilities	(b)	207,778	567,212
Medium-term notes	(c)	958,561	886,035
Bank overdrafts	(d)	1,985,533	2,713,421
Revolving credit	(e)	4,027,744	-
		31,144,149	29,204,378
		309,761,007	330,766,552
Total loans and borrowings			
Term loans	(a)	151,994,136	176,899,577
Lease liabilities	(b)	618,698	904,693
Medium-term notes	(c)	151,134,896	150,248,861
Bank overdrafts	(d)	1,985,533	2,713,421
Revolving credit	(e)	4,027,744	-
		309,761,007	330,766,552

(a) Term loans

	Group	
	2021 RM	2020 RM
Non-current:		
Term loan I	6,370,215	6,489,003
Term loan II	-	902,341
Term loan III	121,659,388	144,470,523
	128,029,603	151,861,867
Current:		
Term loan I	218,852	277,727
Term loan II	934,546	1,948,848
Term loan III	22,811,135	22,811,135
	23,964,533	25,037,710
	151,994,136	176,899,577
Total term loans:		
Term loan I	6,589,067	6,766,730
Term loan II	934,546	2,851,189
Term loan III	144,470,523	167,281,658
	151,994,136	176,899,577

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

23. LOANS AND BORROWINGS (CONT'D)

(a) Term loans (cont'd)

Maturity profile of term loans:

	Group 2021 RM	Group 2020 RM
Current		
Within 1 year	23,964,533	25,037,710
Non-current		
Due in more than:		
- 1 year but not later than 2 years	23,037,207	24,000,364
- 2 years but not later than 5 years	69,157,359	69,352,115
- 5 years	35,835,037	58,509,388
	128,029,603	151,861,867
	151,994,136	176,899,577

Term loan I

Term loan I bears interest at a rate of 3.25% (2020: 3.25%) per annum and is repayable by monthly instalment of RM35,813 over 299 months and last instalment of the remaining loan balance, commencing from the date of full drawdown of term loan.

A subsidiary of the Company, GFMSB is required to maintain the gearing ratio of not exceeding 1.0 time throughout the duration of the term loan facility.

Term loan I is secured by the following:

(i) a fixed deposit with licensed banks as disclosed in Note 18(ii);
(ii) a Deed of Assignment over 6 office units held under Master Title GRN 310510, Lot 29242 Seksyen 1 in Bandar Ulu Kelang, Daerah Gombak, Negeri Selangor as disclosed in Note 8(a); and
(iii) jointly and severally guaranteed by several Directors of the Company.

Term loan II

Term loan II bears interest at a rate of 4.22% (2020: 6.57%) per annum and is repayable by monthly instalment of RM163,724 over 59 months and last instalment of the remaining loan balance, commencing from the date of full drawdown of term loan.

The major covenants that are required to be complied by the Group are as follows:

(i) GFMSB's gearing ratio shall not exceed 1.0 time;
(ii) GFMSB's Debt Servicing Coverage Ratio ("DSCR") shall not be less than 1.0 time; and
(iii) tangible net worth of GFMSB shall not be less than RM31,000,000.

Term loan II is secured by the following:

(i) a fixed deposit with licensed banks as disclosed in Note 18(ii);
(ii) a Deed of Assignment over the contract proceeds from a subsidiary;
(iii) corporate guarantee by the Company; and
(iv) a legal charge over a unit of vacant commercial land at GRN 29182, Lot 1672, Seksyen 41 in Bandar Kuala Lumpur, Daerah Kuala Lumpur as disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS
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23. LOANS AND BORROWINGS (CONT'D)

(a) Term loans (cont'd)

Term loan III

Term loan III bears interest at a rate of 5.75% (2020: 5.75%) per annum and is repayable by monthly instalment of RM1,900,928 over 147 months and last instalment of the remaining loan balance, commencing from 33rd month from the date of full drawdown of term loan.

A subsidiary of the Company, KPMD is required to maintain the debt-to-equity ratio of not more than 90:10 at all times.

Term loan III is secured by the following:

(i) an escrow account as disclosed in Note 18(iii);
(ii) assignment of all rights, title and benefits of a subsidiary of the Company in relation to the Concession Agreement executed between the subsidiary, Government of Malaysia and UiTM as disclosed in Note 10; and
(iii) debenture creating a first fixed and floating charge over all present and future assets.

(b) Lease liabilities

The leases do not have terms for renewal. The average interest rates implicit in the leases are ranging from 2.15% to 6.85% (2020: 2.45% to 6.85%).

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2021 RM	**2020 RM**
Future minimum lease payments:		
Repayable within 1 year	231,711	592,716
Repayable more than 1 year but less than 2 years	141,661	245,371
Repayable more than 2 years but less than 5 years	225,791	115,481
Repayable more than 5 years	76,127	-
	675,290	953,568
Less: Future finance charges	(56,592)	(48,875)
Total present value of lease liabilities	618,698	904,693
Present value of lease liabilities:		
Repayable within 1 year	207,778	567,212
Repayable more than 1 year but less than 2 years	126,856	226,101
Repayable more than 2 years but less than 5 years	211,968	111,380
Repayable more than 5 years	72,096	-
	618,698	904,693
Represented by:		
Rental lease liabilities	75,332	185,876
Finance lease liabilities	543,366	718,817
	618,698	904,693

NOTES TO THE FINANCIAL STATEMENTS
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23. LOANS AND BORROWINGS (CONT'D)

(c) Medium-term notes

	Group 2021 RM	2020 RM
At net proceeds:		
At 1 January/31 December	148,701,500	148,701,500
Accretion of discount:		
At 1 January	1,547,361	183,517
Recognised in profit or loss	886,035	1,363,844
At 31 December	2,433,396	1,547,361
Carrying amount		
At 31 December	151,134,896	150,248,861
Represented by:		
Current	958,561	886,035
Non-current	150,176,335	149,362,826
	151,134,896	150,248,861

The medium term-notes are repayable as follows:

	Group 2021 RM	2020 RM
Non-current:		
Due in more than 5 years	150,176,335	149,362,826

On 21 December 2018, a wholly-owned subsidiary of the Company, DHSB issued RM165 million nominal value Medium-Term Notes under the Sukuk Wakalah programme.

The proceeds from the issuance of the Sukuk Wakalah is expected to be utilised for finance investment activities, capital expenditure, working capital requirement and other general corporate purposes, which include repayment of any financing activities, borrowings or advances.

The interest payment is due every 6 months with coupon rates ranging from 6.2% to 6.65% per annum, commencing from the issue date of the relevant tranches.

The Sukuk Wakalah is repayable in tranches commencing from Year 2028 to 2033.

The major covenants that are required to be complied by the subsidiaries are as follows:

(i) KPMD Finance Service Cover Ratio is maintained at least 1.5 times after the dividend distribution is made and such distribution will not result in a breach of any applicable laws and KPMD's existing financing or borrowings covenants; and
(ii) DHSB shall maintain a Finance Service Cover Ratio for so long as any Sukuk Wakalah remains outstanding.

NOTES TO THE FINANCIAL STATEMENTS
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23. LOANS AND BORROWINGS (CONT'D)

(c) Medium-term notes (cont'd)

The Sukuk Wakalah is secured by the following:

(i) A first ranking third party charge by the Company over its entire shareholding in DHSB;
(ii) An assignment by the Company of all dividends and distributions received or receivable by the Company from KPMD, whether income or capital in nature;
(iii) An assignment by DHSB over its rights, interest and benefits under the inter-company financing agreement entered or to be entered into between DHSB and the Company in respect of the advance by DHSB to the Company;
(iv) An assignment by DHSB over its revenue and income including but not limited to the payment and repayment of shareholder and related companies' financing and advances received or to be received by it;
(v) A first ranking charge by DHSB and KPMD over the Designated Accounts and the credit balances therein as disclosed in Notes 18(iv) and 18(v); and
(vi) A debenture by DHSB over its assets, both present and future.

(d) Bank overdrafts

The bank overdrafts facilities granted to the Group bear interest at a rate of 5.60% (2020: 5.60%) per annum. The Group is required to maintain the gearing ratio of not exceeding 1.0 time and is secured by the following:

(i) a fixed deposit with licensed banks as disclosed in Note 18(ii); and
(ii) jointly and severally guaranteed by several Directors of the Company.

(e) Revolving credit

Revolving credit bears interest at a rate of 3.78% (2020: Nil) per annum. The major covenants that are required to be complied by the subsidiary are as follows:

(i) GFMSB's gearing ratio shall not exceed 1.0 time;
(ii) GFMSB's Debt Servicing Coverage Ratio ("DSCR") shall not be less than 1.0 time; and
(iii) tangible net worth of GFMSB shall not be less than RM31,000,000.

Revolving credit is secured by the following:

(i) a fixed deposit with licensed banks as disclosed in Note 18(ii);
(ii) a Deed of Assignment over the contract proceeds from a subsidiary of the Company;
(iii) corporate guarantee by the Company; and
(iv) a legal charge over a unit of vacant commercial land at GRN 29182, Lot 1672 Seksyen 41 in Bandar Kuala Lumpur, Daerah Kuala Lumpur as disclosed in Note 9.

24. DIVIDENDS

Dividends recognised by the Company:

	Group	
	2021 RM	2020 RM
In respect of the financial year ended 31 December 2020		
- First and final single-tier tax exempt dividend of 0.6473 sen per ordinary shares	3,562,564	-
In respect of the financial year ended 31 December 2019		
- First and final single-tier tax exempt dividend of 0.1771 sen per ordinary shares	-	920,032
	3,562,564	920,032

The Company does not recommend any dividend in respect of the current financial year.

NOTES TO THE FINANCIAL STATEMENTS
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25. RELATED PARTIES

(a) Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have related party relationships with their ultimate holding company, subsidiaries, associate, key management personnel and related parties. Related parties refer to companies in which certain Directors of the Company have substantial financial interests and/or are also Directors of the companies.

(b) Related party transactions

The related party balances are shown in Notes 16 and 22 respectively. The related party transactions of the Company are shown below.

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Transactions with subsidiaries				
Advances from	-	-	1,015,549	3,099,728
Dividend income	-	-	(8,000,000)	(17,000,000)
Interest charges	-	-	8,214,726	8,350,093
Lease of motor vehicles	-	-	51,459	195,184
Management fees charged	-	-	683,957	837,784
Management fees income	-	-	(488,785)	(1,212,328)
Repayment from/(Advances to)	-	-	4,623,525	(5,800,603)
Share-based payments	-	-	-	429,507
Transaction with an associate				
Repayment from	-	32,879	-	32,879

(c) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directly and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise Directors of the Group and of the Company, and certain senior management personnel of the Group and of the Company.

The Directors' remuneration during the financial year has been disclosed in Note 5(b). The remuneration paid to certain senior management personnel during the financial year is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Short-term employee benefits	2,009,383	1,973,481	910,610	967,921
Post-employment benefits	253,372	130,549	-	36,720
	2,262,755	2,104,030	910,610	1,004,641

NOTES TO THE FINANCIAL STATEMENTS
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26. OPERATING SEGMENTS

The Group prepares the following segment information in accordance with *MFRS 8 Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Managing Director for the purpose of making decisions about resource allocation and performance assessment.

(a) General information

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(b) Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transactions between reportable segments are measured on the basis that is similar to those external customers.

Segment profit or loss is profit earned or loss incurred by each segment without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reportable segment statements of comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

(i) Business segments

The Group comprises the following main business segments:

Facilities Management	Provision of facilities operations, maintenance and management and engineering services, facilities consultancy and advisory, facilities management services
Concession Arrangements	Construction and maintenance of facilities and infrastructure
Others	Investment holding, fund raising, rendering group management and administrative services

(ii) Geographical segments

The activities of the Group are carried out in Malaysia and accordingly no segmental reporting by geographical location is presented.

(iii) Major customer information

The following is major customer with revenue equal or more than 10% of the Group's total revenue.

	Revenue		Segment
	2021 RM	2020 RM	
Customer A	42,684,550	43,407,139	Concession Arrangements
Customer B	25,649,427	-	Facilities Management
	68,333,977	43,407,139	

The Group has 2 (2020: 1) customers contributed RM68,333,977 (2020: RM43,407,139), which represented 55% (2020: 37%) of the Group's revenue during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
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26. OPERATING SEGMENTS (CONT'D)

	Note	Facilities management RM	Concession arrangements RM	Others RM	Adjustments and eliminations RM	Total RM
2021						
Profit or loss						
Revenue from external customers		81,439,419	44,593,017	-	(1,908,467)	124,123,969
Inter-segment revenue	A	6,054,986	-	13,389,077	(19,444,063)	-
Total revenue		87,494,405	44,593,017	13,389,077	(21,352,530)	124,123,969
Results:						
Amortisation of intangible assets		-	-	-	(1,216,100)	(1,216,100)
Depreciation of property, plant and equipment		(1,336,071)	-	(138,069)	-	(1,474,140)
Employee benefits expense		(19,285,336)	-	(5,089,721)	-	(24,375,057)
Expenses relating to short-term leases		(429,205)	-	(74,139)	51,459	(451,885)
Expenses relating to leases of low value assets		(64,136)	-	(26,912)	-	(91,048)
Gain on disposal of property, plant and equipment		70,003	-	-	-	70,003
Impairment loss on trade receivables		(790,385)	-	-	-	(790,385)
Interest expense		(606,009)	(8,974,787)	(19,708,258)	8,214,726	(21,074,328)
Interest income		130,261	305,537	8,666,788	(8,214,726)	887,860
Rental income		70,959	-	-	(51,459)	19,500
Reversal of impairment loss on trade receivables		490,342	-	33,523	-	523,865
Share of results of an associate, net of tax		-	-	-	5,456	5,456
Segment profit/(loss) before tax		13,683,079	29,353,116	(6,183,981)	(18,419,111)	18,433,103
Tax expense		(1,996,900)	(7,101,554)	(75,185)	749,896	(8,423,743)
Profit/(loss) for the financial year		11,686,179	22,251,562	(6,259,166)	(17,669,215)	10,009,360
Assets						
Additions to non-current assets		747,737	-	27,980	-	775,717
Operating financial asset		-	311,840,592	-	23,233,915	335,074,507
Intangible assets		-	-	-	23,201,717	23,201,717
Investment in an associate		-	-	50,225	18,483	68,708
Other segment assets	B	97,374,847	45,537,880	351,089,817	(341,006,403)	152,996,141
		98,122,584	357,378,472	351,168,022	(294,552,288)	512,116,790
Segment liabilities	C	68,560,920	193,665,399	279,790,561	(154,881,222)	387,135,658

NOTES TO THE FINANCIAL STATEMENTS
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26. OPERATING SEGMENTS (CONT'D)

	Note	Facilities management RM	Concession arrangements RM	Others RM	Adjustments and eliminations RM	Total RM
2020						
Profit or loss						
Revenue from external customers		74,123,248	45,246,482	-	(1,839,343)	117,530,387
Inter-segment revenue	A	5,825,756	-	22,659,370	(28,485,126)	-
Total revenue		79,949,004	45,246,482	22,659,370	(30,324,469)	117,530,387
Results:						
Amortisation of intangible assets		-	-	-	(1,216,100)	(1,216,100)
Bad debt written off		(81,185)	-	-	-	(81,185)
Depreciation of property, plant and equipment		(1,512,373)	-	(130,622)	-	(1,642,995)
Employee benefits expense		(21,101,197)	-	(5,955,615)	-	(27,056,812)
Expenses relating to short-term leases		(105,854)	-	(221,584)	191,178	(136,260)
Expenses relating to leases of low value assets		(78,204)	-	(27,712)	-	(105,916)
Gain on disposal of property, plant and equipment		80,772	-	-	-	80,772
Impairment losses on trade receivables		(267,624)	-	-	-	(267,624)
Impairment losses on other receivables		-	-	(107,655)	-	(107,655)
Interest expense		(879,700)	(10,643,696)	(19,774,537)	7,832,255	(23,465,678)
Interest income		240,226	458,042	8,926,942	(8,350,093)	1,275,117
Rental income		195,184	-	-	(195,184)	-
Reversal of impairment loss on trade receivables		37,191	-	-	-	37,191
Share of results of an associate, net of tax		-	-	-	(20,135)	(20,135)
Segment profit before tax		8,263,323	28,570,170	2,129,900	(21,230,470)	17,732,923
Tax expense		(2,646,525)	(6,891,708)	(311,657)	679,730	(9,170,160)
Profit for the financial year		5,616,798	21,678,462	1,818,243	(20,550,740)	8,562,763
Assets						
Additions to non-current assets		451,254	-	59,409	-	510,663
Operating financial asset		-	320,803,487	-	25,142,382	345,945,869
Intangible assets		-	-	-	24,417,817	24,417,817
Investment in an associate		-	-	50,225	13,027	63,252
Other segment assets	B	85,502,463	41,746,828	351,417,506	(333,388,989)	145,277,808
		85,953,717	362,550,315	351,527,140	(283,815,763)	516,215,409
Segment liabilities	C	60,077,572	213,088,804	275,002,155	(146,432,818)	401,735,713

NOTES TO THE FINANCIAL STATEMENTS
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26. OPERATING SEGMENTS (CONT'D)

Note:

A Inter-segment revenues are eliminated on consolidation.

B Reconciliation of assets

	2021 RM	2020 RM
Segment assets	506,754,481	511,990,578
Deferred tax assets	20,070	256,162
Tax recoverable	5,342,239	3,968,669
	512,116,790	516,215,409

The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2021 RM	2020 RM
Investments in subsidiaries	(177,046,672)	(177,127,766)
Inter-companies assets	(163,959,731)	(156,261,223)
	(341,006,403)	(333,388,989)

C The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2021 RM	2020 RM
Deferred tax liabilities	9,078,509	9,828,405
Inter-segment liabilities	(163,959,731)	(156,261,223)
	(154,881,222)	(146,432,818)

NOTES TO THE FINANCIAL STATEMENTS
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27. FINANCIAL INSTRUMENTS

Categories of financial instruments

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Financial assets				
Amortised cost				
Operating financial asset	335,074,507	345,945,869	-	-
Trade and other receivables, net of GST refundable and prepayments	17,700,556	16,165,789	20,223,126	24,625,352
Deposits, cash and bank balances	79,285,394	73,377,766	2,526,880	1,502,647
	432,060,457	435,489,424	22,750,006	26,127,999
FVOCI				
Other investment	16,685,000	15,000,000	16,685,000	15,000,000
Financial liabilities				
Amortised cost				
Trade and other payables	20,813,300	16,552,492	123,656,194	122,601,427
Loans and borrowings	309,761,007	330,766,552	-	-
	330,574,307	347,319,044	123,656,194	122,601,427

Financial risks management objectives and policies

The Group's and the Company's activities are exposed to a variety of financial risks which include credit risk, interest rate risk and liquidity risk. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

Risk management is integral to the whole business of the Group and of the Company. Management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

There have been no changes to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risk.

(i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Group's exposure to credit risk arises principally from receivables (which consist of trade receivables, other receivables and amount owing by an associate) and contract assets. The Company's exposure to credit risk arises principally from receivables (which consist of other receivables, amount owing by subsidiaries and amount owing by an associate) and contract assets. There are no significant changes as compared to prior periods. For other financial assets (including deposits, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial risks management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Trade receivables, operating financial asset and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Group's and the Company's associations to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Group and the Company assess whether any of the trade receivables, operating financial asset and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables, operating financial asset and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. Nevertheless, receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk from trade receivables, operating financial asset and contract assets are represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

The Group and the Company determine concentration of credit risk by monitoring the profiles of its receivables on an ongoing basis.

As at 31 December 2021, the Group has significant concentration of credit risk arising from the amount owing by 3 customers (2020: 2 customers) constituting 70% (2020: 35%) of gross trade receivables and contract assets of the Group.

Recognition and measurement of impairment loss

The Group and the Company apply the MFRS 9 simplified approach to measure Expected Credit Losses ("ECL") which uses a lifetime expected loss allowance for trade receivables, operating financial assets and contract assets respectively.

The Group and the Company assess impairment of trade receivables, operating financial asset and contract assets on individual basis.

For individual assessment, it is due to the number of debtors is minimal and these debtors can be individually managed by the Group in an effective and efficient manner. The Group has reasonable and supportable information available to assess the impairment individually. All these customers have low risk of default.

Consistent with the debt recovery process, invoices which are past due more than 120 days will be considered as credit impaired.

The following table provides information about the exposure to credit risk and ECLs for trade receivables, operating financial asset and contract assets as at reporting date which are grouped together as they are expected to have similar risk nature.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Trade receivables, operating financial asset and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

	Gross carrying amount RM	Loss allowances RM	Net balance RM
Group			
2021			
Trade receivables			
Neither past due nor impaired	11,046,559	-	11,046,559
Past due but not impaired:			
1 to 30 days	2,529,308	-	2,529,308
31 to 60 days	1,503,788	-	1,503,788
61 to 90 days	538,911	-	538,911
91 to 120 days	1,536	-	1,536
More than 120 days	424,327	-	424,327
	4,997,870	-	4,997,870
Credit impaired:			
Individually impaired	1,007,969	(1,007,969)	-
	17,052,398	(1,007,969)	16,044,429
Neither past due nor impaired:			
Operating financial asset	335,074,507	-	335,074,507
Contract assets	13,820,727	-	13,820,727
Total	365,947,632	(1,007,969)	364,939,663
2020			
Neither past due nor impaired	4,895,635	-	4,895,635
Past due but not impaired:			
1 to 30 days	1,063,850	-	1,063,850
31 to 60 days	1,739,484	-	1,739,484
61 to 90 days	972,183	-	972,183
91 to 120 days	972,594	-	972,594
More than 120 days	4,451,451	-	4,451,451
	9,199,562	-	9,199,562
Credit impaired:			
Individually impaired	3,108,612	(3,108,612)	-
	17,203,809	(3,108,612)	14,095,197
Neither past due nor impaired:			
Operating financial asset	345,945,869	-	345,945,869
Contract assets	14,768,362	-	14,768,362
Total	377,918,040	(3,108,612)	374,809,428

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Trade receivables, operating financial asset and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

The gross carrying amounts of credit impaired trade receivables, operating financial asset and contract assets are written off when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

Receivables that are past due but not impaired

The Group and the Company have not provided impairment for the trade receivables, operating financial asset and contract assets as there has been no significant change in their credit quality and the amounts are still considered recoverable which are not past due for more than 120 days. These relate to a several independent customers for whom there is no recent history of default.

Credit impaired

Receivables that are individually determined to be credit impaired at the financial year end relate to debtors who are in significant financial difficulties and have defaulted on payments.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below.

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 January	3,108,612	2,878,179	-	-
Additions	790,385	267,624	-	-
Reversal	(523,865)	(37,191)		
Written off	(2,367,163)	-	-	-
At 31 December	1,007,969	3,108,612	-	-

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

Other receivables and deposits

Expected credit loss of other receivables and deposits are determined individually after considering the financial strength of the other receivables. As at the end of the reporting period, the maximum exposure to credit risks is represented by their carrying amounts in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Trade receivables, operating financial asset and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

Other receivables and deposits (cont'd)

The Group and the Company have provided allowances for expected credit losses on these amounts as disclosed as follow:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 January	110,565	2,910	107,655	-
Addition	-	107,655	-	107,655
At 31 December	110,565	110,565	107,655	107,655

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Intercompany loans between the Company and the subsidiaries are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date.

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

The Company determines the probability of default for these loans and advances individually using internal information available.

The Company monitors the results of the subsidiaries regularly. As at the end of the reporting period, there was no indication that the advances to subsidiaries are not recoverable.

Financial guarantee

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Group and the Company monitor the ability of the subsidiaries to service their loans on an individual basis.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Financial guarantee (cont'd)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Company amounted to RM156,097,186 (2020: RM153,100,050) representing the outstanding banking facility of the subsidiary as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiary secured loans.

Recognition and measurement of impairment loss

These financial guarantees are subject to the impairment requirement under MFRS 9.

The Company assumes that there is a significant increase in credit risk when the subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligations to the bank in full.

The Company determines the probability of default of the guaranteed loans individually using internal information available. As at the end of the reporting period, there was no indication that the subsidiary which was granted the loan facility (Note 23) would default on repayment. Hence, the financial guarantee granted by the Company has not been recognised since the fair value on initial recognition was not material.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to its overall debt position to meet their working capital requirement.

The Group and the Company practice prudent risk management by maintaining sufficient cash balances.

NOTES TO THE FINANCIAL STATEMENTS
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27. FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

Maturity analysis

The table below show summaries of the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	Between 1 - 2 years RM	Between 2 - 5 years RM	More than 5 years RM
Group						
2021						
Trade and other payables	20,813,300	20,813,300	20,813,300	-	-	-
Bank overdrafts	1,985,533	1,985,533	1,985,533	-	-	-
Medium-term notes	151,134,896	263,911,891	10,607,500	10,607,500	42,459,062	200,237,829
Lease liabilities	618,698	675,290	231,711	141,661	225,791	76,127
Term loans	151,994,136	181,194,033	31,887,910	29,634,389	81,034,373	38,637,361
Revolving credit	4,027,744	4,027,744	4,027,744	-	-	-
	330,574,307	472,607,791	69,553,698	40,383,550	123,719,226	238,951,317
2020						
Trade and other payables	16,552,492	16,552,492	16,552,492	-	-	-
Bank overdrafts	2,713,421	2,713,421	2,713,421	-	-	-
Medium-term notes	150,248,861	274,519,391	10,607,500	10,607,500	42,459,062	210,845,329
Lease liabilities	904,693	953,568	592,716	245,371	115,481	-
Term loans	176,899,577	214,794,207	34,286,135	31,922,468	85,160,623	63,424,981
	347,319,044	509,533,079	64,752,264	42,775,339	127,735,166	274,270,310

27. FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

Maturity analysis (cont'd)

The table below show summaries of the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments: (cont'd)

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	Between 1 - 2 years RM	Between 2 - 5 years RM	More than 5 years RM
Company						
2021						
Trade and other payables	123,656,194	184,059,050	10,987,960	10,000,000	36,000,000	127,071,090
Financial guarantees *	-	156,097,186	156,097,186	-	-	-
	123,656,194	340,156,236	167,085,146	10,000,000	36,000,000	127,071,090
2020						
Trade and other payables	122,601,427	191,217,720	10,146,630	8,000,000	34,000,000	139,071,090
Financial guarantees *	-	153,100,050	153,100,050	-	-	-
	122,601,427	344,317,770	163,246,680	8,000,000	34,000,000	139,071,090

* This liquidity risk exposure is included for illustration purpose only as the related financial guarantees have not crystalised.

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31 DECEMBER 2021

27. FINANCIAL INSTRUMENTS (CONT'D)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policies are to obtain the most favourable interest rates available.

In respect of interest-bearing financial assets and liabilities, the effective interest rates at the reporting date and the period, in which they re-price or mature, whichever is earlier are disclosed in Notes 18 and 23.

Exposure in interest rate risk

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Floating rate instruments				
Financial asset				
Deposits with licensed banks	48,870,021	46,252,095	1,474,804	1,455,295
Financial liabilities				
Loans and borrowings				
- Bank overdrafts	(1,985,533)	(2,713,421)	-	-
- Revolving credit	(4,027,744)	-	-	-
- Term loans	(151,994,136)	(176,899,577)	-	-
	(109,137,392)	(133,360,903)	1,474,804	1,455,295

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis on the floating rate instruments to a reasonably possible change in the interest rate as at the end of the reporting period would have increased/(decreased) the results after tax and equity with all other variables held constant:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Effect on (decrease)/increase on results after tax/equity				
Increase of 100 (2020:100) basis points	(829,444)	(1,013,543)	11,209	11,060
Decrease of 100 (2020:100) basis points	829,444	1,013,543	(11,209)	(11,060)

Interest rate sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
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28. FAIR VALUE INFORMATION

The aggregate fair values and the carrying amounts of other financial assets and liabilities carried on the statements of financial position as at 31 December are as below:

Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values

The carrying amount of deposits, cash and bank balances, short-term receivables, payables and short-term borrowings are reasonably approximate to their fair values due to relatively short-term nature of these financial instruments.

The carrying amounts of long-term floating rate term loans are reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

There was no material transfer between Level 1, Level 2 and Level 3 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
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28. FAIR VALUE INFORMATION (CONT'D)

The following table provides the fair value measurement hierarchy of the Group's and of the Company's assets and liabilities:

	Carrying Amount RM	Fair value of financial assets carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Fair value of financial assets not carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group									
2021									
Financial assets									
Operating financial asset (Non-current)	302,766,079	-	-	-	-	-	-	302,766,079	302,766,079
Other investment	16,685,000	-	-	16,685,000	16,685,000	-	-	-	-
Financial liabilities									
Medium-term notes (Non-current)	150,176,335	-	-	-	-	-	-	150,176,335	150,176,335
2020									
Financial assets									
Operating financial asset (Non-current)	312,522,869	-	-	-	-	-	-	312,522,869	312,522,869
Other investment	15,000,000	-	-	15,000,000	15,000,000	-	-	-	-
Financial liabilities									
Medium-term notes (Non-current)	149,362,826	-	-	-	-	-	-	149,362,826	149,362,826
Company									
2021									
Financial asset									
Other investment	16,685,000	-	-	16,685,000	16,685,000	-	-	-	-
2020									
Financial asset									
Other investment	15,000,000	-	-	15,000,000	15,000,000	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

28. FAIR VALUE INFORMATION (CONT'D)

Level 3 fair value

Fair value of financial instruments carried at fair value

The fair value measurement of the unquoted equity investment in HSSB is disclosed in Note 14. In the previous financial year, the investment in unquoted equity securities is carried at cost and this is considered to be appropriate estimate of fair value.

Fair value of assets not carried at fair value

(a) The fair value of operating financial asset is determined using the discounted cash flows method based on discount rates that reflects the Group's borrowing rate as at the end of the reporting period.

(b) The fair value of medium-term notes is determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

29. CAPITAL MANAGEMENT

The Group and the Company manage their capital to ensure the Group and the Company will maintain an optimal capital structure so as to support the businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares. No changes were made in the objectives, policies and processes during the financial year ended 31 December 2021 and 31 December 2020.

Under the terms of the borrowing facilities as disclosed in Note 23, the Group is required to comply with the following financial covenant:

(i) The subsidiaries of the Company, DHSB and KPMD are required to maintain a Finance Service Cover Ratio ("FSCR") of at least 1.25 times for so long as any Sukuk Wakalah of DHSB remains outstanding and 1.5 times after the dividend distribution by KPMD is made respectively. As at the end of the reporting period, the FSCR of DHSB and KPMD are 1.83 times and 2.22 times respectively;

(ii) KPMD is required to maintain the debt-to-equity ratio of not more than 90:10 at all times; and

(iii) A subsidiary of the Company, GFMSB is required to maintain gearing ratio of not exceeding 1.0 time, a Debt Servicing Coverage Ratio ("DSCR") of not less than 1.0 time and tangible net worth of not less than RM31,000,000 throughout the duration of the term loan facilities;

As at the reporting date, the Group is in compliance with certain of the externally imposed capital requirements as mentioned above, except for certain financial covenants as disclosed in Note 29(iii) above. The Directors are in view that the exposure to the Group is immaterial and the Group has sufficient available cash and bank balances to meet their financial obligations as and when they fall due.

The Group and the Company monitor capital using gearing ratio, which is net debts divided by total capital plus net debts. Net debts include external borrowings and lease liabilities less deposits, cash and bank balances. Total capital is the equity attributable to the Owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

29. CAPITAL MANAGEMENT (CONT'D)

The gearing ratio of the Group and of the Company as at the end of the reporting period were as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Loans and borrowings	309,761,007	330,766,552	-	-
Less: Deposits, cash and bank balances	(79,285,394)	(73,377,766)	(2,526,880)	(1,502,647)
Net debt	230,475,613	257,388,786	(2,526,880)	(1,502,647)
Total equity	124,981,132	114,479,696	79,760,970	82,422,383
Total equity plus net debt	355,456,745	371,868,482	77,234,090	80,919,736
Gearing ratio (times)	0.65	0.69	*	*

* Not meaningful to disclose negative gearing ratio

30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Proposed subscription of Highbase Strategic Sdn. Bhd.'s Shares, RCPS and Call Option Subscription

On 17 December 2019, the Company announced that the Company, Noor Jasni Zakaria and Norliza Mohd ("Vendors") and Highbase Strategic Sdn. Bhd. ("HSSB") had entered into a Memorandum of Agreement ("MOA") to regulate their relationship, rights, duties and obligations pertaining to the matters stipulated in the MOA and based on the terms and conditions of this MOA. On 30 December 2019, the Company announced that the parties to the definitive agreements dated 17 December 2019 had, on 27 December 2019, entered into supplemental agreements, namely Supplemental Agreement to the MOA and Supplemental Agreement to the HSSB RCPS SA to amend the clauses of the definitive agreements.

The Company entered into a Subscription Agreement of Shares in HSSB ("HSSB Shares Subscription Agreement") with HSSB for the subscription of 2,882,352 new ordinary shares of HSSB, representing approximately 49% stake in HSSB for a cash consideration of RM1.00 per share.

On 21 July 2021, the Company has entered into the Second Supplementary HSSB RCPS Subscription Agreement with HSSB for the proposed subscription up to RM5 million of additional HSSB RCPS, based on the subscription price of RM1.00 per RCPS. This proposed subscription will enable the Group to further participate and be entitled to the future recurring income and cash flow streams from the dividend of 6% per annum of additional HSSB RCPS over the tenure of the additional HSSB RCPS. If this additional HSSB RCPS is not redeemed prior to 1 May 2024, it will be automatically converted to HSSB Shares based on the conversion ratio which will be determined and reported by KAF Investment Bank Berhad ("KAF IB"), principal adviser to the Company for the proposed additional subscription. This will further increase the equity stake of the Group in HSSB.

As at the date of authorisation of these financial statements, the Group and the Company has yet to complete the subscription of shares in HSSB.

HSSB was incorporated in 2003 with paid-up share capital of RM3,000,000. The issued and paid-up share capital shall be increased from RM3,000,000 to RM5,882,352 upon the subscription of the new ordinary shares by the Company. The principal activities of HSSB are the provision of engineering services for the Oil & Gas ("O&G") industry, including cleaning, repair and maintenance services of storage tanks, pressure vessels and heat exchangers in Malaysia, among others.

In addition, the Company entered into RCPS SA with HSSB for the proposed subscription of a minimum of 15 million and up to 20 million RCPS in HSSB for RM15 million and up to RM20 million, based on the issue price of RM1.00 per RCPS. The said RCPS SA was deemed completed on 2 November 2020.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(a) Proposed subscription of Highbase Strategic Sdn. Bhd.'s Shares, RCPS and Call Option Subscription (cont'd)

Further, the Company entered into a Call Option Agreement ("COA") with the Vendors whereby pursuant to the completion of HSSB Shares Subscription Agreement, the Company shall be entitled to exercise the call option ("Call Option") to acquire up to 117,648 HSSB shares from any of the Vendors at an exercise price of RM0.51 per HSSB share, whereupon the Company is expected to hold at least 51% of shareholding in HSSB after the exercise of the Call Option.

As at the date of authorisation of these financial statements, the Company has completed the condition precedents as stipulated in the MOA and Supplemental Agreement to the MOA.

(b) Proposed acquisition of up to 70% equity interest in Amzass (M) Sdn. Bhd.

On 7 September 2020, the Company announced it had entered into a HOA with Hamzah bin Omar, Mohd Ismail bin Norbat and Mazlan bin Ali relating to proposed acquisition of 70% equity interest in Amzass (M) Sdn. Bhd. ("Amzass") by the Company.

Upon completion of the JVA, a JV Company ("JVC") will be incorporated. The shareholdings of the Company and Amzass in the JVC will be 40% and 60% respectively. Following the JVA, the Company and Amzass also entered into an Options Agreement, which grants the Company right to exercise the call option to acquire an additional 30% stakeholdings of JVC. Each Option Share price shall be at RM1,652,000.

Further details are disclosed in Note 16(d).

(c) Private placement of up to 20% of the total number of issued shares ("Private Placement")

On 9 April 2021, the Company proposed to undertake a private placement of up to 20% of the total number of issued shares of the Company to third party investors to be identified later, at issued price to be determined and announced later.

The details of the private placement during the financial year are disclosed in Note 19 to the financial statements.

Subsequently on 15 April 2022, the Company announced that issuance of 25,000,000 new ordinary shares of RM0.1881 per share totaling RM4,702,500 pursuant to a private placement.

(d) Coronavirus (COVID-19) outbreak

The Coronavirus (COVID-19) outbreak was identified in Wuhan, China in December 2019. The World Health Organisation ("WHO") has declared the outbreak a Public Health Emergency of International Concern on 30 January 2020 and subsequently WHO declared the COVID-19 outbreak as global pandemic on 11 March 2020.

Following the WHO's declaration, Malaysia Government had on 16 March 2020 imposed the Movement Control Order ("MCO") starting from 18 March 2020 to restrain the spread of COVID-19 outbreak in Malaysia. Throughout the MCO, most businesses were not allowed to operate, except those categorised as "Essential Services". Since then, various of the MCO had been imposed and various phases of the National Recovery Plan had been imposed in different states as at the date of this report.

Upon the implementation of MCO, the Group's operations were not severely affected as it has been categorised as essential services and were allowed to operate while adhering to the standard operating procedures and directives issued by the Malaysian Government.

Due to this unprecedented occurrence, up to the date on which this set of financial statements were authorised for issue, the Group will continue to monitor the development of the COVID-19 situation closely, assess and react actively to its impact on the financial position and operating results of the Group. Since the Group has been categorised as essential services, the management does not expect significant impact to the Group's business operations.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

31. SUBSEQUENT EVENT

Proposed joint venture with Jua Juara Sdn. Bhd.

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

Pursuant to the HOA, the Company and JJSB shall use their best endeavours to negotiate exclusively and to enter into a Joint Venture Agreement ("JVA") relating to the Proposed Joint Venture within six (6) months from the date of the HOA ("Stop Date").

The execution of the JVA between the Company and JJSB pursuant to Clause 2.1 of the HOA is conditional upon the satisfaction of the following conditions:

(a) JJSB has submitted the following applications to the relevant authorities for purposes of the Project:
(i) an application to convert the land use of the Land from "agriculture" to "commercial"; and
(ii) an application for levelling/filling of the Land.
(b) The Company has submitted an application to the Malaysian Highway Authority to obtain the relevant approvals for the Project.

As at the date of authorisation of these financial statements, the conditions precedent as set out in the HOA have yet to be fulfilled.

32. COMPARATIVE FIGURES

In prior year, the cash and cash equivalents of the Company included the deposits pledged as security of RM300,000. The comparative figures have been reclassified to conform with the current year's presentation:

	As previously reported RM	As reclassified RM
Company		
2020		
Statements of Cash Flows		
Cash Flows from Investing Activities		
Changes in pledged deposits	-	(300,000)
Cash and cash equivalents at end of the financial year	1,502,647	1,202,647

LIST OF GROUP PROPERTIES HELD

Registered/ beneficial owner	Location	Brief description of Properties	Approximate Area	Existing Use	Tenure	Approximate age of Buildings	Net Book Value as at 31.12.2021	Year of Acquisition
Global Facilities Management Sdn. Bhd.	Geran 29182, Lot 1672, Section 41, Town of Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan	Land	742.321sqm	Vacant land	Freehold	23 years	6,174,000	22 September 2016
Global Facilities Management Sdn. Bhd.	Melawati Corporate Centre, Jalan Bandar Melawati, Taman Melawati, 53100 Kuala Lumpur	Office building		Office building	Freehold	4 years	8,502,206	26 January 2018
	A-3A-1 Plot M "Melawati Corporate Centre"		133.966sqm					
	A-3A-2 Plot M "Melawati Corporate Centre"		171.035sqm					
	A-3A-3 Plot M "Melawati Corporate Centre"		174.007sqm					
	A-3A-3A Plot M "Melawati Corporate Centre"		158.957sqm					
	A-5-2 Plot M "Melawati Corporate Centre"		171.035sqm					
	A-5-3 Plot M "Melawati Corporate Centre"		174.007sqm					

ANALYSIS OF SHAREHOLDINGS
AS AT 28 MARCH 2022

Issued and Paid-Up Share Capital	:	RM82,539,462.810
Number of Issued Shares	:	550,385,125 ordinary shares
Class of Shares	:	Ordinary shares
Number of Shareholders	:	9,937
Voting Rights	:	One (1) vote per ordinary share held

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 28 MARCH 2022

Size of Shareholdings	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
Less than 100	1,097	11.04	43,776	0.01
100 – 1,000	1,928	19.40	788,666	0.14
1,001 – 10,000	3,598	36.21	19,935,664	3.62
10,001 – 100,000	2,893	29.11	99,955,453	18.16
100,001 – 27,519,255*	417	4.20	155,012,159	28.16
27,519,256 and above**	4	0.04	274,649,407	49.90
TOTAL	**9,937**	**100.00**	**550,385,125**	**100.00**

Notes:-
* *Less than 5% of the issued and paid-up share capital.*
** *5% and above of the issued and paid-up share capital.*

DIRECTORS' SHAREHOLDINGS
AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 28 MARCH 2022

Name of Directors	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
Abdul Rahim Bin Abdul Hamid	-	-	-	-
Ashok Virendra Shah	60,000	0.01	-	-
Yong Hee Kong	60,000	0.01	-	-
Zainal Arifin Bin Khalid	60,000	0.01	-	-
Zainal Bin Amir	80,300,333	14.59	-	-
Mohammad Shahrizal Bin Mohammad Idris	87,248,730	15.85	-	-
Ruslan Bin Nordin	32,300,004	5.87	74,800,340*	13.59

Note:-
* *Deemed interested by virtue of his shareholdings in GFM Global Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.*

SUBSTANTIAL SHAREHOLDERS
AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 28 MARCH 2022

Name of Substantial Shareholders	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
GFM Global Sdn. Bhd.	74,800,340	13.59	-	-
Zainal Bin Amir	80,300,333	14.59	-	-
Mohammad Shahrizal Bin Mohammad Idris	87,248,730	15.85	-	-
Ruslan Bin Nordin	32,300,004	5.87	74,800,340*	13.59

Note:-
* *Deemed interested by virtue of his shareholdings in GFM Global Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.*

ANALYSIS OF SHAREHOLDINGS
AS AT 28 MARCH 2022

THIRTY (30) LARGEST SHAREHOLDERS AS AT 28 MARCH 2022

No. (%)	Name of Shareholders	No. of Shares	Percentage
1.	MOHAMMAD SHAHRIZAL BIN MOHAMMAD IDRIS	87,248,730	15.85
2.	ZAINAL BIN AMIR	80,300,333	14.59
3.	GFM GLOBAL SDN BHD	74,800,340	13.59
4.	RUSLAN BIN NORDIN	32,300,004	5.87
5.	TEH SWEE SEE	6,000,000	1.09
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEE KOK WAH	4,065,400	0.74
7.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HO KAT ANN (STA 2)	2,820,000	0.51
8.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOONG DING TONG (MY3120)	2,531,700	0.46
9.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SATVINDER SINGH	2,400,000	0.44
10.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUT FOR RAMESH KUMAR A/L NADASON (7005613)	2,100,000	0.38
11.	LIEW SEE KIM	2,064,800	0.38
12.	CHIN NYEK YUN	1,836,000	0.33
13.	LIM KA HUAT	1,826,000	0.33
14.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HOW KIM LIAN (HOW0113M)	1,800,000	0.33
15.	HO KAT SIN	1,800,000	0.33
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DAVID RASHID BIN GHAZALLI	1,700,000	0.31
17.	MAH LAI SEIN	1,582,000	0.29
18.	CALVIN ONG CHEE YANG	1,520,200	0.28
19.	HOW KIM LIAN	1,500,000	0.27
20.	ONG AIK KHOON	1,500,000	0.27
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN KOK HAN	1,415,900	0.26
22.	CHUA CHIN CHYANG	1,350,000	0.25
23.	HING FOH PAWNSHOP SDN. BHD.	1,300,000	0.24
24.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIRAJ BIN MOHAMED ISMAIL	1,300,000	0.24
25.	TAN POH HWA	1,167,800	0.21
26.	LIM KENG CHUAN	1,139,600	0.21
27.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAM YIN THING (MY4178)	1,110,000	0.20
28.	O & M REALTY SDN. BHD.	1,100,000	0.20
29.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	1,018,900	0.19
30.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHENG LING (7002620)	1,010,000	0.18
	TOTAL	**323,607,707**	**58.82**

GFM SERVICES BERHAD
[Registration No.: 201301003302 (1033141-H)]
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Ninth ("9th") Annual General Meeting of **GFM SERVICES BERHAD** ("the Company") will be conducted fully virtual from the Online Meeting Platform at **https://bit.ly/3JuhnDp** provided by HMC Corporate Services Sdn. Bhd. on **Thursday, 23 June 2022 at 10.00 a.m.** or any adjournment thereof for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon. — **Please refer to Note B**

2. To approve the payment of Directors' Fees and benefits payable up to an amount of RM1,349,000 for the period from 24 June 2022 until the next Annual General Meeting of the Company to be held in 2023. — **Ordinary Resolution 1**

3. To re-elect the following Directors who retire in accordance with Clause 98 of the Constitution of the Company and being eligible, offer themselves for re-election:-

   a) Mr. Ashok Virendra Shah — **Ordinary Resolution 2**
   b) Mr. Zainal Bin Amir — **Ordinary Resolution 3**

4. To re-appoint Messrs. Moore Stephens Associates PLT as Auditors of the Company for the ensuing year and authorise the Directors to fix their remuneration. — **Ordinary Resolution 4**

SPECIAL BUSINESS:

To consider and, if thought fit, pass with or without modifications, the following Resolution:-

5. **AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** — **Ordinary Resolution 5**

   "**THAT** pursuant to Sections 75 and 76 of the Companies Act, 2016 and the approvals of the relevant government and/or regulatory authorities, the Directors of the Company be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.

   AND THAT the Directors of the Company whether solely or jointly, be authorised to complete and do all such acts and things (including executing such relevant documents) as he/they may consider necessary, expedient or in the interest of the Company to give effect to the aforesaid mandate."

6. To transact any other business of the Company of which due notice shall have been given in accordance with the Constitution of the Company and the Companies Act, 2016.

By Order of the Board
GFM SERVICES BERHAD

WONG YOUN KIM
(MAICSA 7018778)
(SSM Practising Certificate No.: 201908000410)
Company Secretary

Kuala Lumpur
29 April 2022

NOTICE OF ANNUAL GENERAL MEETING

Notes:-

A. Appointment of Proxy

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy(ies) to attend and vote on his(her) behalf.
2. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at a meeting of a Company shall have the same rights as the member to speak at the meeting.
3. A member may appoint more than one (1) proxy to attend the same meeting. Where a member appoints two (2) or more proxies, he(she) shall specify the proportion of his(her) shareholdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in the one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The Form of Proxy shall be signed by the appointor or his(her) attorney duly authorised in writing or, if the member is a corporation, it must be executed under its common seal or by its duly authorised attorney or officers.
6. The instrument appointing a proxy must be deposited at the Registered Office of the Company, HMC Corporate Services Sdn. Bhd. at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time appointed for holding the meeting or adjourned meeting.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 June 2022 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/ or vote on his(her) behalf.

B. Audited Financial Statements for the financial year ended 31 December 2021

The Audited Financial Statements under Agenda 1 are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 for discussion only as the approval of shareholders is not required. Hence, this Agenda is not put forward for voting by the shareholders of the Company.

EXPLANATORY NOTES:-

Ordinary Resolution 1
– <u>Payment of Directors' Fees and benefits payable to Non-Executive Directors</u>

Pursuant to Section 230(1) of the Companies Act, 2016, the fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 9th Annual General Meeting on the Ordinary Resolution 1 on payment of Directors' Fees and benefits payable for the period from 24 June 2022 until the next Annual General Meeting of the Company to be held in 2023.

The Directors' Fees and benefits payable consist of:-

- Monthly fixed fee for duties as Director; and
- Meeting allowance for each Board / Board Committees' meeting attended.

The Directors' Fees and benefits payable are estimated not to exceed RM1,349,000. The calculation is based on the estimated number of scheduled Board / Board Committees' meetings and on assumption that the number of Directors will remain the same until the next Annual General Meeting in year 2023.

NOTICE OF ANNUAL GENERAL MEETING

Ordinary Resolution 5
– Authority for Directors to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016

The Ordinary Resolution 5 proposed under Item 5 above, if passed, is to give the Directors of the Company flexibility to issue and allot shares up to an amount not exceeding ten per centum (10%) of the Company's total number of issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

The Board is of the opinion that the issue and allot shares up to an amount not exceeding ten per centum (10%) is in the best interest of the Company.

This authority will expire at the conclusion of the next Annual General Meeting of the Company or at the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

The general mandate sought for issue of shares is a renewal of the mandate approved by the shareholders at the last Annual General Meeting held on 24 June 2021 which will lapse at the conclusion of this Annual General Meeting to be held on 23 June 2022.

As at the date of this Notice of the Annual General Meeting, a total of 54,400,000 Placement Shares have been issued and allotted in three (3) tranches, details of which are as follows:-

No.	Date of Allotment	Total Number of Private Placement	Proceeds (RM)
1.	2 June 2021	17,000,000	3,920,200
2.	12 July 2021	12,400,000	2,549,440
3.	13 April 2022	25,000,000	4,702,500
TOTAL		**54,400,000**	**11,172,140**

The status of the utilisation of proceeds raised from the Proposed Private Placement is as follows:-

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

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. The 9th Annual General Meeting of the Company will be conducted fully virtual from the Online Meeting Platform at https://bit.ly/3JuhnDp provided by HMC Corporate Services Sdn. Bhd. on Thursday, 23 June 2022 at 10.00 a.m.

2. The Directors who are standing for re-election at the 9th Annual General Meeting of the Company pursuant to Clause 98 of the Constitution of the Company are:-

   a) Mr. Ashok Virendra Shah
   b) Mr. Zainal Bin Amir

   The details of the above Directors seeking for re-election are set out in the Profile of Directors as disclosed on pages 32 and 35 of the Annual Report 2021.

3. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 31 December 2021 are disclosed in the Corporate Governance Overview Statement set out on page 41 of the Annual Report 2021.

4. The statement relating to the general mandate for authority to issue and allot shares is set out in the Explanatory Notes to the Notice of the 9th Annual General Meeting on page 164 of the Annual Report 2021.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADMINISTRATIVE GUIDE

IN RESPECT OF THE NINTH ANNUAL GENERAL MEETING ("9TH AGM") TO BE HELD VIA AN ONLINE PLATFORM

DATE:	TIME:	FULLY VIRTUAL VIA ONLINE MEETING PLATFORM:
Thursday, 23 June 2022	10.00 a.m.	https://bit.ly/3JuhnDp

GENERAL MEETING RECORD OF DEPOSITORS

1. In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 June 2022 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the AGM or appoint proxy(ies) to attend and/or vote on his(her) behalf.

PROXY

2. A member entitled to participate and vote remotely at the AGM using the Virtual Meeting Facilities is entitled to appoint proxy/proxies, to participate and vote instead of him. If you are unable to attend the meeting and wish to appoint a proxy to vote on your behalf, please submit your Proxy Form in accordance with the notes and instructions set out hereunder.

3. Alternatively, if a shareholder is unable to attend the AGM via Virtual Meeting Facilities on 23 June 2022, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

4. The instrument appointing a proxy must be deposited at the Registered Office of the Company, HMC Corporate Services Sdn. Bhd. at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time appointed for the taking of poll at the meeting or adjourned meeting, **not later than Wednesday, 22 June 2022 at 10.00 a.m. The appointed proxy(ies) must register themselves via the Registration Link in Item 10 below.**

POLL VOTING

5. The voting at the AGM will be conducted by poll in accordance with Clause 73 of the Constitution of the Company. The Company has appointed **HMC CORPORATE SERVICES SDN. BHD.** as Poll Administrator to conduct the poll by way of online voting and **U SEARCH MANAGEMENT SERVICES** as Scrutineers to verify the poll results.

6. Shareholders can proceed to vote on the resolutions and submit your votes at any time from the commencement of the AGM at 10.00 a.m. and before the end of the voting session which will be announced by the Chairman of the meeting. The Online Voting link will be displayed in the Chat Box upon the commencement of the meeting. The QR Code for the Online Voting will also display on the screen upon the commencement of the voting session. Upon completion of the voting session for the AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

VIRTUAL MEETING FACILITIES

7. We would like to invite the Shareholders to participate and vote remotely at the AGM using the Virtual Meeting Facilities. Please refer to Item 10 on the registration link.

8. **For the appointed Corporate Representatives representing the Corporate Shareholders, please register yourself via the Registration Link** provided below to provide the following documents to HMC Corporate Services Sdn. Bhd. **not later than Wednesday, 22 June 2022 at 10.00 a.m.**

   (a) Original certificate of appointment of its Corporate Representative under the seal of the corporation; and

   (b) Corporate Representative's e-mail address and hand-phone number.

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9. For the beneficiary of the shares under a Nominee Company's CDS account who wishes to use the Virtual Meeting Facility at the AGM may request its Nominee Company to appoint him/her as proxy to participate and vote remotely at the AGM via the Virtual Meeting Facilities, please submit the duly executed proxy form to HMC Corporate Services Sdn. Bhd. **not later than Wednesday, 22 June 2022 at 10.00 a.m. and register yourself via the Registration Link below.**

10. Please follow the following steps to be taken for participating and voting via the Virtual Meeting Facilities:-

BEFORE THE AGM		
(a)	**REGISTRATION**	• Please click on the following link to register yourself as Shareholder / Proxy / Corporate Representative / Beneficiary Owner of an Exempt Nominee for verification of attendance purpose. Registration Link: https://bit.ly/3JuhnDp
(b)	**CONFIRMATION ATTENDANCE**	• Upon verification, the participation link will be sent to you via email.
(c)	**SUBMISSION OF QUESTIONS**	• You may submit any questions online by scanning the QR Code below or via https://bit.ly/3oNT6QF and to submit your questions accordingly:-
ON THE AGM DAY		
(d)	**PARTICIPATION**	• To participate in the meeting, click on the participation link which was provided to you via email, at least 15 minutes before the commencement of meeting at 10.00 a.m. on 23 June 2022. • If you have any questions to be raised during the meeting, you may submit it by using the Q&A box. • The Chairman/Board of Directors will address the questions submitted prior or during the meeting accordingly.
(e)	**ONLINE VOTING**	• Upon the commencement of the meeting, the link to the online voting will be displayed in the Chat Box of the Virtual Meeting Room. • Members or proxies may commence voting from 10.00 a.m. on 23 June 2022 until such time when the Chairman announces the closing of the voting session. • After the counting of votes, the Chairman will announce the poll results.
(f)	**CLOSURE**	The AGM will be closed upon the announcement by the Chairman.

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NO DOOR GIFT

There will be no distribution of door gifts for the participation of the AGM.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the AGM.

ENQUIRY

If you have any enquiry or require any assistance before or during the AGM, please contact the following during office hours from 9.00 a.m. to 5.00 p.m. (Mondays to Fridays):-

HMC CORPORATE SERVICES SDN. BHD.
[Registration No.: 198201003810 (83556-P)]
Level 2, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur.
Tel : 603-2241 5800
Mobile/WhatsApp: 017-388 3989
Fax : 603-2282 5022
Email : office365support@hmc.my
Contact Person: HMC Virtual Meeting Administrator

FORM OF PROXY

GFM SERVICES BERHAD
[Registration No.: 201301003302 (1033141-H)]
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares Held	

I/We ________________________________ NRIC/Passport/Company No. ______________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

Telephone No. ____________________ Email Address ________________________ being a member / members of GFM SERVICES BERHAD hereby appoint:-

FIRST PROXY

Full Name (in Block):	**NRIC/Passport No.:**	**Proportion of Shareholdings**	
		No. of Shares	**Percentage (%)**
Telephone No.:	**Email:**		
Full Address:			

If you wish to appoint a second proxy, this section must also be completed.

SECOND PROXY

Full Name (in Block):	**NRIC/Passport No.:**	**Proportion of Shareholdings**	
		No. of Shares	**Percentage (%)**
Telephone No.:	**Email:**		
Full Address:			

or failing whom, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Ninth (9^{th}) Annual General Meeting of **GFM SERVICES BERHAD** ("the Company") will be conducted fully virtual from the Online Meeting Platform at **https://bit.ly/3JuhnDp** provided by HMC Corporate Services Sdn. Bhd. on **Thursday, 23 June 2022 at 10.00 a.m.**, or any adjournment thereof.

My/Our proxy(ies) is(are) to vote as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	**ORDINARY RESOLUTION 1** To approve the payment of Directors' Fees and benefits payable up to an amount of RM1,349,000 for the period from 24 June 2022 until the next Annual General Meeting of the Company to be held in 2023.		
2.	**ORDINARY RESOLUTION 2** To re-elect Mr. Ashok Virendra Shah as the Director who retires in accordance with Clause 98 of the Constitution of the Company.		
3.	**ORDINARY RESOLUTION 3** To re-elect Mr. Zainal Bin Amir as the Director who retires in accordance with Clause 98 of the Constitution of the Company.		
4.	**ORDINARY RESOLUTION 4** To re-appoint Messrs. Moore Stephens Associates PLT as Auditors of the Company for the ensuing year and authorise the Directors to fix their remuneration.		
5.	**ORDINARY RESOLUTION 5** Authority for Directors to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016.		

[Please indicate with (X) in the spaces provided how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his(her) discretion.]

Dated this ____________ day of ____________, 2022.

____
Signature of Member / Common Seal

Notes:-

Appointment of Proxy

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy(ies) to attend and vote on his(her) behalf.
2. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at a meeting of a Company shall have the same rights as the member to speak at the meeting.
3. A member may appoint more than one (1) proxy to attend the same meeting. Where a member appoints two (2) or more proxies, he(she) shall specify the proportion of his(her) shareholdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in the one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The Form of Proxy shall be signed by the appointor or his(her) attorney duly authorised in writing or, if the member is a corporation, it must be executed under its common seal or by its duly authorised attorney or officers.
6. The instrument appointing a proxy must be deposited at the Registered Office of the Company, HMC Corporate Services Sdn. Bhd. at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time appointed for holding the meeting or adjourned meeting.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 June 2022 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/ or vote on his(her) behalf.

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AFFIX
STAMP

The Company Secretary of GFM Services Berhad

HMC Corporate Services Sdn. Bhd.
[Registration No.: 198201003810 (83556-P)]

Level 2, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur, Malaysia.

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PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

A-3A-1, Melawati Corporate Centre, Jalan Bandar Melawati,
Taman Melawati, 53100 Kuala Lumpur, Malaysia.