GFM

GFM Services Berhad

INNOVATIVE
RELIABLE
STRATEGIC PARTNERING

DYNAMIC RESURGENCE:
THRIVING IN TIMES OF CHANGE

ANNUAL REPORT **2023**

COVER RATIONALE

DYNAMIC RESURGENCE: THRIVING IN TIMES OF CHANGE

The front cover depict an illustration of the **'metamorphosis'** of a butterfly symbolizing GFM's ability to transform to new heights in the face of significant change. Bold and innovative, the cover reflects the company's exciting prospects.

the GFM 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.

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.

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.

WHAT'S INSIDE

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> — About Us

CORPORATE INFORMATION

BOARD OF DIRECTORS

- **Zainal Arifin bin Khalid**
  Independent Non-Executive Director
  (Board Chairman)
  (Re-designated on 23 November 2023)
- **Ruslan bin Nordin**
  Group Managing Director
- **Mohammad Shahrizal bin Mohammad Idris**
  Non-Independent Non-Executive Director
- **Zainal bin Amir**
  Non-Independent Non-Executive Director
- **Yong Hee Kong**
  Independent Non-Executive Director
- **Ashok Virendra Shah**
  Independent Non-Executive Director
- **Tong Jia Wann**
  Independent Non-Executive Director
- **Abdul Rahim bin Abdul Hamid**
  Independent Non-Executive Director
  (Retired on 30 September 2023)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman	Ashok Virendra Shah
Member	Yong Hee Kong
	Zainal Bin Amir
	Tong Jia Wann
	(Appointed on 24 May 2023)
	Abdul Rahim bin Abdul Hamid
	(Resigned on 24 May 2023)
	Zainal Arifin bin Khalid
	(Resigned on 23 November 2023)

NOMINATION AND REMUNERATION COMMITTEE

Chairman	Yong Hee Kong
	(Re-designated on 29 January 2024)
Member	Ashok Virendra Shah
	Mohammad Shahrizal bin Mohammad Idris
Chairman	Zainal Arifin bin Khalid
	(Resigned on 23 November 2023)

COMPANY SECRETARY

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

Lim Li Heong
(MAICSA 7054716)
(SSM Practising Certificate No.: 202008001981)
(Appointed on 14 July 2023)

Wong Mee Kiat
(MAICSA 7058813)
(SSM Practising Certificate No.: 202008001958)
(Appointed on 14 July 2023)

REGISTERED OFFICE

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59200 Kuala Lumpur, Malaysia
Tel : (603) 2280 6388 Fax : (603) 2280 6399
Email : listcomalaysia@acclime.com

CORPORATE OFFICE

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

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
[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

Moore Stephens Associates PLT
(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 BANKER

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

STOCK EXCHANGE LISTING

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

GROUP CORPORATE STRUCTURE

> — About Us

MEDIA HIGHLIGHTS

BORNEO POST

GFM Services proposes to transfer listing to Main Market

KUALA LUMPUR: GFM Services Bhd has proposed to undertake a transfer of the listing and quotation for its entire issued share capital from the ACE Market to the Main Market of Bursa Malaysia Securities Bhd.

In a filing with Bursa Malaysia, the company said that as at August 8, 2023, being the latest practicable date of this announcement, the company's issued share capital is RM103.12 million comprising 690.46 million ordinary shares.

GFM Services said that its board expects the proposed transfer to be completed in the second half of 2023, barring any unforeseen circumstances and subject to all required approvals being obtained.

"The proposed transfer signifies the growth, profitability and financial strength of GFM group as it has met the profit track record requirements for a transfer to the Main Market of Bursa Securities.

"The board believes that the exercise will enhance the group's corporate profile, credibility and reputation, and accord the company with greater recognition and following amongst institutional investors," it noted. — Bernama

theSun

GFM Services' net profit rises 46% YoY to RM3.9 million in 1QFY23, declared first interim dividend of 0.22 sen per share

NEW STRAITS TIMES

GFM Services posts higher net earnings of RM9.5mil in Q3

BUSINESS TODAY

GFM Services Acquires Atmajaya To Run Kuala Lumpur-Karak Highway Rest & Service Area

dagangnews

GFM Services, Universiti Teknologi Malaysia teroka kerjasama tingkat kepakaran pengurusan aset dan fasiliti

THE EDGE MALAYSIA

GFM acquires remaining 51% stake in Highbase, sees 30%-35% contribution to revenue, bottom line from FY2024

The Malaysian Reserve

GFM Services forks out RM23m for Penang's RSA land, approval

INTEGRATED facilities management service provider, GFM Services Bhd, plans to pay RM23 million for a company that has land and approval for a rest and service area (RSA) in Sungai Muda, Penang, situated along the North-South Expressway

The company, equally owned by the two directors, was incorporated in 2003 with its principal activity in development of building projects.

The Malaysian Highway Authority (LLM) had on July 14, 2008, awarded

R&R Gurun about 35km away, reachable within 30 minutes' drive from the project land.

It added the move paved the way for its expansion into the highway RSA business and to tap into the increasing demand for highway services in

CALENDAR OF EVENTS 2023

MAY 2023

8 MAY 2023

GFM Raya Open House was held at KLGCC

JUN 2023

17 JUNE 2023

CSR Program – World Environment Day 2023 was held at Petanak Beach, Mukah Sarawak

JUL 2023

5 JULY 2023

GFM Townhall was held at GFM Headquarters

CALENDAR OF EVENTS 2023

JUL 2023

25 JULY 2023

Memorandum of Understanding ("MoU") Signing Ceremony between GFM and UTM was held at UTM Skudai, Johor

JUL 2023

27 JULY 2023

PCINA Mangrove Planting was held at Tanjung Belungkor, Johor

AUG 2023

26 AUGUST 2023

Sukan Muhibah UiTM Mukah was held at UiTM Mukah Sarawak

OCT 2023

2 & 3 OCTOBER 2023

GFM Senior Management Retreat was held at Le Meridien Hotel, Putrajaya

OCT-NOV 2023

OCTOBER – NOVEMBER 2023

Performance Management System ("PMS") Training was held in GFM Headquarters

OCT 2023

11 – 14 October 2023

Reef Rescue was held at Pulau Bidong, Terengganu

OCTOBER 2023 – MARCH 2024

GFM Brand and Culture was held at UiTM Mukah, UiTM Tapah, Highbase Pengerang, GFM Headquarters and Istana Negara site offices

OCT-MAR 2023

OCT 2023

28 OCTOBER 2023

Client Engagement Day was held in Gopeng, Perak

22 – 25 NOVEMBER 2023

GFM Board Retreat was held at Aloft Hotel Langkawi

NOV 2023

CALENDAR OF EVENTS 2023

NOV 2023

23 NOVEMBER 2023

CFS Open Day 2023 was held at Pengerang Integrated Complex (PIC)

DEC 2023

4 DECEMBER 2023

PRPC Partners HSE Engagement (PPHE) 2023 was held at Pengerang Integrated Complex

DEC 2023

6 DECEMBER 2023

Fire Drill Session was held at UiTM Mukah Sarawak

DEC 2023

7 DECEMBER 2023

Corporate Health and Wellness Program was held at GFM Headquarters

DEC 2023

8 & 12 DECEMBER 2023

GFM Innovation Challenge was held at GFM Headquarters

DEC 2023

12 DECEMBER 2023

GFM Investor Briefing was held at GFM Headquarters

DEC 2023

20 DECEMBER 2023

NSC Staff Appreciation Day was held at Pengerang Integrated Complex (PIC)

CHAIRMAN'S STATEMENT

GFM SERVICES BERHAD ("GFM" OR "THE COMPANY") AND ITS SUBSIDIARIES ("THE GROUP") ARE PLEASED TO REPORT A YEAR OF SIGNIFICANT GROWTH FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 ("FYE 2023"). DURING THE YEAR, GFM STAGED A STELLAR PERFORMANCE RECORDING OUR HIGHEST-EVER REVENUE OF RM145.9 MILLION, AND RECORD-SETTING NET PROFIT OF RM27.3 MILLION. OUR FOCUS REMAINED ON EXPANDING OUR FACILITIES MANAGEMENT ("FM") SERVICES TO OTHER SECTORS VIA STRATEGIC ACQUISITION, WHILE SUSTAINING DELIVERY EXCELLENCE TO OUR EXISTING CUSTOMERS.

Dear Valued Shareholders,

On behalf of the Board of Directors ("the Board"), I am delighted to present the Annual Report and Audited Financial Statements for GFM Services Berhad for FYE 2023.

ZAINAL ARIFIN BIN KHALID
Board Chairman

2023 IN A SNAPSHOT

The year 2023 witnessed a continuation of complex global market dynamics from the previous year. Persistent geopolitical tensions in Europe and the Middle East disrupted trade routes, exerting upward pressure on freight, as well as energy cost. The ongoing trade war between the US and China, coupled with rising interest rates across most global economies, dampened both business and consumer confidence.

Despite these external challenges, Malaysia's economy demonstrated resilience in 2023 as Gross Domestic Product ("GDP") grew by 3.7%. The unemployment rate declined, reaching pre-pandemic levels of 3.3%. Growth in investment activity was a key driver of the Malaysian economy in 2023. While exports remained subdued due to weak external demand and stronger imports, the domestic economy showed broad-based expansion.

At GFM, a cornerstone of our growth strategy in FYE 2023 was the acquisition of Highbase Strategic Sdn Bhd ("Highbase"). This acquisition provided GFM with immediate expertise in the downstream oil and gas ("O&G") maintenance sector, marking our foray in this lucrative market. Highbase's experience in servicing O&G clients enables us to strengthen our position in the sector, laying the groundwork for continued growth in the years to come. The acquisition of Highbase has proven to be a significant contributor to the Group's financial performance in FYE 2023.

To further expand our facilities management ("FM") portfolio, GFM is actively pursuing strategic acquisitions within the Highway Rest and Service Area ("RSA") sector. We are currently in the early stages of acquiring companies which have the rights to develop Highway RSAs at Sungai Muda, Penang; Karak, Pahang; and Bemban, Melaka. This will enable us to develop, operate, and maintain the RSAs in these locations, contributing to the Group's future financial performance.

In line with our growth objectives, we have successfully secured approval from Bursa Malaysia Securities Berhad ("Bursa Securities") to transfer our listing from the ACE Market to the Main Market of Bursa Securities on 9 April 2024. This move is expected to attract a broader investor base, including institutional investors, further strengthening our credibility and access to growth capital.

EMBEDDING ESG

GFM recognises its responsibility extends beyond shareholders. We are committed to a comprehensive stakeholder approach, encompassing our employees, customers, suppliers, and the communities where we operate.

Guided by our Sustainability Policy, we are dedicated to embedding sustainability principles throughout our business operations and strategies. We actively pursue progress across five key agendas aligned with the Environmental, Social, and Governance ("ESG") pillars, which are:

1. Provide safe, supportive, and positive workplace for employees
2. Act with integrity, honesty & respectfully towards various stakeholders
3. Develop and retain people with the appropriate GFM culture
4. Seek competitive advantage by innovating service
5. Use resources, minimise waste & promote delivery of energy efficient, environmentally, and socially responsible projects

This commitment extends to human capital development, as our people are the heart of our organisation. Throughout 2023, we made progress in advancing our sustainability goals, including investing in our people through training initiatives, upskilling opportunities, and mentorship programs.

We are committed to transparent reporting on these material matters, which are further detailed in the dedicated Sustainability Report included within GFM's Annual Report 2023.

2024 OUTLOOK

Despite some lingering headwinds from the previous year, Malaysia's economic outlook for 2024 remains cautiously optimistic. Bank Negara Malaysia forecasts a moderate GDP growth of between 4% to 5%, driven by resilient domestic consumption, and anticipated export rebound.

Malaysia's diverse and growing economy, particularly in the education, healthcare, and commerce sectors, fuels demand for both soft and hard FM services, which bodes well for GFM. This growth is supported by a high outsourcing culture in the public sector, along with government initiatives focused on smart city development, and tourism. Additionally, ongoing new construction projects expand the addressable market for FM service providers with a larger pool of potential clients. Forecasted Foreign Direct Investment ("FDI") inflow is expected to attract new projects and boost FM demand further.

Meanwhile, the anticipated rebound in the mining sector, particularly within natural gas and crude oil subsectors, presents a positive outlook for GFM's O&G business. Our recently acquired wholly-owned subsidiary, Highbase, strategically positions us to capitalise on this opportunity. Highbase's expertise in O&G maintenance and downstream services complements GFM's core competence in integrated FM. This synergy will expand our scope of services and enhance the Group's profitability moving forward.

Looking ahead, GFM strives to expand our project pipeline with long-term contracts, while pursuing strategic prospects in high-growth markets. Beyond O&G, we are actively pursuing strategic acquisitions and exploring new market opportunities to solidify our presence in the Highway RSA and Workforce Lodging sectors. This diversification aims to capture emerging market trends, and solidify GFM's position as one of the fastest-growing FM providers.

ACKNOWLEDGEMENTS

The Board of GFM would like to express its sincere appreciation to Mr. Abdul Rahim Bin Abdul Hamid for his invaluable contributions as the Group's Chairman ("GC") up until his retirement on 30 September 2023. His wisdom and contributions were instrumental in guiding GFM's growth and success.

Looking ahead, I am honoured to assume the role of GC as of 23 November 2023. My commitment is to build upon this momentum and lead GFM to even greater heights. I also extend a warm welcome to our new Independent and Non-Executive Director, Miss Tong Jia Wann who joined the Board on 12 April 2023. I am confident that her experiences and knowledge will provide valuable fresh perspectives to GFM's future growth plans.

We extend our deepest gratitude to all our stakeholders, including shareholders, customers, business partners, financiers, regulatory bodies, and others, for their continued support and trust. This trust is a cornerstone of our success.

To the dedicated team at GFM, your efforts and dedication were paramount to our continued progress. You have all consistently risen to the challenge and we sincerely thank you for your contributions to our growth. Finally, I would like to express my appreciation to my fellow Board members for their invaluable guidance and advice as we steer GFM towards a brighter future.

ZAINAL ARIFIN BIN KHALID
Board Chairman

> — Our Performance

MANAGEMENT DISCUSSION & ANALYSIS

IN A YEAR MARKED BY GLOBAL VOLATILITY, GFM SERVICES BERHAD ("GFM" OR "THE COMPANY") AND ITS SUBSIDIARIES ("THE GROUP") ACHIEVED AN EXCEPTIONAL PERFORMANCE FOR THE FINANCIAL YEAR END 31 DECEMBER 2023 ("FYE 2023").

FOR FYE 2023, GROUP REVENUE AND NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY ("NET PROFIT") SOARED TO A HISTORIC HIGH OF RM145.9 MILLION AND RM27.3 MILLION, RESPECTIVELY. THIS PERFORMANCE IS FURTHER UNDERSCORED BY AN IMPROVED NET PROFIT MARGIN OF 18.7%. DURING THE YEAR, THE GROUP REMAINED FOCUSED ON OUR STRATEGIC ROADMAP, EXPANDING OUR FACILITIES MANAGEMENT ("FM") CAPABILITIES IN THE OIL AND GAS ("O&G") SECTOR, AND BROADENING OUR HIGHWAY REST AND SERVICE AREA ("RSA") PORTFOLIO.

Dear Trusted Shareholders,

I am delighted to present an overview of GFM's business operations and financial performance for FYE 2023.

RUSLAN BIN NORDIN
Group Managing Director

INTEGRATED FACILITIES MANAGEMENT

OPERATIONS & MAINTENANCE

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

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
- Space Planning

GROUP BUSINESS OVERVIEW

Founded in 2000, GFM is an investment holding company with a singular focus - empowering our clients through exceptional FM solutions. We achieve this by providing a wide range of FM services, encompassing Integrated Facilities Management ("IFM"), Facility and Advisory ("FCA") services, and asset management of concessions.

With over two decades in the industry, we have grown and established GFM as one of Malaysia's leading FM service providers. Drawing on our extensive experience, we have amassed deep industry knowledge, and developed a robust business network of trusted partners. We strategically leverage this expertise to continually expand our FM solutions and competencies to cater to evolving client needs across diverse industries. This allows us to deliver tailored solutions that support our clients operations, and contribute to their long-term success.

Our extensive experience in managing a wide range of facilities – from commercial buildings and educational institutions, to government assets and O&G facilities – solidifies our reputation as a reliable FM provider. This proven track record attracts a broad clientele base, encompassing both private and public sectors, including government agencies, educational institutions and multinational corporations ("MNCs").

IFM is the Group's core business, where we provide operations and maintenance ("O&M") services, encompassing both hard and soft FM solutions, along with management services for clients. Our focus remains on delivering reliable FM services that enable clients to focus on their core business objectives with the confidence in the smooth operation of their facilities.

During the year under review, we expanded our scope of services and clientele base to the O&G sector, with the acquisition of Highbase Strategic Sdn. Bhd. ("Highbase"). Through Highbase, we are able to broaden our competencies to serve clients in the O&G sector.

Complementing our IFM offerings, GFM's Facility Condition Audit (FCA) services provide clients with a comprehensive suite of solutions encompassing the entire asset lifecycle. From planning and pre-construction to upgrading and refurbishment, our FCA services ensure that our clients' assets are optimised for peak performance.

Meanwhile, GFM's concession segment includes our holding in KP Mukah Development Sdn. Bhd. ("KP Mukah"), a university asset concessionaire for Universiti Teknologi Mara's ("UiTM") Mukah campus in Sarawak.

OPERATIONAL HIGHLIGHTS

In 2023, we navigated a challenging economic environment marked by persistent headwinds from the prior year. Geopolitical tensions in the Middle East and Europe continued to escalate, causing supply chain disruptions and upward pressure on freight and energy cost. The global tightening of monetary policies to address rising inflation added further pressure. Despite these obstacles, GFM remained resolute on executing our growth strategies throughout the year, yielding improved performance in FYE 2023.

Facilities Management Services

The FM division remains the cornerstone of the Group. We maintain a steadfast focus on delivering best-in-class solutions to our clients, solidifying our position as a reliable and innovative FM partner. With the Malaysian economy poised for recovery in 2024, coupled with the high outsourcing culture within the public sector, we anticipate an upsurge in growth opportunities for FM players like us. For us at GFM, we are positioning the Group to capitalise on future demand growth.

O&G Facilities Management

DOWNSTREAM AND UPSTREAM SERVICES

- Cleaning, Repair, and Maintenance of Pressure Vessel, Heat Exchanger and Storage Tank
- Desludging and Decontamination
- Turnaround and Shutdown of Main Mechanical and Maintenance Mechanical Static
- Daily Plant Maintenance
- Topside Major Maintenance
- Hook-up and Commissioning of Offshore Facilities
- Minor Fabrication of Steet Structure and Mechanical
- Blasting and Painting Services
- Hazardous Material (HAZMAT) Handling and Monitoring

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

CONCESSION ARRANGEMENTS

UNIVERSITY ASSET CONCESSION OWNER

- 23-year concession for UITM Mukah campus until 2035

Assets & Buildings

During the year, we continued to pursue opportunities within the FM sector to expand our orderbook. In tendering for projects, GFM leverages its experience in maintaining high-profile government facilities. Our past portfolio includes facilities such as Bank Negara Malaysia premises, the Sabah State Administration Centre ("PPNS"), and the Sultan Iskandar Customs, Immigration, and Quarantine ("CIQ") Complex in Johor. As at 31 December 2023, GFM's total outstanding orderbook amounts to RM1.18 billion.

Outstanding Orderbook

RM1.18
billion

Oil & Gas

In FYE 2023, GFM marked a major milestone as we cemented our presence in the O&G sector with the acquisition of Highbase Strategic Sdn. Bhd. ("Highbase"), a company specialising in the provision of O&G maintenance services for downstream operations, including the turnaround and shut down of main mechanical and maintenance mechanical static, desludging and decontamination, and topside major maintenance services.

Recognising Highbase's synergistic potential with GFM, we first invested in Highbase in December 2019 via the acquisition of Highbase's Redeemable Convertible Preference Shares ("RCPS") of RM20.0 million. Following a successful strategic restructuring, Highbase has transformed into a profitable company, from a distressed asset with operational and financial challenges then. This turnaround has positioned GFM to capitalise on Highbase's potential moving forward.

On 30 June 2023, we acquired a 49%-stake in Highbase via subscription of 2.9 million Highbase shares for a cash consideration of RM288.00. Following that, we completed the acquisition of the remaining 51%-stake on 30 November 2023 for a purchase consideration of RM18.2 million, making Highbase a wholly-owned subsidiary of GFM.

Through a 51%-joint venture ("JV") with Singapore-based O&G integrated solutions provider, Mun Siong Engineering Limited, Highbase holds PETRONAS' Integrated Turnaround Main Mechanical and Maintenance Mechanical Static ("TA4MS") contract to provide plant turnaround services at the Pengerang Integrated Complex ("PIC") in Johor. The JV is one of the 17 companies awarded the TA4MS contract. The contract is for a period of 5 years from March 2019 to 2024, with an estimated contract value of approximately RM247.5 million. We are pleased to update that PETRONAS has extended the contract for another 3 years to March 2027, with an option for further extension until March 2029.

In April 2024, we further strengthened Highbase's presence at the PIC as we secured 3 new facilities to maintain under the TA4MS contract. The contracts are for a period of 3 years, from 15 March 2024 until 14 March 2027, with an option to extend for an additional 2 years. This brings Highbase's maintenance portfolio to a total of 8 facilities within the PIC.

Through this acquisition, GFM gains access to Highbase's specialised O&G FM expertise. This strategically expands GFM's scope of services, and reach, opening doors to new opportunities in the industry.

Highway Rest and Service Area

GFM is reinforcing its presence in the Highway RSA sector via strategic acquisitions.

A particular RSA area we have identified is at Sungai Muda, Penang, along the Northbound lane of the PLUS Malaysia Berhad ("PLUS") North-South Expressway ("NSE"). In February 2024, we announced the proposed acquisition of a 100% stake in Era Gema Bina Sdn. Bhd. ("Era Gema") for RM23.0 million. Era Gema has secured the initial authority approvals, including the rights to develop an RSA on a 1.74-hectare site located at Sungai Muda from the Malaysian Highway Authority ("LLM"). This expedites our progress, allowing earlier commencement of the development. This acquisition enables GFM to design, build, operate and maintain the Sungai Muda RSA. The project is scheduled to commence in 2025, with targeted completion within a two-year timeframe.

The upcoming RSA will be designed with a "Refresh, Relax, Rejuvenate, and Recharge" placemaking concept, featuring a range of amenities to cater to the diverse needs of the highway users. These include ample parking space; a food hall and restaurants; Pekan Sehari – a designated area for local products kiosks; prayer rooms; restrooms; and a petrol and EV stations.

Apart from that, we are in the midst of acquiring Atmajaya Arvino Sdn. Bhd. ("Atmajaya"), a company with the rights to construct and maintain an RSA at Karak, Pahang. This will grant us access to design, build, operate, and maintain an RSA facility here. The upcoming RSA will be a comprehensive one-stop complex, featuring amenities like food halls, restrooms, prayer rooms, and an "AgroBazaar" agricultural retail hub. Additionally, it will boast two petrol stations and a unique "Truckers' Centre" – a designated lounge and parking area specifically catering to the needs of long-haul drivers and bikers. We are committed to expediting the acquisition process upon receiving authority approvals on the proposed RSA, and target to initiate development promptly upon completion of Atmajaya's acquisition.

Meanwhile, GFM continued with diligence procedures to develop an RSA at Bemban, Melaka via Amzass (M) Sdn. Bhd., of which we hold a 15%-stake in. Amzass was awarded a conditional approval by LLM to upgrade the existing facilities of the Northbound and Southbound Bemban lay-bys, as well as to construct a petrol station and its facilities on both sides of the lay-bys.

Our dedication to securing these strategic assets underscores the Group's commitment to our ongoing RSA portfolio expansion.

Workforce Lodging

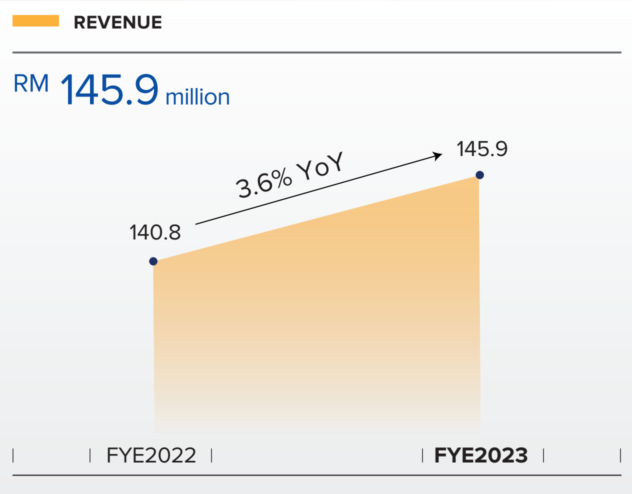
During the year, we continued to provide workforce lodging FM services at PIC Village 1 & 2 and the associated facilities at PIC, Johor, until the project completion in December 2023. Building on our track record, we target to deepen our presence in this space to cater to higher demand for proper workforce accommodation.

Concession Arrangements

Throughout the year, we continued to provide FM services at the UiTM Mukah campus in Sarawak. Our focus remains on optimising operational efficiencies within the facility. This long-term concession ensures a stable and predictable cash flow for GFM until 2035.

REVIEW OF FYE 2023 FINANCIAL PERFORMANCE

For FYE 2023, the Group reported a record-high revenue of RM145.9 million, reflecting a year-on-year ("YoY") increase of 3.6% from RM140.8 million in the prior year ("FYE 2022"). This growth was fuelled by a stronger performance in the Concession Arrangements segment, and the maiden contribution from the O&G division, partially offset by lower contribution from the Group's FM Services business.



For our FM segment, revenue amounted to RM90.3 million, against RM96.4 million in FYE 2022. This was mainly due to the completion of several FM contracts during the year.

In FYE 2023, our Concessions business posted a surge in revenue to RM50.8 million after consolidation adjustment (FYE 2022: RM44.4 million). The higher contribution can be attributed to increased maintenance works at UiTM Mukah, drawing from the Maintenance Reserve Fund ("MRF") established for the purpose of carrying out capital replacements.

Meanwhile, our newly established O&G business unit delivered a turnover of RM3.3 million in FYE 2023. This represents one-month contribution from Highbase as the Group's wholly-owned subsidiary for the month of December 2023.

In terms of segmental breakdown, the Group's FM business remained the primary contributor making up 62% of total revenue. Our Concession Arrangements business followed closely, contributing 35% of total revenue, while the O&G division represented 2% of Group revenue for FYE 2023.

In line with higher revenue, gross profit ("GP") climbed 21.2% to RM66.7 million, with an expanded GP margin of 45.7% in FYE2023. (FYE2022: RM55.0 million; 39.4%).

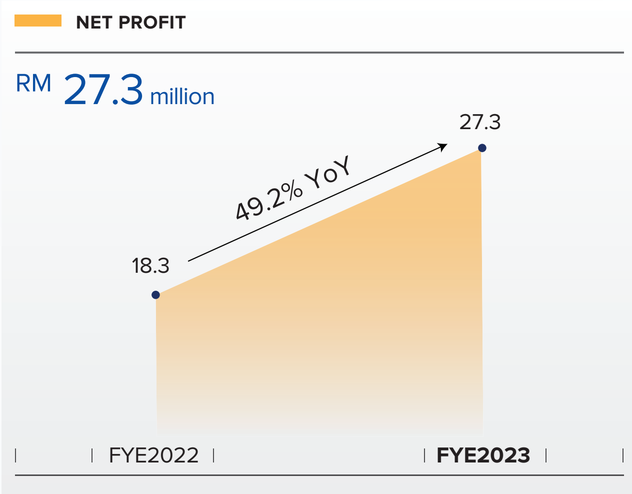
Furthermore, other operating income decreased to RM2.2 million, as compared to RM2.4 million a year ago, primarily attributable to the gain from the Highbase acquistion.

Finance costs reduced to RM19.5 million in FYE 2023, against RM20.3 million from the prior year, mainly on the back of the repayment of borrowings.

During the year, GFM recorded a higher share of results from Highbase as an associate amounting to Highbase RM2.0 million.

These aforementioned factors propelled the Group's profit before tax ("PBT") by 38.2% to RM40.9 million in FYE 2023. Tax expense amounted to RM13.6 million with a higher effective tax rate than the statutory tax rate of 24%, due to non-deductible tax expenses during the year.

As a result, the Group recorded its best-ever net profit of RM27.3 million, a 49.2% hike from RM18.3 million in FYE 2022.



Solid Balance Sheet

The Group's financial performance in FYE 2023 demonstrated a dedication to responsible financial management. Total assets reached RM550.9 million as of 31 December 2023 (End-2022: RM530.3 million) primarily on the back of higher intangible assets following the acquisition of Highbase. Deposits, cash and bank balances amounted to RM98.7 million as at end-2023.

In FYE 2023, the Group lowered its total borrowings to RM271.4 million due to long-term debt repayments. This resulted in an improvement of our net gearing ratio to 0.48 times, down from 0.54 times in the previous year. We remain committed to further reducing our gearing ratio through ongoing debt repayments, ensuring a robust foundation for future growth.

Shareholders' equity also saw a positive trajectory, climbing to RM183.5 million at year-end 2023, as compared to RM162.9 million in FYE 2022. This increase is mainly due to higher retained earnings stemming from a higher earnings for FYE 2023.

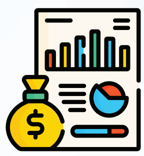
Our commitment to financial prudence extends to cash flow management. The Group's net operating cash flow remained healthy at RM58.7 million as at end of 2023. Additionally, trade receivables amounted to RM16.2 million as at 31 December 2023 on the back of ongoing collection efforts. As a result, trade receivables turnover significantly improved, dropping to 41 days in FYE 2023, from 53 days the prior year.

Overall, the Group's financial position remains robust, a testament to effective resource management. We have sufficient liquidity to meet our operational needs and undertake growth plans.

Net Operating Cash Flow

RM58.7 million

Deposits, Cash and Bank Balances



RM98.7 million

CORPORATE MATTERS

Private Placement

On 7 March 2024, GFM completed a private placement exercise, raising RM15.2 million with the issuance of 69.0 million new shares of GFM. This resulted in an enlarged share capital of 759.5 million shares. The proceeds will mainly be utilised for Highbase and to service its TA4MS contract.

Proposed Transfer to Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities")

On 9 April 2024, the Group achieved a significant milestone by securing approval from Bursa Securities to transfer its listing and quotation for the entire issued share capital of GFM from the ACE Market to the Main Market of Bursa Securities. This stands as a testament of the financial strength of our Group. This move will position GFM for better visibility to a broader investor base, opening new avenues to raise capital to fuel our growth plans.

CONSISTENT DIVIDENDS TO SHAREHOLDERS

For FYE 2023, GFM declared a total dividend of 1.54 sen per share to reward our shareholders, totalling RM11.0 million (FY2022: 0.17 sen; RM1.0 million). This translates to a dividend payout of 40% of FYE 2023 net profit, in line with the Group's dividend policy.

2024 OUTLOOK

Malaysia's economy in 2024 is projected to experience moderate growth despite facing some ongoing inflationary pressures. This growth is expected to be supported by a recovery in export activities and continued expansion of domestic demand. The FM sector, which plays a vital role in supporting Malaysia's essential infrastructure, will likely see new opportunities emerge from this economic climate. As we enter into 2024, GFM remains focused on executing our strategic plans to ensure we are well-positioned to capitalise on evolving market trends.

At GFM, we continue to deliver reliable FM solutions to our customers. At the same time, we are working hard to replenish our orderbook, which stands at RM1.18 billion as at 31 December 2023. The gradual recognition of our orderbook provides long-term earnings visibility, anchored by our key contracts, namely the KP Mukah contract (RM824.7 million; until 2035), and the JKR FM contract (RM268.4 million; until July 2027).

As for our O&G business, we look forward to the full-year contribution from Highbase as GFM's wholly-owned subsidiary, expected to boost the Group's profitability going forward. At the same time, Highbase is poised to benefit from higher activities in the O&G downstream sector. According to PETRONAS Activity Outlook 2023 – 2025, plant turnaround activities are expected to remain steady, which bodes well for Highbase. Moreover, the development of new plants at the PIC offer further expansion prospects. We are confident in our ability to deliver reliable and consistent O&M services, solidifying our position as a trusted O&G industry partner.

Beyond the O&G sector, we are also broadening our presence in the Highway RSA sector to diversify our income streams. The anticipated growth in Malaysia's highway network and traffic presents a compelling growth opportunity. To capitalise on this potential, we are pursuing strategic acquisitions that will grant us access to develop and maintain Highway RSAs. Upon completion, GFM is projected to benefit from multiple recurring income streams, including retail rentals, sales surcharge, and operations of the petrol station. Leveraging on our FM expertise, GFM will also become the facility manager of the premise, further replenishing our orderbook.

Meanwhile, we anticipate demand for proper workers' accommodation to grow following the enforcement of the amended Employees' Minimum Standards of Housing, Accomodations and Amenities Act 1990 (Act 446). Recognising the growth potential, we are actively exploring prospects in this segment. We intend to leverage our proven expertise in providing client-tailored workforce lodging facilities services, as evidenced by our successful track record at the PIC, Johor.

As for our Concession Arrangements division, we remain steadfast in providing FM services at the UiTM Mukah campus throughout the concession period until 2035. We anticipate higher contribution from this division following increased maintenance works.

All in all, we want to continue building on our momentum and achieve new heights in the years to come, supported by our growth plans.

ANTICIPATED RISKS

Economic, Political and Regulatory Conditions

Competition Risks

Dependence on Third-Party Contractors

Economic, Political and Regulatory Conditions

GFM recognises that our overall performance can be potentially affected by ongoing risks associated with the evolving economic, political, and regulatory landscape. These external factors encompass market volatility, inflationary pressures, and rising interest rates. Additionally, political risks can arise from policy shifts, geopolitical instability, trade agreements, and unforeseen events regulatory changes driven by industry developments or operational adjustments, also present potential challenges. To effectively navigate these risks, we will maintain a vigilant approach which entails monitoring the external environment and assessing the potential impact of on our business. By proactively identifying and counteracting these risks, we can safeguard GFM's financial health and long-term sustainability.

Competition Risks

The FM industry is a dynamic landscape where we face competition from established players and potential new entrants. This competitive landscape can impact our ability to secure new clients and projects, ultimately affecting our financial performance.

To remain competitive and relevant, GFM is focused on enhancing our competencies and track record to differentiate us from our peers. We strive to strengthen our service offerings and delivering value-added services to our customers, to capture a bigger market share. This enables us to sustain and solidify our position as a premier FM service provider in Malaysia.

Dependence on Third-Party Contractors

GFM understands that that the success if its operations and the very foundation of its reputation hinge not only on its internal strengths but also on the quality and reliability of its external partners. Third-party contractors, entrusted with specialised functions, can potentially pose as a risk to the Group. To safeguard against this ever-present threat, we adopted a rigorous approach to vendor selection. We cultivated a number of pre-vetted contractors, each with an unblemished track record and commitment to excellence. This strict selection process ensures that only the industry's best is entrusted with contributing to the GFM legacy. However, our vigilance does not end there. We maintain a watchful eye over every aspect of our contractors' work, employing a robust oversight framework. This meticulous supervising system guarantees adherence to the highest standards and rigorous compliance with all regulatory requirements. Through this proactive and comprehensive strategy, GFM effectively mitigates the inherent risks associated with third-party partnerships, ensuring the seamless operation and continue stellar reputation that are the hallmarks of our company.

APPRECIATION

As we celebrate another year of record-breaking growth, I would like to extend my sincere appreciation to our management team and every member of GFM for their unwavering commitment and hard work throughout the past year. Their collaborative spirit and relentless pursuit of client satisfaction was the fuel that propelled us to these unprecedented heights.

Particular recognition goes to our exceptional management team who have provided strategic direction and fostered a culture of excellence within the organisation. Their leadership has been a driving force behind our success.

We are also deeply grateful to our esteemed Board members. Their invaluable strategic insights and unwavering support have been crucial in guiding the company towards achieving this record-setting performance for the year.

Finally, we extend our heartfelt gratitude to our valued stakeholders: our customers, shareholders, business partners, associates, suppliers, and regulatory authorities. Your unwavering trust and support have been the bedrock upon which we have built this exceptional performance. We look forward to your continued support into the new year.

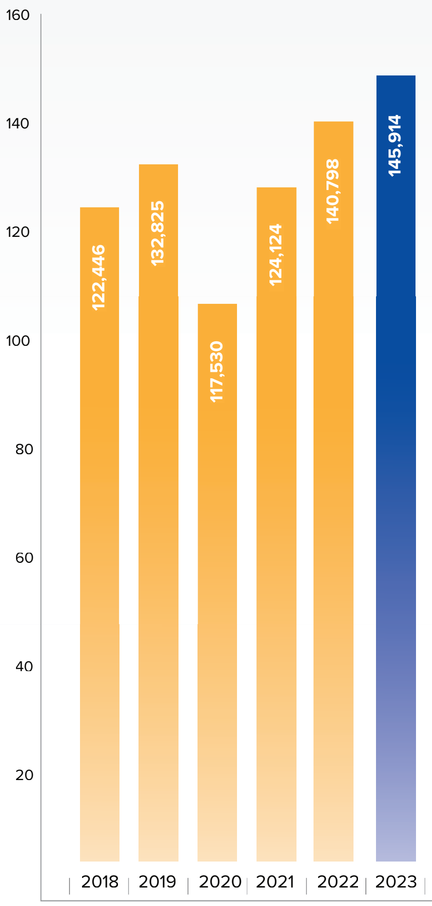
RUSLAN BIN NORDIN
Group Managing Director

FINANCIAL HIGHLIGHTS

	FY 2023 (RM'000)	FY 2022 (RM'000)	FY 2021 (RM'000)	FY 2020 (RM'000)	FY 2019 (RM'000)	FY 2018 (RM'000)
PROFITABILITY						
Revenue	145,914	140,798	124,124	117,530	132,825	122,446
Cost of sales	(79,240)	(85,335)	(79,143)	(69,590)	(85,524)	(87,437)
Gross profit	66,674	55,464	44,981	47,940	47,301	35,009
Profit from operations *(including share of results of associates and a joint venture)*	60,352	49,890	39,507	41,199	38,797	35,154
Finance costs	(19,474)	(20,308)	(21,074)	(23,466)	(25,380)	(3,265)
Profit before tax	40,878	29,582	18,433	17,733	13,417	31,889
Net profit attributable to equity holders	27,297	18,286	10,009	8,562	5,945	22,399
GP margin	46%	39%	36%	41%	36%	29%
PBT margin	28%	21%	15%	15%	10%	26%
PAT margin	19%	13%	8%	7%	4%	18%

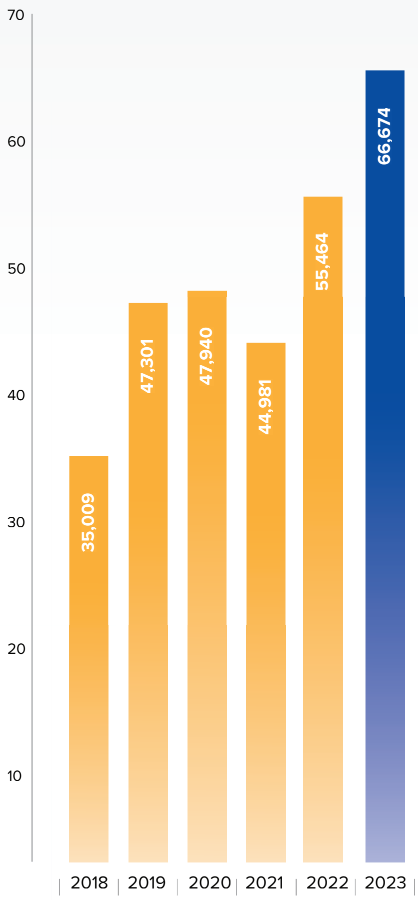
REVENUE

RM 145.9 million
FY 2023



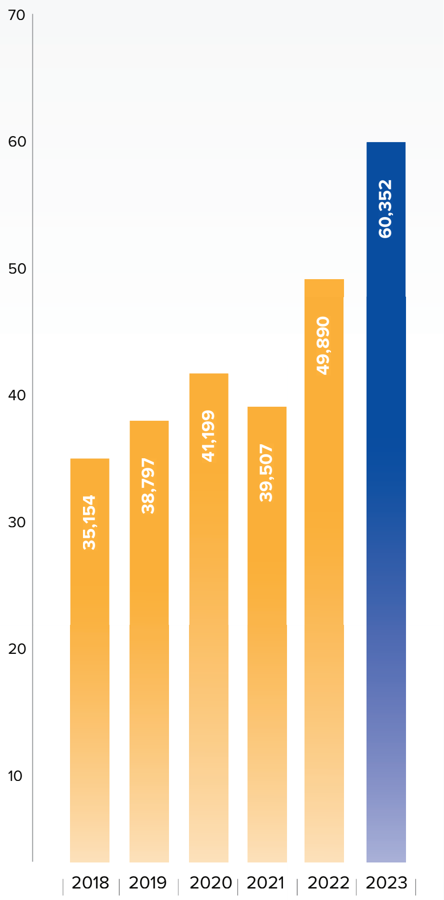
GROSS PROFIT

RM 66.7million
FY 2023



PROFIT FROM OPERATIONS
(including share of results of associates and a joint venture)

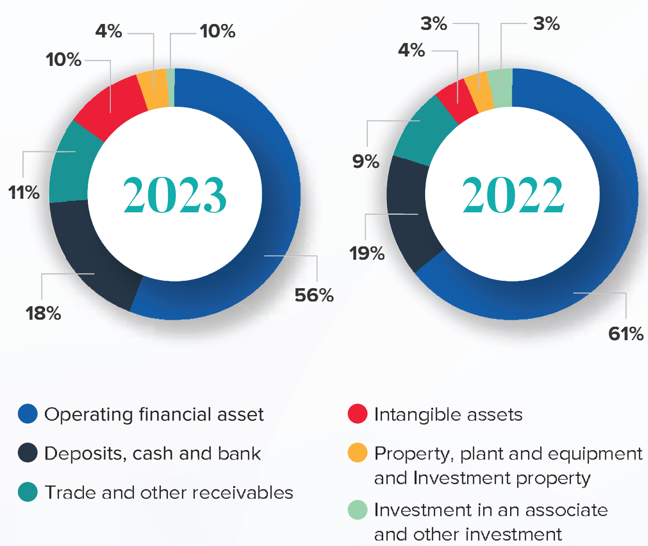
RM 60.4 million
FY 2023



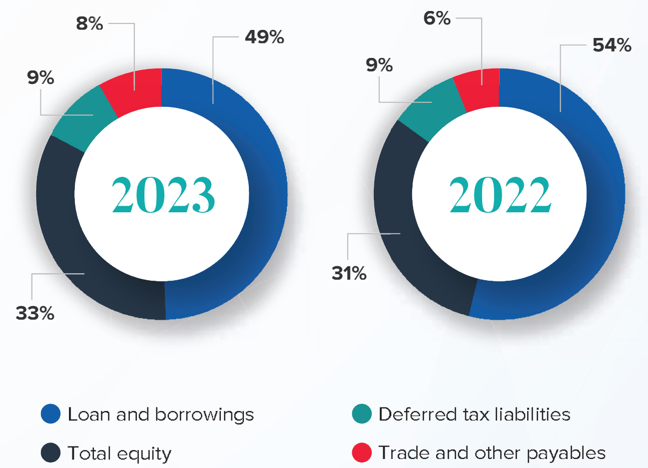
	FY 2023 (RM'000)	FY 2022 (RM'000)	FY 2021 (RM'000)	FY 2020 (RM'000)	FY 2019 (RM'000)
KEY BALANCE SHEET DATA					
Current Assets	189,350	180,185	150,150	143,889	149,241
Non-Current Assets	361,569	350,097	361,967	372,326	369,626
Total Assets	550,919	530,282	512,117	516,215	518,867
Current Liabilities	77,725	64,171	63,514	57,087	51,324
Non-current Liabilities	289,668	303,253	323,622	344,648	368,983
Total Liabilities	367,393	367,425	387,136	401,735	420,307
Total Equity	183,526	162,857	124,981	114,480	98,561
Liabilities & Equity	550,919	530,282	512,117	516,215	518,868
Trade Receivables	16,226	20,634	16,044	14,095	15,536
Trade Payables	14,809	6,866	7,226	8,007	5,884
Deposits, Cash & Cash Balances	98,681	101,187	79,285	73,378	80,194
Total Borrowings	271,427	288,790	309,761	330,767	353,994

	FY 2023 (RM'000)	FY 2022 (RM'000)	FY 2021 (RM'000)	FY 2020 (RM'000)	FY 2019 (RM'000)
FINANCIAL RATIOS					
Net Tangible Assets (NTA) (RM'000)	130,689	140,871	101,779	90,062	72,927
NTA per share (RM)	0.19	0.20	0.23	0.17	0.15
Return on Equity (ROE)	16%	13%	8%	8%	6%
Free Cash Flow (FCF) (RM'000)	42,816	51,126	32,560	25,814	28,661

ASSETS
(%)



LIABILITIES & EQUITY
(%)



FINANCIAL CALENDAR

2023

24
MAY 2023

Unaudited results for 1st Quarter ended 31 March 2023

24
AUGUST 2023

Unaudited results for 2nd Quarter and half-year ended 30 June 2023

23
NOVEMBER 2023

Unaudited results for 3rd Quarter ended 30 September 2023

2024

29
FEBRUARY 2024

Unaudited results for 4th Quarter and Financial Year Ended 31 December 2023

20
JUNE 2024

Annual General Meeting

SUSTAINABILITY REPORT

ABOUT THIS REPORT

In addition to the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and Global Reporting Initiative ("GRI"), this report also incorporates the 9 elements of sustainability mentioned in the Bursa Malaysia Circular titled Amendments to Enhanced Sustainability Reporting Framework released on 26th September 2022, and shall take effect in 2024.

In this year's annual report, the aim of this section is to discuss GFM Services Bhd. ("GFM")'s efforts in embracing and executing Environment, Social, and Governance ("ESG") strategies, principles, and actions for 2023.

GFM recognises that to achieve a sustainable future would require full commitment towards environmental performance, economic diversity and efficiency and social responsibility. GFM continuous emphasise 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

This report offers a comprehensive overview of GFM's sustainability efforts over the past financial year, detailing annual performance, significant accomplishments, and various initiatives. This sustainability report covers a 12-month period ending 31 December 2023, comprising the following GFM group of companies:

GFM SERVICES BERHAD
- Global Facilities Management Sdn. Bhd.
- GFM Solutions Sdn. Bhd.
- Everfine FMS Sdn. Bhd.
- Dynasty Harmony Sdn. Bhd.
- GFM Shared Services Sdn. Bhd.
- Highbase Strategic Sdn. Bhd.
- KP Mukah Development Sdn. Bhd.
- Wira Pertiwi Sdn. Bhd.

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

Kuala Lumpur	• Istana Negara
Johor	• Petronas Refinery and Petrochemical Corporation • University of Reading Malaysia
Perak	• Universiti Teknologi Mara, Tapah
Sarawak	• Universiti Teknologi Mara, Mukah

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 2023.

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

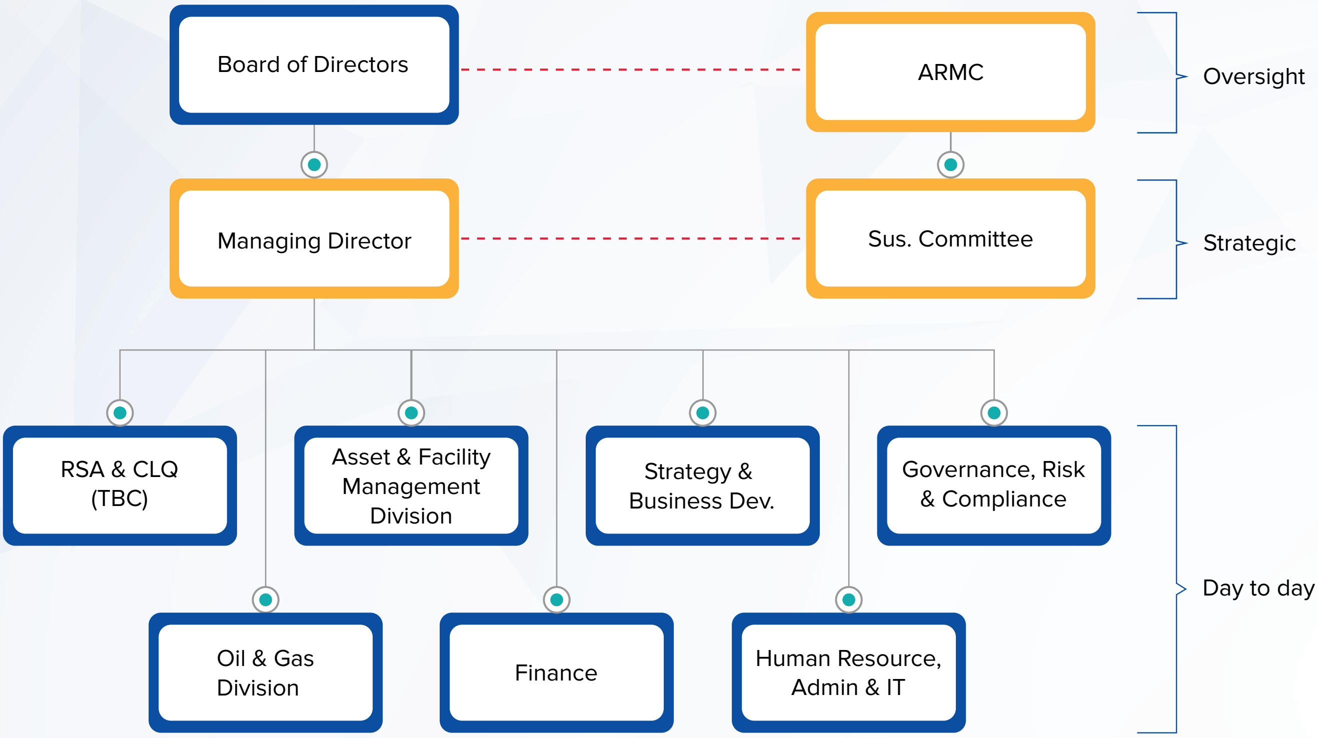
Sustainability is the integration of environmental, social and governance factors in decision making to maximise short and long-term shareholder value, seek competitive advantage and contribution to the safety and health of employee, community and ecosystems.

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
- Procurement/Purchasing Policy
- Safety, Health and Environmental Policy

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 sustainability risks and opportunities, enhancing business performance and supporting the long-term interests of the Group;
- Promote a culture of accountability for sustainable outcomes and improve the sustainability knowledge and skills of employees;
- Integrate consideration of environmentally and socially responsible sourcing and governance factors into the Group's operations and procurement processes, and seek opportunities to collaborate with the supply chain to drive innovation and create mutual value;
- Drive the efficient use of resources and continual innovation in the delivery of projects;
- 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, provide value for money, and leave net positive legacies for the Group, our clients, users, the environment and communities; and
- Enhance the Group's resilience to climate change.

GFM'S SUSTAINABILITY GOVERNANCE



GFM's governance structure is meticulously crafted to ensure that the principles of ESG are thoroughly integrated within the fabric of our corporate governance, ensuring adherence to Bursa Malaysia's ESG reporting requirements.

i. Oversight Role:
At the apex of GFM's ESG governance framework resides the Board of Directors, who assume the oversight role. The Board is entrusted with the vital task of providing checks and balances, fostering accountability in the decision-making process, and offering strategic guidance. It is the Board's responsibility to oversee the organization's adherence to ESG principles, ensuring that the GFM's sustainability endeavours are consistently aligned with it core values and the expectations of our stakeholders.

The Board exercises this role through the Audit, Risk, and Management Committee ("ARMC"), which is a direct manifestation of the Board's commitment to meticulous oversight. The ARMC meets quarterly and functions under the Board's guidance, focusing on the oversight of ESG-related risks and compliance.

ii. Strategic Role:
The Managing Director, supported by the Sustainability Committee, embodies the strategic role in the governance structure. This involves the translation of the Board's sustainability vision and policies into executable strategies and actions. The Managing Director ensures that these sustainability practices are woven throughout the organization's various levels, fostering innovation and operational efficiency in pursuit of GFM's ESG goals.

The Sustainability Committee acts as the strategic advisor and implementer of the Board's vision, ensuring that sustainable practices are not only conceptualized but also actualized within GFM's operations.

iii. Day-to-Day Role:
The day-to-day role in GFM's governance structure is disseminated among all employees. Every member of GFM is empowered and expected to embed sustainability in their daily operations. This cultural integration ensures that ESG principles are not merely abstract concepts but are tangibly reflected in the routine actions and decisions of the workforce.

The entire GFM, from the Board to individual employees, works in concert to fulfill our commitment to sustainability, creating a coherent and consistent approach to ESG that is reflected in the reporting to Bursa Malaysia.

GFM'S 9 SUSTAINABILITY MATTERS DISCLOSURE

GFM is committed to sustainable growth, aligning its operations with societal and environmental goals. GFM adheres to the 9 Sustainability Matters set by Bursa Malaysia, integrating these principles into its business to uphold its commitment to the environment, employees, and the communities. GFM's adherence to these principles emphasises transparency, ethical conduct, and sustainability in its business.

1. Anti-corruption

SUSTAINABILITY MATTER

INDICATORS	STATUS
Training on anti-corruption Employees	In 2023, the Governance, Risk & Compliance Department gave briefings using the content of the Anti-Bribery & Corruption Workshop, that was conducted in 2022
Operations assessed for corruption-related risks	Risk assessment was conducted during the Risk Management Workshops for all sites and business functions.
Incidence of corruption & action taken	Nil

GFM's Governance, Risk & Compliance Department ("GRC") continues to implement processes contained in its Anti Bribery & Corruption Policy such as the compilation of Annual Anti-Bribery declaration, monitoring of Guideline on Gifts and Entertainment, and maintenance of the Gift Register.

To ensure that the Anti-Bribery & Corruption Policy is communicated to all staff, the Human Resource Department has incorporated the policy as part of its onboarding programme.

2. Community Society

GFM is deeply committed to making a positive impact on the community, a commitment that is demonstrated through the proactive financial support of various community initiatives. GFM takes pride in playing an active role in enriching the community by sponsoring events related to environmental conservation.

SUSTAINABILITY MATTER

INDICATORS	STATUS
Amount invested in community external to listed issuer	RM 34,000
Total number of beneficiaries of investment in communities	Approximately 1200 beneficiaries

GFM's CSR involvements focused on environmental conservation projects such as CSR Reef Rescue, a 3-day beach and coral cleanup exercise held at Pulau Perhentian, Terengganu, "Projek Pembersihan Pantai Mukah Sempena Hari Alam Sekitar Sedunia" with participation of students from Univerisiti Teknologi Malaysia and Universiti Teknologi Mara, and Mangrove Planting Activity at Tanjung Belungkor, Johor, organised by Petronas Chemicals Isononanol Sdn Bhd.

SUSTAINABILITY REPORT

Another CSR focus is on the development of the industry, where GFM signed a Memorandum of Understanding ("MoU") with Universiti Teknologi Malaysia's Centre for Real Estate Studies to establish a foundation for collaboration to develop the asset and facilities management industry, through training programmes, joint research and awareness-building initiatives.

GFM also took part in Mega Gerak Kerjaya Johor, held in July 2023. This program was an initiative by the Johor State Government to enhance employment among the local graduates.

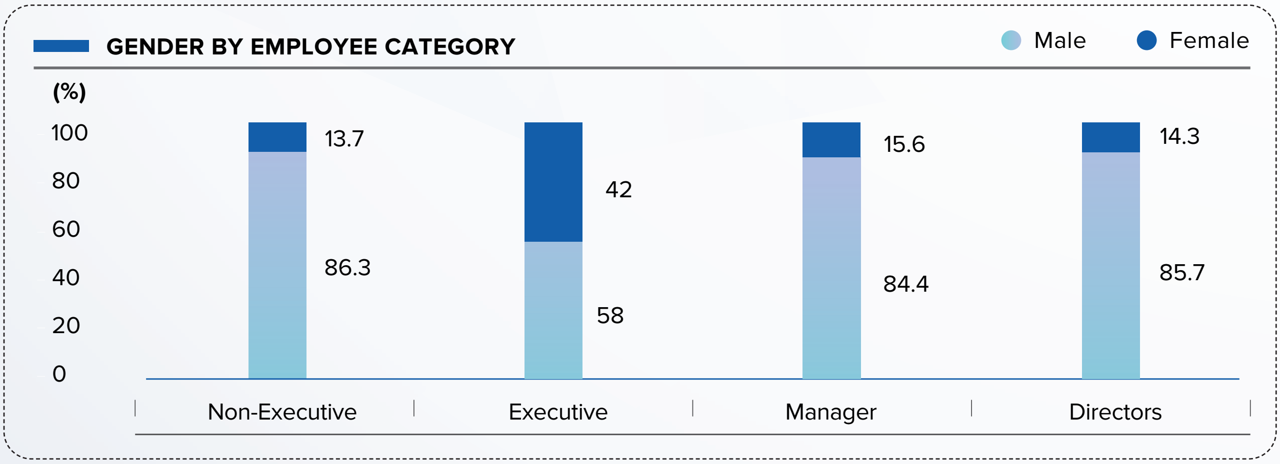
These projects are opportunities for GFM to contribute back to the society and the environment.

3. Diversity

GFM firmly believes that employees are the cornerstone of GFM's success. GFM holds a deep respect for the unique individuality and diversity that, each member brings to the workforce.

The current statistics reflect a higher number of male employees in the non-executive category the majority of which, consists of technicians at operational sites. This is mainly due to the employment pool being saturated by male technicians.

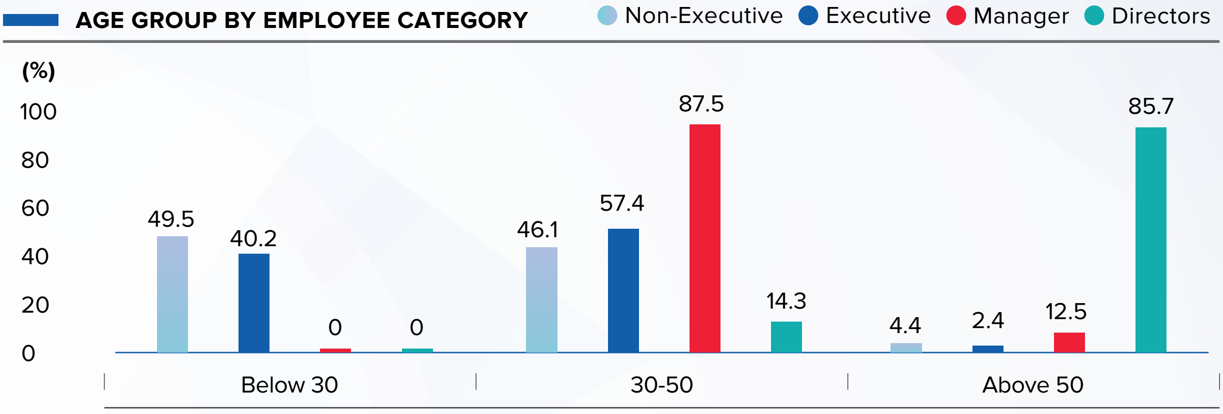
Notably, GFM is making strides towards gender balance within the Executive category. In alignment with its core values, GFM is unwavering in its commitment to merit-based recruitment and promotion. GFM's management roles are filled with the clear objective of selecting the right person for each position, irrespective of gender, ensuring that there is no discrimination and that every individual has the opportunity to advance and succeed based on their abilities and suitability for the role.



At GFM, the workforce composition is strategically structured to leverage the distinctive strengths of various age groups, for example technicians who form the majority of the non-executive are predominantly below 50-years-old. Meanwhile, a small yet pivotal cadre of over-50-years-old technicians are crucial to ensure supervision and development of the younger technicians.

At the executive level, GFM balances fresh graduate energy with seasoned expertise, reflecting its focus on succession planning. A nearly equal mix of under-30s and those in their 30s to 50s fosters innovation alongside experience. The select group of executives over 50 provides assistance to the managers as well as mentoring the younger executives.

AGE GROUP BY EMPLOYEE CATEGORY



4. Energy Management - to be incorporated in the next Annual Report

5. Health & Safety

In 2023, GFM continued its Safety, Health & Environment ("SHE") initiatives led by the of Group Safety Committee. The committee is chaired by the Group Managing Director and consists of representatives from the company management and employees.

The committee meets on a quarterly basis to discuss agendas related to safety performance and incidences, as well as safety training, campaigns and initiatives.

The Safety Unit will conduct safety & health training and exercise such as Fire Drill Exercise and Emergency Preparedness & Response Team Training for the staff. The table below shows the effectiveness of GFM SHE initiatives:-

SUSTAINABILITY MATTER	INDICATORS	STATUS
Health & Safety	Number of work-related fatalities	Nil
	Lost-time incident rate	0.1
	Numbers of employee trained on health & safety standards	179

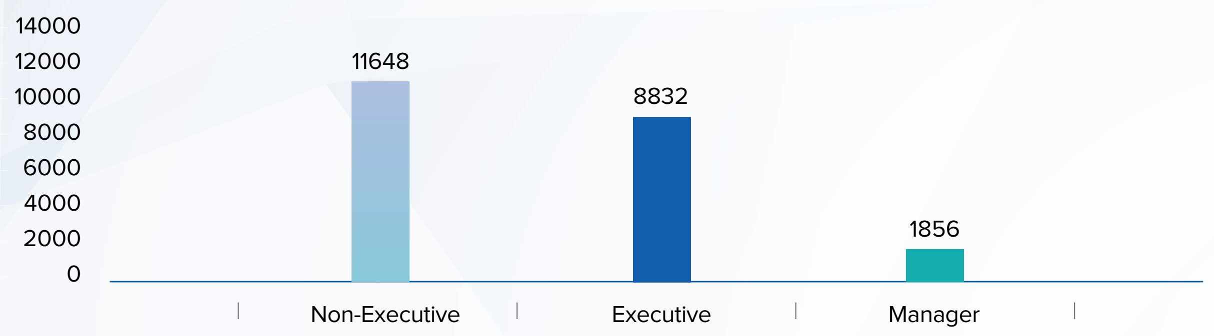
6. Labor Practices & Standards

GFM enforces a policy where all staff undertake a minimum of two training sessions annually, investing in its workforce to maintain their expertise at the industry's forefront.

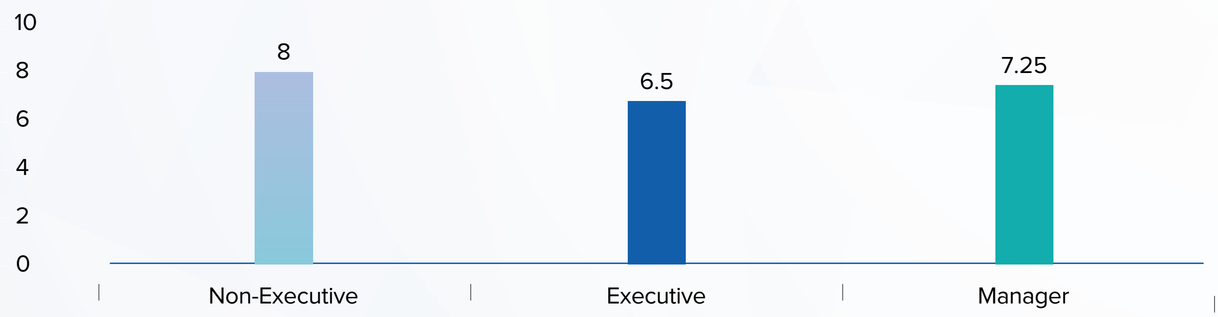
In 2023, GFM gave priority to the development of technical capabilities and proficiency for non-executive staff, mainly technicians. This led to an investment of 11,648 training hours, translating to an average of 8 working days of training per employee.

For executives and managers, the average training duration was 6.5 and 7.25 working days per employee, respectively.

TRAINING HOURS



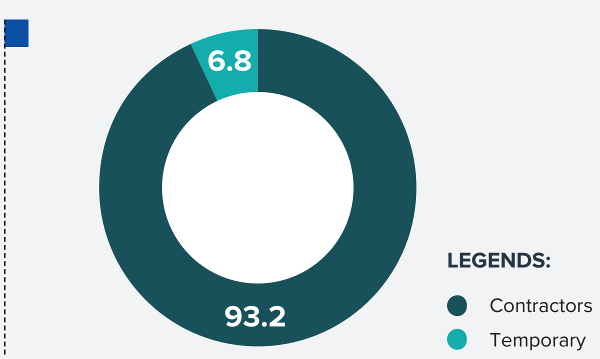
AVERAGE TRAINING DURATION PER EMPLOYEE (DAYS)



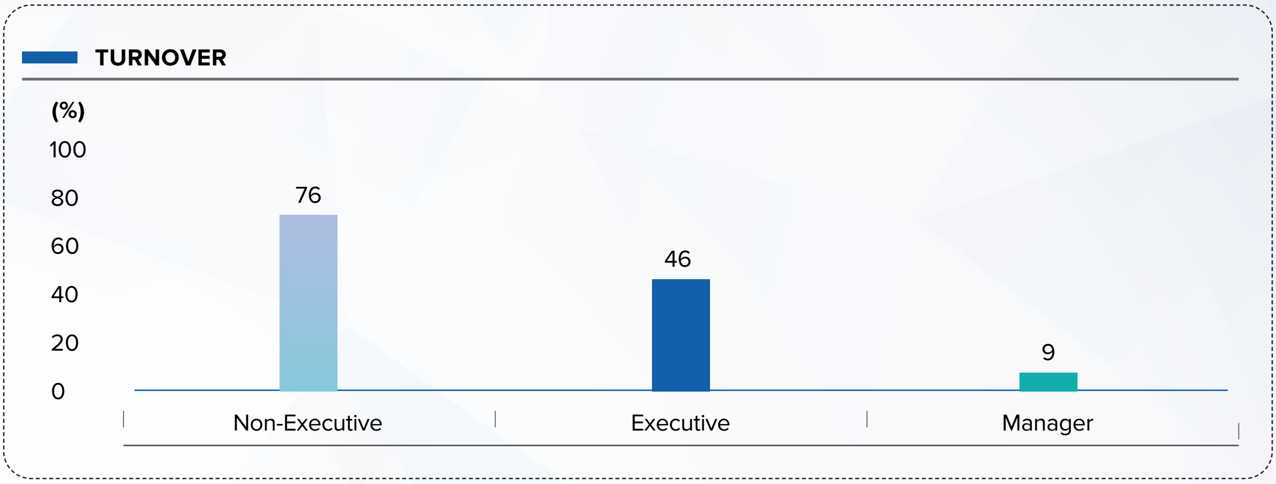
GFM is a staunch proponent of the government's initiatives aimed at empowering the younger generation. In line with this, GFM is dedicated to providing opportunities for emerging talents through its active hiring of management trainees and internship students, who currently represent 6.8% of the workforce.

This engagement not only underscores GFM's commitment to government initiatives for youth development but also brings fresh energy and ideas to our operations.

TYPE OF EMPLOYMENT



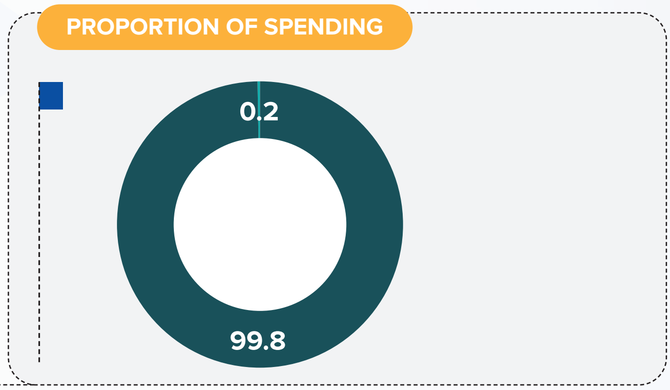
GFM's staff turnover is mainly due to the demobilisation at our sites. As illustrated by the table below, the number of resignations is proportion to the organization structure of a typical site operation.



7. Supply Chain Management

GFM is dedicated to mitigate the environmental and social repercussions of its activities, both within operations and throughout the supply chain. GFM's supply chain management emphasizes supporting local industries while ensuring cost-rationalisation.

GFM prioritise partnerships with local suppliers to boost the regional economy, reflecting on its commitment to responsible and sustainable business practices.



8. Data Privacy & Security

GFM rigorously adheres to the standards set forth by the Personal Data Protection Act ("PDPA"), ensuring the privacy and security of the personal data belonging to the clients, vendors, employees, and business partners.

GFM’s commitment to data protection involves the adoption of industry-leading privacy and security measures, providing all stakeholders with the assurance that their information is meticulously safeguarded. GFM’s operations are aligned with the PDPA's guidelines regarding the collection, utilisation, and disclosure of personal data, reflecting its dedication to legal and ethical compliance.

SUSTAINABILITY MATTER	INDICATORS	STATUS
 Data Privacy & Security	No. of substantiated complaints concerning breaches of customer privacy & losses customer data	Nil

9. Water

1.46mℓ

Total Volume of Water Used

In its ongoing efforts to manage resources responsibly and sustainably, GFM closely monitors the water usage across all operations. In the past year, GFM has utilised a total of 1.46 megalitres of water. This consumption reflects the usage of its Head office and sites.

MATERIAL SUSTAINABILITY MATTERS

In addition to the 9 disclosures above, GFM had identified 5 Top Material Sustainability Matters ("MSM") based on Bursa Malaysia's guidelines.

The process to establish GFM's Top 5 MSMs involved the following steps: -

Identify relevant sustainability matters

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

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

Prioritize material sustainability matters

In the stakeholder engagement process, 22 critical issues were identified and structured into a survey, following Global Reporting Initiative guidelines. Selected stakeholders were invited to prioritize these issues using a quartile scale by the:-

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

Review & validation of process and outcome

MSMs are assigned to the relevant departments, where they have been integrated into the departmental Key Performance Indicators. The progress is monitored and subsequently reported to the Sustainability Committee.

Based on the analysis, a list of 5 material issues has been drawn by prioritising the issues that are important to the Group and its stakeholders.

Influence of Stakeholder Assessment and Decisions

- Advocate local vendors' development and nurturing local SMEs business growth
- Attract & develop and retain employees
- Promoting racial & gender equality

- Provide safe, supportive, and positive workplace for employees.
- Act with integrity, honesty & respectfully towards various stakeholders
- Develop a performance and collaborative culture
- Seek competitive advantage by innovating service
- Use resources efficiently, minimise waste & promote delivery of energy efficient, environmentally, and socially responsible projects
- Increase shareholder value and become a more profitable business
- Minimising the use of non-recyclable materials

- Environmentally and socially responsible procurement processes.
- Aligning remuneration
- Encouraging free, fair and open competition
- Impact of changes in political or regulatory regimes

- Managing project risk
- Availability for funding for the future projects
- Availability of skilled and trained workforce
- Supporting corporate community investments in local society
- Compliance with environmental regulations
- Application of labour standards

Significance of Group's Economic, Environmental and Social Impacts

GFM'S TOP 5 MATERIAL SUSTAINABILITY MATTERS:

MSM 1	PROVIDE SAFE, SUPPORTIVE, AND POSITIVE WORKPLACE FOR EMPLOYEES

In line with the Bursa Malaysia circular element of "Safety and Health" GFM has given focus in providing a safe, supportive, and positive workplace for employee. This MSM ensures the physical safety and emotional well-being of employees, fostering a positive and productive workplace culture. The benefits are multifaceted, enhancing productivity, increasing employee satisfaction, and elevating the company's appeal to potential talent, all of which contribute significantly to organizational stability and success.

Approach on MSM:

1) Execution of Annual Safety Plan

GFM's Group Safety and Health Officer submits the annual safety plan to the Group Safety Committee ("GSC") which is chaired by the Group Managing Director, with representatives from both management and staff during the first Quarterly GSC Meeting of 2023. Progress on the execution of the annual safety plan is reported to the GSC during the following quarterly meetings.

Content of the plans includes safety inspections (based on ISO 14001 and 45001), trainings and campaigns. The plans are executed at both Head Quarter and site level.

For 2023, in addition to ISO safety inspections, the GSHO has introduced the following training and campaigns:

1. ISO 14001 and 45001 Awareness
2. Workplace Safety Awareness
3. Chemical Management Awareness
4. Fire Drill Simulation
5. Hazard identification risk assessment and risk control ("HIRARO") Training

2) Recognition of Safety Achievements and Contribution

Recognition schemes were initiated to acknowledge safety achievements occurring throughout 2023 such as 3 of GFM sites achieving more than 1 million Loss Time Injury ("LTI"). To sum up, no major incidents occurred in 2023.

3) GFM Corporate Health and Wellness Program

In December 2023, GFM initiated a Corporate Health and Wellness Program to enhance employee well-being. The program featured health screenings for 50 employees and a mental health assessment Depression Anxiety and Stress Scale 21 ("DASS-21") for 54 employees, covering both physical and mental health aspects.

This initiative reflects GFM's dedication to a supportive work environment and the integral role of well-being in employee satisfaction and productivity.

GFM'S TOP 5 SUSTAINABILITY AGENDAS:

Highlights

1. **Emergency Preparedness & Response Team Refresher Training**

2. **Fire drill simulation**

3. **GFM Corporate Health and Wellness Program**

GFM'S TOP 5 SUSTAINABILITY AGENDAS:

MSM 2	ACT WITH INTEGRITY, HONESTY & RESPECTFULLY TOWARDS VARIOUS STAKEHOLDERS

Integrity and honesty continue to be a part of circular elements "Anti-bribery & Corruption" as such collaboration between GFM's HR and Compliance Dept have spear headed the initiatives to promote this MSM. Such conduct builds and sustains trust, which is essential for maintaining a respected reputation and securing the organization's long-term success

Approach on MSM:

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 and its method of execution were reviewed, and where applicable, enhancements were made.

One of the key enhancements was a roadshow to promote Anti Bribery and Corruption practices which led to the participants declaring compliance to the policy.

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 2023, with the challenges brought by the pandemic and economic slowdown.

2023 Highlights:

Anti Bribery and Corruption Policy Roadshow

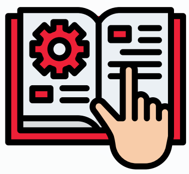
This agenda is led by the Group Human Resource Department with support from operations at sites. It coincides with Bursa Circular elements of "Labour practices and standards".

Initiatives to support this agenda include:

Anti-Bribery & Corruption Policy

Applicable to all Directors, Vendors, Partners and Employees of GFM

Guidelines



- **Zero tolerance**
- **Intergrity First**
- **Merit Based**
- **Compliance to Laws and Regulations**
- **Conflict of Interest**

GFM'S TOP 5 SUSTAINABILITY AGENDAS:

MSM 3	DEVELOP AND RETAIN PEOPLE WITH THE APPROPRIATE GFM CULTURE

A workforce unified in GFM's cultural outlook enhances teamwork, boosts operational efficiency, and reduces conflicts. This alignment not only improves employee satisfaction and retention but also contributes significantly to GFM's overall success, fostering a stable and productive environment

Approach on MSM:

Engagement & Training	
Management Workshop:	
• Value & Culture Workshop • GFM Value Repositioning • Identifying Development Plan	• Training on Selecting Successor & Building Succession Plan • Salary & Benefit Review • Performance Management System - Train the Trainer
Staff Engagement:	
• Culture & Brand Presentation • New Performance Management System Presentation • Townhall #1- Annual Townhall • Townhall #2 – Welcoming Highbase	• Team Building for GFM & Client – Istana Negara • Team Building for staff – Istana Negara • Team Building for staff – UiTM Tapah • Amendments to Employment Act 2023 Training
Internal Training:	
• Environmental Sustainability & Social Impact • Value-driven Professional • Understanding Contract Requirements	• Entrepreneurship 101 • Critical & Creative Thinking

GFM'S TOP 5 SUSTAINABILITY AGENDAS:

MSM 4	SEEK COMPETITIVE ADVANTAGE BY INNOVATING SERVICE

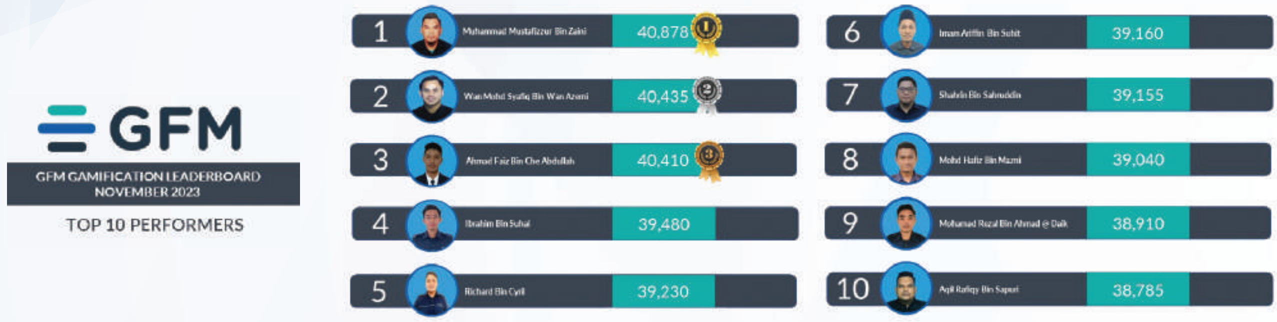
Innovation is crucial as part of ESG. GFM focuses on continual improvements and innovations in its service offerings to better meet and exceed customer expectations. This strategy enables the company to stand out from competitors, attract more customers, and expand its business operations. Information Technology, Operations and Centre of Excellence departments have collaborated to ensure that this agenda is achieved.

Approach on MSM:

1) Gamification Initiative

Launched in January 2022, the Gamification Initiative aims to enhance productivity, efficiency, and the quality of service delivery by infusing elements of gaming into work activities. This innovative approach seeks to make tasks more engaging and rewarding, utilizing GFM's GEMS Computerized Maintenance Management System ("CMMS") to monitor staff performance effectively.

Initially, the monthly top 3 performers received recognition for their contributions. The program was expanded in 2023 to appreciate the top 10 performers from the operations team each month, further incentivizing excellence and fostering a culture of achievement and recognition within GFM.



2) Innovation Challenge Programme

In 2023, the Innovation Challenge Programme showcased GFM's dedication to fostering creativity and innovation. A total of 8 teams from Headquarter, UiTM Tapah, UiTM Mukah, and Istana Negara brought forward-thinking projects, contributing to a rich array of innovative solutions.

These efforts highlighted the creativity and expertise of participants, establishing new standards in their fields. Submissions include enhancements to the CMMS, revision of processes relating to inventory management, and a new restoration method for building structure.

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

Use resources efficiently, minimizing waste, and promoting the delivery of energy-efficient, environmentally, and socially responsible projects are key operational tenets. These practices maximize resource efficiency, reduce environmental impact, and demonstrate the company's commitment to social responsibility. The benefits include saving money, reducing the environmental footprint, and enhancing the company's reputation among consumers who prioritize environmental and social responsibility

Approach on MSM:

1) The ongoing monitoring of Energy Management for all sites

As part of GFM's monthly and quarterly reporting to clients, a section on electricity and water management is incorporated. From this report, action plans such as awareness training and implementation of Maximum Demand Controls System are formulated.

2) Energy Audit

In 2023, Energy Audits were continued at relevant sites.

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	34,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,200
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	87.50
Management Above 50	Percentage	12.50
Executive Under 30	Percentage	40.20
Executive Between 30-50	Percentage	57.40
Executive Above 50	Percentage	2.40
Non-executive Under 30	Percentage	49.50
Non-executive Between 30-50	Percentage	46.10
Non-executive Above 50	Percentage	4.40
Gender Group by Employee Category		
Management Male	Percentage	84.40
Management Female	Percentage	15.60
Executive Male	Percentage	58.00
Executive Female	Percentage	42.00
Non-executive Male	Percentage	86.30
Non-executive Female	Percentage	13.70
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	85.70
Female	Percentage	14.30
Under 30	Percentage	0.00
Between 30-50	Percentage	14.30
Above 50	Percentage	85.70
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.10
Bursa C5(c) Number of employees trained on health and safety standards	Number	179
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	1,856
Executive	Hours	8,832
Non-executive	Hours	11,648
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	6.80
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	9
Executive	Number	46
Non-executive	Number	76
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.80
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1.460000

Internal assurance External assurance No assurance (*)Restated

BOARD OF DIRECTORS' PROFILE

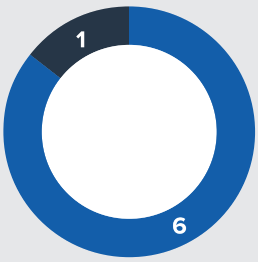
Ruslan Bin Nordin

Zainal Arifin Bin Khalid

Mohammad Shahrizal Bin Mohammad Idris

BOARD OF DIRECTORS

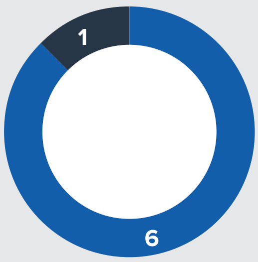
NATIONALITY



LEGENDS FOR NATIONALITY CLASSES

- Malaysian
- Singaporean

GENDER

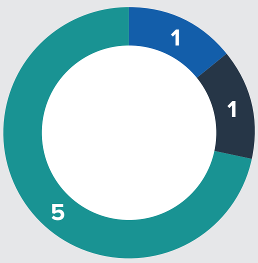


LEGENDS FOR GENDER CLASSES

- Male
- Female

Zainal Bin Amir | Tong Jia Wann | Yong Hee Kong | Ashok Virendra Shah

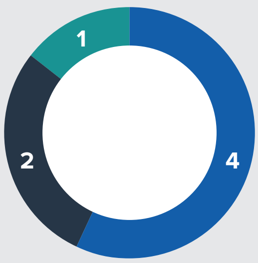
AGE



LEGEND FOR AGE CLASSES

- < 51 years old
- 51 - 60 years old
- > 60 years old

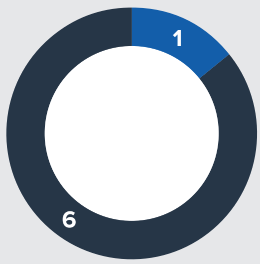
BOARD COMPOSITION



LEGEND FOR BOARD COMPOSTION CLASSES

- Independent Non-Executive Director
- Non-Independent Non-Executive Director
- Group Managing Director

LENGTH TENURE



LEGEND FOR LENGTH TENURE CLASSES

- Five years & above
- Below five years

BOARD OF DIRECTORS' PROFILE

Zainal Arifin Bin Khalid

INDEPENDENT NON-EXECUTIVE DIRECTOR (BOARD CHAIRMAN)

Age / Gender
66 / MALE

Nationality
MALAYSIAN

Date of Appointment
18 OCTOBER 2016

Length of Service
90 MONTHS

Date of Last Re-election
21 JUNE 2023

Membership of Board Committees:
- Chairman of Board of Directors

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 41 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 seven (7) Board of Directors' Meetings held during the financial year ended 31 December 2023.

Ruslan Bin Nordin

GROUP MANAGING DIRECTOR

Age / Gender
64 / MALE

Nationality
MALAYSIAN

Date of Appointment
18 OCTOBER 2016

Length of Service
90 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, subsequently redesignated as Executive Vice Chairman on 2 June 2020 and subsequently redesignated as Group Managing Director on 9 March 2023.

He has more than 40 years of working experience in engineering, project management, marketing and facilities management. His previous employments include Lembaga Letrik Negara, ABB Sdn. Bhd., Mobil Oil Malaysia Sdn. Bhd. and Propel-Johnson Controls Sdn. Bhd..

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. Mr. Ruslan directly holds 61,069,260 ordinary shares representing 8.04% in the Company and indirectly holds 74,800,340 ordinary shares representing 9.85% in the company through GFM Global Sdn. Bhd. He does not hold any warrant in the Company.

Mr. Ruslan attended all the seven (7) Board of Directors' Meetings held during the financial year ended 31 December 2023.

BOARD OF DIRECTORS' PROFILE

Mohammad Shahrizal Bin Mohammad Idris

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Age / Gender
54 / MALE

Nationality
MALAYSIAN

Date of Appointment
18 OCTOBER 2016

Length of Service
90 MONTHS

Date of Last Re-election
21 JUNE 2023

Membership of Board Committees:
- Member of Nomination and Remuneration Committee

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, subsequently redesignated as Managing Director on 1 March 2021 and subsequently redesignated as Non-Independent Non-Executive Director on 9 March 2023.

He has approximately 29 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. Mr. Mohammad Shahrizal directly holds 101,633,358 ordinary shares representing 13.38% in the Company. He does not hold any warrant in the Company.

Mr. Mohammad Shahrizal attended all the seven (7) Board of Directors' Meetings held during the financial year ended 31 December 2023.

Zainal Bin Amir

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Age / Gender
64 / MALE

Nationality
MALAYSIAN

Date of Appointment
18 OCTOBER 2016

Length of Service
90 MONTHS

Date of Last Re-election
23 JUNE 2022

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 40 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. Mr. Zainal Bin Amir directly holds 94,684,961 ordinary shares representing 12.47% in the Company. He does not hold any warrant in the Company.

Mr. Zainal Bin Amir attended all the seven (7) Board of Directors' Meetings held during the financial year ended 31 December 2023.

BOARD OF DIRECTORS' PROFILE

Yong Hee Kong

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age / Gender
66 / MALE

Nationality
MALAYSIAN

Date of Appointment
18 OCTOBER 2016

Length of Service
90 MONTHS

Date of Last Re-election
21 JUNE 2023

Membership of Board Committees:

- Chairman of Nomination and Remuneration Committee
- Member of Audit and Risk Management 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 34 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 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 seven (7) Board of Directors' Meetings held during the financial year ended 31 December 2023.

Ashok Virendra Shah

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age / Gender
72 / MALE

Nationality
SINGAPOREAN

Date of Appointment
18 OCTOBER 2016

Length of Service
90 MONTHS

Date of Last Re-election
23 JUNE 2022

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 34 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 seven (7) Board of Directors' Meetings held during the financial year ended 31 December 2023.

BOARD OF DIRECTORS' PROFILE

Tong Jia Wann

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age / Gender
40 / FEMALE

Nationality
MALAYSIAN

Date of Appointment
12 APRIL 2023

Length of Service
12 MONTHS

Date of Last Re-election
21 JUNE 2023

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

Academic/Professional Qualifications:

- Master of Law (LLM) from Inns of Court School of Law, City University of London
- Master of Business Administration from Asia School of Business in collaboration with MIT Sloan, US
- Bachelor of Law from University of Manchester

Working Experience:

Ms. Tong Jia Wann has approximately 14 years of working experience in the Legal and Financial field. She is currently attached at Petronas, having previously held positions at S&P Global, Albar & Partners, and Bank Pembangunan Malaysia.

In addition to her extensive legal expertise, Ms. Tong is committed to serving her community as a volunteer lawyer at the Legal Aid Centre Kuala Lumpur and as a member of LEGACY: PETRONAS Young Lawyers Association.

Ms. Tong 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. 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.

Ms. Tong attended four (4) Board of Directors' Meetings held during the financial year ended 31 December 2023.

KEY SENIOR MANAGEMENT'S PROFILE

AHMAD SUHAIRI BIN SAMSUDIN

Director, Asset & Facility Management Division

Age | Gender | Nationality
52 | Male | Malaysian

Date of Appointment
1 April 2019

Mr. Ahmad Suhairi joined GFM in 2019. He is the Director, Asset & Facility Management Division and oversees the Operations of the Group. He holds a Master's in Business Administration from University Utara Malaysia.

He brings along 27 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.

FAUZI BIN MOHAMAD

Director, Oil & Gas Division

Age | Gender | Nationality
50 | Male | Malaysian

Date of Appointment
1 May 2021

Mr. Fauzi Bin Mohamad joined GFM in 2021 and appointed as Director, Oil & Gas Division of the group in March 2024. He holds Bachelor of Accountancy (Hons) from University Teknologi Mara (UiTM), Shah Alam.

He has been appointed as the Head of Special Projects with the responsibility of leading the efforts to turn around Highbase Strategic Sdn Bhd, an investee company of GFM. To initiate the step-in exercise, he was seconded to Highbase Strategic Sdn Bhd on 1 June 2021. The primary goal of the turnaround plan is to transform the financial performance of Highbase Strategic Sdn Bhd from a state of loss-making or underperformance to profitability, while achieving positive net cash flow.

Mr. Fauzi Bin Mohamad 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

ZAKIR BASREE BIN ABDUL RAHMAN

Director, Strategy and Business Development

Age | Gender | Nationality
61 | Male | Malaysian

Date of Appointment
1 February 2024

Mr. Zakir Basree joined GFM in 2024 as Director, Strategy and Business Development of the Group. He graduated from the Chartered Institute of Management Accountants, U.K in 1989.

With over 35 years of working experience spanning across various industries, he has held several key positions within the GFM group. He was appointed as Corporate Advisor in GFM Solutions Sdn. Bhd. in 2012, then assumed the role of Financial Controller in Global Facilities Management Sdn. Bhd. in 2016. In this capacity, he was responsible for serving as the Interim Head of Finance prior to the company's listing on Bursa Malaysia. During this time, he spearheaded the implementation of an Enterprise Resource Planning system. In 2023, he was appointed as Director of Corporate Services in GFM Services Berhad. In this role, he assists the Group Managing Director in corporate planning initiatives and drives improvements in the Finance and Reporting functions.

Mr. Zakir Basree 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.

AZLY BIN AHMAD ANWAR

Head, Governance, Compliance and Risk

Age | Gender | Nationality
50 | 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.

In addition to Risk Management and Compliance functions, the Department is also responsible for Group Safety and Sustainability.

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.

TRIWANA BINTI ABDUL RAHMAN

Senior Manager, Human Resources Management

Age | Gender | Nationality
46 | 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 18 years of working experience, 10 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.

NURSHAM MELATI BINTI NORASIDI

Senior Manager, Business Development

Age | Gender | Nationality
35 | Female | Malaysian

Date of Appointment
1 October 2022

Ms. Nursham Melati joined GFM in 2022 as Senior Manager, Business Development of the Group. She holds Master of Business Administration (MBA) from Meiji University, Japan and Master of Science (MSc.) in Engineering Business Management from University of Technology Malaysia, as well as Bachelor of Quantity Surveying from International Islamic University of Malaysia.

She is responsible for driving business growth, creating development plans and identifying market opportunities for GFM. She has around 13 years of relevant industry experience in construction business development, project management, contract management and procurement from her previous employments with Ahmad Zaki Resources Berhad, AECOM Malaysia and NAZA Engineering & Construction.

Ms. Nursham Melati 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 him by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE

MOHD ANUAR BIN ZAHARI

Senior Manager, Procurement

Age | Gender | Nationality
57 | Male | Malaysian

Date of Appointment
1 February 2024

Mr. Mohd Anuar Bin Zahari joined GFM in 2024. He is the Senior Manager, Procurement and oversees the entire procurement of the Group. Prior to joining GFM, he was with Highbase Strategic Sdn Bhd, an investee company of GFM leading the Procurement Department.

Over 20 years of financial services industry experience leading various roles within Maybank Group, spanning across Corporate & Commercial including Small Medium Enterprise (SME). He is highly experienced in Trade Finance. He holds a Diploma in Accountancy from University Teknologi Mara (UiTM).

Mr. Mohd Anuar Bin Zahari 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.

HEATHIR BIN AHMAD

Financial Controller

Age | Gender | Nationality
47 | Male | Malaysian

Date of Appointment
1 February 2024

Mr. Heathir joined GFM in 2024 as Financial Controller of the Group. He holds Bachelor's Degree in Accountancy from University Teknologi Mara (UiTM) and Diploma in Accountancy from Mara Institute of Technology.

He has 23 years of working experience in finance industry. He has been appointed as the Head of Finance & Accounts at Highbase Strategic Sdn. Bhd. In this role, he oversees the activities of the Finance & Accounts Department, focusing on planning, controlling, and monitoring the performance of the company's accounting, financing, and treasury functions.

Mr. Heathir 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 of GFM believes that good corporate governance is fundamental to the Group's continued success. 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. Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"); and
2. Malaysian Code on Corporate Governance 2021 ("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;
- 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 Group Managing Director are distinct and separated.

The position of Chairman is held by Mr. Zainal Arifin Bin Khalid, an Independent Non-Executive Chairman of the Company. The Group Managing Director, Mr. Ruslan Bin Nordin 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 Director 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 Director is 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 and Group Managing Director, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

Practice 1.5 – Company Secretaries

Every Director also has unrestricted access to the advice and services of the Company Secretaries. The Board believes that the current Company Secretaries are capable of carrying out their duties to ensure the effective functioning of the Board. In the event that the Company Secretaries fails to fulfil their 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 Secretaries 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 Secretaries 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 Main LR of Bursa Securities.

The Company Secretaries 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 Paragraph 14 of the Main LR of Bursa Securities. Deliberations during the Board and Board Committees' meetings were properly minuted and documented by the Company Secretaries.

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 seven (7) times during the FYE 2023 and the attendance records of each Director at the Board Meetings is set out below:-

Name of Directors	Attendance at Meeting	Total Attendance
Zainal Arifin Bin Khalid – *Independent Non-Executive Director (Board Chairman)*	7/7	100%
Ruslan Bin Nordin – *Group Managing Director*	7/7	100%
Mohammad Shahrizal Bin Mohammad Idris – *Non-Independent Non-Executive Director*	7/7	100%
Zainal Bin Amir – *Non-Independent Non-Executive Director*	7/7	100%
Yong Hee Kong – *Independent Non-Executive Director*	7/7	100%
Ashok Virendra Shah – *Independent Non-Executive Director*	7/7	100%

Name of Directors	Attendance at Meeting	Total Attendance
Tong Jia Wann – Independent Non-Executive Director	4/4	100%
Abdul Rahim Bin Abdul Hamid – Independent Non-Executive Director (Retired on 30 September 2023)	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 Unit ("IAU") 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.

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 2023, is set out on pages 23 to 37 of the Annual Report 2023.

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 Group Managing Director 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

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.

Practice 4.4 – Performance Evaluations of the Board

The Company is looking into developing the criteria and KPI to evaluate the performance of the Board and senior management in addressing the material sustainability risk and opportunities.

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.

During the financial year, the appointment of Ms. Tong Jia Wann took place upon the recommendation of NRC and approval by the Board. The NRC applied the fit and proper criteria to evaluate the candidate.

The Company's Constitution provides that one third (1/3) or nearest to one-third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election provided always that all the Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. All the retiring Directors will abstain from deliberations and decisions on their own eligibility to stand for re-election at the Board Meeting.

The NRC also conducted an assessment of Directors who are seeking for re-election at the forthcoming 11th AGM and concluded that Encik Ruslan Bin Nordin and Mr. Ashok Virendra Shah are eligible for re-election. The Board had approved and proposed the re-election of Encik Ruslan Bin Nordin and Mr. Ashok Virendra Shah 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 2023.

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 2023 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, two (2) Non-Independent Non-Executive Directors and one (1) Executive Director.

The Company complies with the criteria of Main 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.

The profiles of each of the Directors are presented on pages 40 to 46 of the Annual Report 2023.

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 Director is 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.

Potential candidates from external sources such as Institute of Corporate Directors Malaysia and NAM Institute for the Empowerment of Women shall be consider for future appointments.

Practice 5.3 – 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.

Three (3) Independent Directors were appointed on 18 October 2016 and one (1) Independent Directors was appointed on 12 April 2023. 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.

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 is one women Director on Board.

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

The Board shall seek candidates from external bodies such as Institute of Corporate Directors Malaysia and NAM Institute for the Empowerment of Women, in addition to candidates proposed internally.

Practice 5.10 – Policy on Gender Diversity

The Board Diversity Policy established by the Company has no specific target on gender, age or ethnicity composition in the Board, as it believes the Company should be appointing Directors who bring with them the requisite skills and experience to enable the Company realises its corporate strategies and objective. Nevertheless, the current composition of the Board represents a diverse mix of Directors of different gender, age and ethnicity, in addition to the blend of background, skills, experience and expertise.

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

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

No.	Name	Designation
1)	Yong Hee Kong	Chairman
2)	Ashok Virendra Shah	Member
3)	Mohammad Shahrizal Bin Mohammad Idri	Member

There were six (6) NRC Meetings held for the FYE 2023.

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 2023.

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. Assessment criteria shall be extended to include the elements mentioned in GFM Fit and Proper Policy (adopted by the Board in May 2022). Such criteria include Personal Integrity, as well as Time and Commitment

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.

An assessment on the independence of the Directors based on the provisions of the Main 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 2023, the Board assessed the independence of its Independent Non-Executive Directors based on the criteria set out in the Main 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 2023 are as follows:-

Name of Directors	Date	Seminar / Training Course Title
Ruslan Bin Nordin	10 May 2023	Current and Future Trends of the FM Industry in Malaysia in Making a Difference for All the Stakeholders
	6 September 2023	Sustainability & Renewable Energy Forum SAREF 3.0
	12 October 2023	A New Strategy & Risk Approach – Out With The Old, In With The New
	10 November 2023	Post-Budget 2024 Dialogue: Economic Reforms, Empowering the People by ICDM
	23 November 2023	Sustainability for Boards: Building Capability & Capacity
	30 November 2023	The 28th United Nations Climate Change Conference (COP) 28

Name of Directors	Date	Seminar / Training Course Title
Zainal Bin Amir	23 November 2023	Sustainability for Boards: Building Capability & Capacity
Mohammad Shahrizal Bin Mohammad Idris	8 June 2023	Asset & Project Management Conference 2023
	23 November 2023	Sustainability for Boards: Building Capability & Capacity
Zainal Ariffin Bin Khalid	22 March 2023	GLG - How will Wearable Technology Transform the Future of Healthcare?
	25 May 2023	ICDM - Advancing Cyber Resilience: Board's Top 3 Must-Knows
	22 June 2023	EIU - Technology and Telecommunications Outlook – AI and Impact
	20 July 2023	ICDM - Generative AI – An Opportunity or Risk?
	24 August 2023	Employment Hero - The Future of AI and HR in Singapore and Malaysia
	8 October 2023	BVI – AI Masterclass
	2 November 2023	Clear Tax - Basics of E-Invoicing Implementation in Malaysia
	23 November 2023	Sustainability for Boards: Building Capability & Capacity
	27 November 2023	SC - AOB's Conversation with Audit Committees
Ashok Virendra Shah	23 November 2023	Sustainability for Boards: Building Capability & Capacity
Yong Hee Kong	8 February 2023	GLF Asia-Pacific Leaders dialogue
	22 February 2023	Strengthening EU-Malaysia relations
	23 February 2023	Global business forum
	28 February 2023	2023 Malaysian housing and property summit
	30 March 2023	Selangor international economic summit
	23 May 2023	5th Malaysia banking and finance summit
	19 June 2023	2nd Malaysia sustainability leadership summit
	28 June 2023	Towards a resilient cyberspace in SEA
	13 July 2023	National education and learning summit
	27 July 2023	6th Asian economic and entrepreneurship summit
	16 August 2023	50th year of ASEAN-Japan friendships
	21 September 2023	World Digital economy and technology summit
	17 October 2023	Agama dan Budaya teras Masyarakat MADANI
	18 October 2023	Falsafah adab - Malaysia Madani (YADIM)
	25 October 2023	Malaysia Health and Wellness Summit
	2 November 2023	MADANI- civilisational framework (KPT)
	21 November 2023	Panyalahgunan maklumat sejarah di media sosial
	23 November 2023	Sustainability for Boards: Building Capability & Capacity
	9 December 2023	Cross cultural dialogues through philosophical dialogues
Tong Jia Wann	5 & 6 July 2023	Mandatory Accreditation Program (MAP) I

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

During the FYE 2023, the External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statement. The Board was also briefed on the amendments to the Listing Requirement such as Conflict of Interest and Mandatory Accreditation Programme Part II.

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 2023 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	358,243	-	7,500	-	**365,743**
Independent Non-Executive Directors					
Zainal Arifin Bin Khalid[1]	-	74,867	34,000	-	**108,867**
Yong Hee Kong	-	72,000	27,000	-	**99,000**
Ashok Virendra Shah	-	72,000	32,000	-	**104,000**
Tong Jia Wann	-	51,800	9,000	-	**60,800**
Abdul Rahim Bin Abdul Hamid[2]	50,000	63,000	13,000	-	**126,000**
Non-Independent Non-Executive Directors					
Zainal Bin Amir	-	72,000	18,000	-	**90,000**
Mohammad Shahrizal Bin Mohammad Idris	64,907	60,000	22,000	-	**146,907**
Provisions	-	-	5,000	-	**5,000**
TOTAL	**478,150**	**465,667**	**167,500**	-	**1,106,317**

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

Note:-
1. Redesignated from Independent Director to Independent and Non-Executive Chairman on 23 November 2023.
2. Retired on 30 September 2023

Subsidiary Level

Name of Directors	Salaries and other emoluments* (RM)	Fees (RM)	Attendance Allowance (RM)	Benefits in Kind (RM)	Total (RM)
Executive Directors					
Ruslan Bin Nordin	1,785,000	-	-	-	**1,785,000**
Zainal Bin Amir	-	96,000	-	-	**96,000**
Mohammad Shahrizal Bin Mohammad Idris	1,680,000	80,000	-	-	**1,760,000**
Provisions	179,550	-	-	-	**179,550**
TOTAL	**3,644,550**	**176,000**	**-**	**-**	**3,820,550**

* 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 six (6) Senior Management (including salary, bonus, benefit in kind and other emoluments) in each successive bands of RM50,000 during the FYE 2023 are as follows:-

Range of Remuneration per annum	Designation of Top Senior Management
RM50,001 – RM100,000	1) Head of Finance
RM100,001 – RM150,000	NIL
RM150,001 – RM200,000	1) Senior Manager, Human Resources Management 2) Senior Manager, Business Development
RM200,001 – RM250,000	1) Head of Governance, Risk and Compliance
RM250,001 – RM300,000	NIL
RM300,001 – RM350,000	NIL
RM350,001 – RM400,000	1) Director, Group Operations
RM400,001 – RM450,000	1) Head, Special Project

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 is generated by its Terms of Reference which is consisted with the Main LR of Bursa Securities and best practices of the MCCG.

The ARMC comprises of four (4) 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)	Yong Hee Kong	Member	Independent Non-Executive Director
3)	Zainal Bin Amir	Member	Non-Independent Non-Executive Director
4)	Tong Jia Wann	Member	Independent Non-Executive Director

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.

The composition of the ARMC and the qualification of the members comply with Paragraph 15.09 (1) of the Main 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 IAU 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 IAU and External Auditors of GFM and vice versa to highlight any issues of concern at any point in time.

The IAU met the ARMC every quarter during the FYE 2023 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 2023 are RM394,000 and RM7,000 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 Main 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 IAU and External Auditors.

The ARMC also made arrangements to meet and discuss with the External Auditors 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 Director is 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 Director. 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.

To ensure the independence of the internal audit function, the annual Audit Plan and scope of review is reviewed and approved by the ARMC.

GFM acknowledges that in order to further enhance the independence of IAU, Encik Azly, who is independent from the Senior Manager of Risk Management and Compliance, has been appointed as the Head of IAU to ensure independence. Both Risk Management and IAU now report directly to GFM's ARMC.

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.

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 IAU 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 IAU. IAU reports to the ARMC during the quarterly ARMC meetings and whenever called by the Committee.

The IAU is free from any relationships or conflicts of interest, which could impair their objectivity and independence. The IAU 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.

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 Main 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 Paragraph 8.31A(1) of the Main 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 its 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.

Practice 13.3 – Electronic Voting

The Company's 10th Annual General Meeting ("AGM") for the financial period ended 31 December 2022 has been conducted fully virtual. The AGM were conducted through live streaming and online poll voting whereby shareholders and proxies can access and participate remotely.

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 21 June 2023 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 Acclime Corporate Services Sdn. Bhd. ("Acclime") as Poll Administrator to conduct the poll by way of online voting and to provide a virtual meeting facility for the 10th AGM held on 21 June 2023. The Board was satisfied with the virtual meeting facilities provided by Acclime for the previous AGM held in year 2023, 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 10th AGM was made available to shareholders on its website. The Company will upload the minutes of coming 11th 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 Main 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 2023, the Group and the Company 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 2023 or entered into since the end of the previous financial year.

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 69,000,000 Placement Shares have been issued and allotted on 6 March 2024, details of which are as follows:-

No.	Date of Allotment	Total Number of Private Placement	Proceeds (RM)
1.	6 March 2024	69,000,000	15,180,000
	TOTAL		**15,180,000**

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

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

No.	Purpose	Proposed Utilisation Base Scenario RM'000	Proposed Utilisation Maximum Scenario RM'000	Actual Amount Raised RM'000	Actual Ultilisation RM'000	Intended timeframe for utilisation from listing date (18 March 2024)	Balance of unutilised proceeds RM'000
1.	Future Viable Investment	-	-	-	-	Within 24 months	-
	Working Capital						
2.	HSSB	11,396	-	11,800	5,049	Within 24 months	6,751
3.	General	3,000	-	3,000	-	Within 24 months	3,000
4.	Estimated expenses in relation to the Proposed Private Placement	380	-	380	380	Upon completion of the Proposed Private Placement	-
	TOTAL	**14,776**	**-**	**15,180**	**5,429**		**9,751**

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 2023.

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 2023 are set out below:-

	Number of Options			
	Grand Total		Directors and Senior Management	
Description	**ESOS**	**ESGS**	**ESOS**	**ESGS**
Outstanding as at 1 January 2023	1,251,500	93,500	268,000	60,000
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Lapsed*	1,251,500	93,500	268,000	60,000
Outstanding as at 31 December 2023	-	-	-	-

* Due to expiry of ESOS and ESGS on 8 March 2023.

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 2023 are set out below:-

	Percentage	
Directors and Senior Management	During the financial year	Since Commencement up to 31 December 2023
Aggregate maximum allocation	0%	0%
Actual options granted	0%	0%

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 2023 are set out below:-

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

Note:-
1. Retired on 30 September 2023

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

There were no RRPT conducted during the FYE 2023.

8. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid and payable for services rendered to the Group and the Company for the FYE 2023 by the Company’s external auditors, or a firm or corporation affiliated to the external auditors are as follows:

	Group (RM)	Company (RM)
Audit Fees	394,000	170,000
Non-Audit Fees*	106,767	37,941
Total	**500,767**	**207,941**

* The non-audit services rendered by Moore Stephens Associates PLT and its affiliates mainly comprises of fee payable for review of Statement on Risk Management, Tax review, Tax computation, Tax filing and other compliance information.

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 2023.

10. Profit Guarantee

There was no profit guarantee given by the Company during the FYE 2023.

11. Profit Forecast Variance

There was no profit forecast issued during the FYE 2023.

12. Non-Observance of MCCG

There was no non-observance of the MCCG for the FYE 2023.

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 19 April 2024.

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 2023.

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 ARMC comprises of four (4) 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)	Yong Hee Kong *(Independent Non-Executive Director)*	Member
3)	Zainal Bin Amir *(Non-Independent Non-Executive Director)*	Member
4)	Tong Jia Wann *(Independent Non-Executive Director)* *(Appointed on 24 May 2023)*	Member

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

The composition of the ARMC and the qualification of the members comply with Paragraph 15.09(1) of the Main 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.

The External Auditors and In-House Internal Audit Unit, 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 2023.

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%
Yong Hee Kong *(Independent Non-Executive Director)*	Member	5/5	100%
Zainal Bin Amir *(Non-Independent Non-Executive Director)*	Member	5/5	100%
Tong Jia Wann (Independent Non-Executive Director) *(Appointed on 24 May 2023)*	Member	2/2	100%
Zainal Arifin Bin Khalid *(Independent Non-Executive Director)* *(Resigned on 23 November 2023)*	Member	5/5	100%
Abdul Rahim Bin Abdul Hamid *(Independent Non-Executive Director)* *(Resigned on 24 May 2023)*	Member	2/3	67%

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 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.

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 re-appointment; 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 Main LR of Bursa Securities.

INTERNAL AUDIT FUNCTION

During the FYE 2023, GFM has conducted the internal audit function internally. The In-House Internal Audit Unit provides the ARMC with independent and objective reports on the systems and state of internal controls of the Company.

The total costs incurred for the Internal Audit function of the Group for FYE 2023 was RM345,981

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 RM394,000 in respect of the FYE 2023.

Internal Control and Risk Management

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

The In-House Internal Audit Unit is responsible to conduct regular review and appraisals of the effectiveness of the governance, risk management and internal control process within the Group and the Company.

The In-House Internal Audit Unit reports to the Group Managing Director 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 Group and the Company 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

Paragraph 15.26(b) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad and Practice Note 10.2 of the Malaysia Code of Corporate Governance (“MCCG”) 2021, requires the Board of Directors to include a statement concerning the Group's risk management and internal controls as part of its Annual Report. Practice Note 10.2 further requires the disclosure of the features, adequacy and effectiveness of the risk management and internal controls framework.

The following sections outline the nature and scope of the Group’s risk management and internal controls for FYE 2023 as guided by the Statement on Risk Management and Internal Controls – Guidelines for Directors of Listed Issuers introduced by Bursa Malaysia Securities Berhad.

BOARD RESPONSIBILITY

The Board of Directors is responsible for establishing a system to identify, assess and respond to risks that could affect GFM's objectives. In determining acceptable levels and types of risks, the Board sets the risk appetite for GFM and participates in the strategic planning process to ensure corresponding risks are mitigated. The Management Risk Committee (“MRC”) and Audit and Risk Management Committee (“ARMC”) are established to provide oversight on matters relating to risk, compliance and internal controls.

By establishing a robust system and setting its risk appetite, GFM ensures that the Board can identify and respond to risks effectively. Their participation in the strategic planning process ensures that risks are considered in the decision-making process.

MANAGEMENT RESPONSIBILTY

The Management is responsible for identifying and assessing risks pertinent to the Group's objectives and operations. In line with the Group’s strategic vision and risk appetite, the Management develops policies and procedures to manage risks.

To ensure that the risk management and internal control systems are effective, the Management with guidance from the Board consistently monitors the execution of risk mitigating action plans. Communication on changes to the risks or potential risks and effectiveness of the action plans are reported to the Board via the ARMC on a quarterly basis.

RISK MANAGEMENT FRAMEWORK

GFM’s risk management practices are guided by its Enterprise Risk Management (“ERM”) Framework. This framework adopts ISO 31000:2018 Risk Management Requirements and has been communicated to staff of relevant levels and reviewed for continuous improvements. The key objectives of the framework are:-

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

RISK MANAGEMENT APPROACH

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

In 2023, GFM’s Risk Management Unit (“RMU”) conducted an exercise to extend the scope of Enterprise Risk reviewed by compiling common risks related to the respective functions within the Group and conducting workshops with Process Owners to discuss such risks. These workshops provide check and balance, ensuring that Process Owners take into consideration a larger scope of potential risks.

In addition to the above, RMU completed its annual Operational Risk reviews at GFM sites. These reviews focus on the sites’ financial, compliance, manpower, supply chain and daily operational risks and its impact.

By implementing Operational and Enterprise Risk reviews, a holistic assessment of both micro and macro levels of risks is attained.

The risk reviews are tabled to the MRC which consists of GFM’s key management and leadership team and escalated to the ARMC for their deliberation.

KEY RISK FACTORS

In 2023, RMU continues to monitor GFM's key risks. Key risks faced in 2023 are: -

a)	**Inadequate competent personnel** GFM is required to provide a certain number of staffs with safety and technical competency at its operational sites. The number of staffs is based on authority and/or clients' requirements, as well as a buffer of backups, to ensure continuation of service. GFM has reduced this risk via a competency training drive led by its Human Resources Department, with assistance from Site Operations.
b)	**Underperforming subsidiary (Highbase Strategic Sdn. Bhd.)** During the initial involvement of GFM with Highbase in 2020, Highbase recorded an annual loss of RM 1.2 mil. A turnaround project was initiated to improve Highbase's performance. The success of this initiative was monitored on the basis of Highbase's annual profit which was RM 7.4 mil in 2023.
c)	**Inability to secure new business** To mitigate this risk of GFM's inability to secure new business via tender-based contracts. GFM has initiated additional revenue channels through potential developments in Rest Service Area, Central Labour Quarters and Oil and Gas.

INTERNAL CONTROLS FRAMEWORK

Internal Controls Framework is imperative to support the function of Risk Management. The Group continuously reviews and enhances the effectiveness of the internal control procedures based on the inputs from Risk Management and Internal Audit Units.

a)	**Board Committee** • Audit and Risk Management Committee ("ARMC") The primary function of the ARMC is to assist the Board in reviewing the Group's financial results and year-end financial statements, related party transactions, conflict of interest situations, risk management and audit reports. The ARMC meets on quarterly basis. In 2023, the role of ARMC has been extended to monitor GFM's compliance to Sustainability obligations. • Nomination and Remuneration Committee ("NRC") The NRC is established to act as a committee of the Board to fulfil its fiduciary responsibilities in the following areas: - a) Recruitment, retention, training and basically developing the best available directors suitable for the Company; and b) Management of Board's renewal and succession planning effectively. Duties of the NRC is also extended to provide oversight on staff development and benefit. The NRC meets on quarterly basis.
b)	**Organisation Structure** Despite the constant changes in manpower due to site demobilisation and redeployment of staff, GFM managed to ensure that a proper organisation structure and reporting line is maintained.
c)	**Anti-Bribery and Corruption Policy** The Anti Bribery and Corruption Policy adopted and implemented in 2022 was further introduced in 2023 via roadshows at all sites. The roadshows promoted the policy which 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 during business. The policy has undergone a review to further enhance its content in Quarter 3 of 2023.

d)	**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. The policy has undergone a review to further enhance its content in Quarter 3 of 2023.
e)	**Code of Ethics and Code of Conduct** The Code of Ethics and Code of Conduct ("the Code") 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. The 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. **Guidelines on Misconduct and Discipline** These Guidelines are addendum to the Codes. It governs the handling of misconduct and disciplinary matters in relation to any breach the Codes.
f)	**Delegated Authority Limits ("DAL")** The DAL defines limits of authority, responsibility and accountability that governs the 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 Group.
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 2023.
h)	**Management Committee** • **Management Risk Committee ("MRC")** The MRC consist of GFM Senior Leadership and meets on quarterly basis prior to the ARMC meetings. Key responsibilities of MRC are to monitor and discuss the audit findings and action plans as well as the risks and mitigate action plans raised by the Internal Audit and Risk Management reports. • **Group Safety Committee** The Group Safety Committee is established as part of the requirements from Section 30 of Occupational Safety and Health Act. The committee is chaired by the Group Managing Director and consist of representative from the company management and employees. The committee meets on a quarterly basis to discuss agendas concerning safety performance and incidences, as well as safety training, campaigns and initiatives. • **Sustainability Committee (established in Quarter 2 of 2023)** The Sustainability Committee's Terms of Reference was approved by the Board in Quarter 2 of 2023. Since its establishment, the committee has proposed a sustainability framework which consist of Sustainability Pillars, Agenda and Status Report to the Board. The Sustainability Committee is chaired by the Group Managing Director and meet on quarterly basis. The Group's Sustainability Officer acts as the secretariat to the committee.

i)	**Planning, Monitoring and Reporting** • **Integrated Management System Accreditation** The Integrated Management System of GFM consists of ISO9001:2015 Quality Management System ("QMS"), ISO14001:2015 Environmental Management System ("EMS") and ISO45001:2018 Occupational Health & Safety Management System ("OHSMS"). These certifications serve as a testament to GFM's robust work processes that are in line with industry best practices. • **Operational Policies and Procedures** The Group's internal policies and procedures, known as the Business Process Manuals ("BPM") were established to define the day-to-day processes, covering all scopes of GFM's functions including human resources, safety, operations, and marketing. In 2023, an exercise was conducted to update and revise all of the Group's BPMs. Compliance to the BPM is reviewed by Internal Audit Unit ("IAU"). In 2023, GFM Information Portal was launched. All BPMs have been uploaded to this centralised library and it is accessible to accessible to all employees. • **Financial Performance Review** The quarterly financial reports of the Group are presented to the ARMC and approved by the Board prior to releasing it to the regulators and stakeholders. The annual 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. The assessment of controls is based on monthly generated data relating to operational efficiency, safety, clients' feedback and internal audit reviews conducted. All these data are reported to their respective management committees.
j)	**Business Continuity Management** • **Business Continuity Plan ("BCP")** In order to ensure continuous non-stop Information and Communication Technology operations, the Group established a BCP to counter against any disasters, emergencies, or catastrophic incidents. BCP will ensure that business operations can function in a resilient manner. To ensure operational readiness of the business operation, the Disaster Recovery Plan simulation exercise was conducted on October 2023 for its financial, operation and storage systems. • **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 FUNCTIONS

GFM's internal audit function was previously to KPMG until 2021 this function was done internally with the formation of the Internal Audit Unit ("IAU"). IAU continues to provide assurance to the ARMC through the execution of internal audit work, based on a risk-based audit plan which also considers concerns raised by the Management and Board. The internal audit plans are tabled to the ARMC at the beginning of every year.

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

IAU has conducted various audits from 2021 to 2023. Each year all audits are guided by a theme. This theme is to ensure that the IAU develops and matures to conduct more complex and complicated audits. Key audits conducted are as follows:

Year 2021 Theme: Compliance to Regulation	
• Review of compliance to Bursa Malaysia Ace Market Listing Requirement • Review of employment related regulation • Review of compliance to ISO Standards adopted • Review of compliance to cyber security regulation	• GFM website security audit • Review of compliance to safety and health related regulation • Review of backdated purchase order
Year 2022 Theme: Process Audit	
• Key asset management audit • Housekeeping and camp management audit • Corporate gift audit • Inventory management audit	• S17A gap analysis • Food safety audit • Review on GFM's social media • Training management audit
Year 2023 Theme: Year 2023 Theme: Effectiveness and Efficiency	
• Vendor Assessment • Complaints and Feedback • Business Claims • Business Advance	• Fixed Asset Review • Contract Review (x 4 Sites) • Creation of Legal Database • BPMs Review

REVIEW BY THE EXTERNAL AUDITORS

In accordance to Paragraph 15.23 of the Main 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 2023.

Their review was performed under a limited assurance engagement in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether this Statement on Risk Management and Internal Control covers all risk and controls, or to form an opinion on the adequacy and effectiveness of our Group's risk management and internal control system.

Based on the procedures performed and evidence obtained, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control intended to be included in the Annual Report has not been prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines and Practice 10.1 and 10.2 of MCCG 2021, nor the Statement on Risk Management and Internal Control is factually inaccurate.

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

Based on this assurance, the input from external and internal auditors, as well as the Board's review via the ARMC, the Board is of the view that the risk management and internal controls systems are 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 controls as and when necessary.

The Group have also provided documented assurance that the Group's risk management and internal controls system, in all material aspects, are operating adequately and effectively based on the risk management and internal controls 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 Controls was approved by the Board of Directors on 19 April 2024.

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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 2023.

TRANSFER OF LISTING TO MAIN MARKET

On 9 April 2024, the Company has obtained approval from Bursa Malaysia Securities Berhad for the transfer of the Company's entire issued share capital from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad.

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 for the financial year, net of tax	27,297,238	11,056,515
Attributable to: Owners of the Company	27,297,238	11,056,515

DIVIDENDS

The amount of dividends declared by the Company since the end of the previous financial year was as follows:

	RM
First interim single-tier dividend of 0.22 sen per ordinary share on 690,462,137 ordinary shares in respect of the financial year ended 31 December 2023, declared on 24 May 2023, paid on 25 July 2023	1,518,998
Second interim single-tier dividend of 0.18 sen per ordinary share on 690,462,137 ordinary shares in respect of the financial year ended 31 December 2023, declared on 24 August 2023, paid on 25 October 2023	1,242,813
Third interim single-tier dividend of 0.56 sen per ordinary share on 690,462,137 ordinary shares in respect of the financial year ended 31 December 2023, declared on 28 November 2023, paid on 25 January 2024	3,866,588
	6,628,399

Subsequent to the financial year, on 29 February 2024, the Company declared a fourth single-tier interim dividend of 0.58 sen per ordinary share on 690,462,137 ordinary shares amounting to RM4,004,680 in respect of the financial year ended 31 December 2023 payable on 29 April 2024. The financial statements for the financial year ended 31 December 2023 do not reflect this dividend. The dividend will be accounted for in equity as an appropriation of retained earnings during the financial year ended 31 December 2024.

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

The Company has not issued any shares or 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 22(b) to the financial statements.

During the financial year, there were no ESOS and ESGS exercised. The unexercised ESOS and ESGS have expired on 8 March 2023.

DIRECTORS OF THE COMPANY

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

Ruslan bin Nordin *	
Zainal bin Amir *	
Mohammad Shahrizal bin Mohammad Idris *	
Ashok Virendra Shah	
Zainal Arifin bin Khalid	
Yong Hee Kong	
Tong Jia Wann	Appointed on 12 April 2023
Abdul Rahim bin Abdul Hamid	Resigned on 30 September 2023

* *Directors of the Company and certain subsidiaries.*

DIRECTORS OF SUBSIDIARIES

The name of the Director of the Company's subsidiaries in office during the financial year and at the date of this report (excluding those Directors listed above) is:-

Azly bin Ahmad Anwar	Appointed on 18 April 2024

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 in the Company and a related corporation during the financial year were as follows:

	Number of Ordinary Shares			
	At 1.1.2023 Unit	Bought Unit	Sold Unit	At 31.12.2023 Unit
Ordinary shares in the Company				
Direct interests:				
- Ruslan bin Nordin	61,069,260	-	-	61,069,260
- Zainal bin Amir	94,684,961	-	-	94,684,961
- Mohammad Shahrizal bin Mohammad Idris	101,633,358	-	-	101,633,358
- Ashok Virendra Shah	60,000	-	-	60,000
- Zainal Arifin bin Khalid	60,000	-	-	60,000
- Yong Hee Kong	60,000	-	-	60,000
Indirect interests:				
- Ruslan bin Nordin *	74,800,340	-	-	74,800,340

	Number of Options over Ordinary Shares			
	At 1.1.2023 Unit	Exercised Unit	Lapsed Unit	At 31.12.2023 Unit
Option shares in the Company				
Direct interests:				
- Ashok Virendra Shah	60,000	-	(60,000)	-
- Zainal Arifin bin Khalid	60,000	-	(60,000)	-
- Yong Hee Kong	60,000	-	(60,000)	-

	Number of Ordinary Shares			
	At 1.1.2023 Unit	Bought Unit	Sold Unit	At 31.12.2023 Unit
Ordinary shares in a related corporation				
- GFM Global Sdn. Bhd.				
Direct interest:				
- Ruslan bin Nordin	34	-	-	34

* Shares held through a related corporation 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.

The other Director in office at the end of the financial year had no interest in the ordinary shares of the Company or its related corporations during the financial year.

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	465,667	176,000
Salaries, bonus and emoluments	353,814	3,000,000
Allowances	167,500	-
Retirement gratuity	50,000	-
Defined contribution plan	68,400	644,550
Social security contributions	936	-
Total fees and other benefits	1,106,317	3,820,550

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 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

   (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 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.

OTHER STATUTORY INFORMATION (cont'd)

(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 disclosed in Note 5 to the financial statements.

(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 are RM10,000,000 and RM57,500 respectively.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 32 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 33 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 19 April 2024.

Ruslan bin Nordin

Zainal bin Amir

> Others

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 15 to 117 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 2023 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 19 April 2024.

Ruslan bin Nordin

Zainal bin Amir

> Others

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 15 to 117 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 19 April 2024

Ruslan bin Nordin

Before me,

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 2023, 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 material accounting policies, as set out on pages 15 to 117.

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 2023, 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 intangible assets

As at 31 December 2023, as disclosed in Note 11 to the financial statements, intangible assets comprise customer contract and goodwill with carrying amounts of RM12,161,000 and RM40,676,229 respectively.

The Group performed impairment review on the carrying amounts of customer contract and goodwill and made an estimation of the assets' recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell ("FVLCTS") and its value-in-use ("VIU").

The Group has identified two (2) cash-generating units ("CGUs") in respect of the facility management services and oil and gas service businesses for impairment assessment purposes:

(a) CGU 1 derived from facility management services

As at 31 December 2023, the Group assessed the customer contract and goodwill attributable to Everfine FMS Sdn. Bhd. amounting to RM12,161,000 and RM8,608,517 respectively as a single CGU for impairment assessment purpose.

The Group estimated the recoverable amount of CGU 1 based on VIU by using discounted cash flows covering the remaining maintenance period of a facilities management contract. Estimating the VIU of CGU 1 involved estimates made by the management relating to the future cash inflows and outflows that will be derived from CGU 1 and discounting them at the appropriate rate. The discounted cash flows included a number of significant judgements and estimates such as maintenance rate, gross profit margin, expected operating costs and discount rate.

Key Audit Matters (cont'd)

1. **Impairment review of intangible assets** (cont'd)

(a) CGU 1 derived from facility management services (cont'd)

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 CGU.

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

- Evaluated the basis of calculating the discounted cash flows by taking into consideration the assessment of management's historical budgeting accuracy;
- Evaluated whether key assumptions which comprised the maintenance rate, gross profit margin, expected operating costs and discount rate were reasonable, taking into consideration the current and expected outlook of the economic growth; and
- Tested the mathematical accuracy of the cash flows calculation.

(b) CGU 2 derived from oil and gas services

As disclosed in Note 12(d) to the financial statements, the Group completed the acquisition of Highbase Strategic Sdn. Bhd. ("HSSB") during the financial year.

As at 31 December 2023, the Group assessed provisional goodwill attributable to HSSB amounting to RM32,067,712 for impairment assessment purpose. HSSB is identified as a CGU.

For provisional goodwill impairment assessment, the Group estimated the recoverable amount of CGU 2 based on VIU by using discounted cash flows. Estimating the VIU of CGU 2 involved estimates made by the management relating to the future cash inflows and outflows that will be derived from CGU 2 and discounting them at the appropriate rate. The discounted cash flows included a number of significant judgements and estimates such as revenue growth rate, gross profit margin and discount rate.

We consider this to be an area of focus for our audit due to the:

- quantitative impact of the acquisition of HSSB on the consolidated financial statements and the provisional Purchase Price Allocation ("PPA") exercise, which involves the fair valuation of the consideration transferred, the identification of the acquired assets and liabilities assumed and their respective fair values requires the use of significant management judgement and estimates; and

- determination of recoverable amount of provisional goodwill 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 CGU 2.

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

In respect of the acquisition of HSSB and provisional PPA exercise

- Read the relevant agreements for the acquisition of HSSB and assessed management's accounting treatment for the acquisition of HSSB in accordance with MFRS 128 Investment in associates and joint ventures and MFRS 3 Business combinations;
- Reviewed the provisional PPA assessment performed by management including the appropriateness of the fair value of the consideration transferred and the identification of assets acquired and liabilities assumed and the provisional goodwill recognised; and
- Reviewed the adequacy of disclosures in the financial statements.

Key Audit Matters (cont'd)

1. Impairment review of intangible assets (cont'd)

(b) CGU 2 derived from oil and gas services (cont'd)

Our procedures to address this area of focus included, among others, the following: (cont'd)

In respect of the impairment of provisional goodwill:

- Evaluated the basis of calculating the discounted cash flows by taking into consideration the assessment of management's historical budgeting accuracy;
- Evaluated whether key assumptions which comprised the revenue growth rates gross profit margin 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
- Reviewed the adequacy of disclosures in the financial statements.

2. Impairment assessment of investments in subsidiaries

As at 31 December 2023, as disclosed in Note 12(e) to the financial statements, the carrying amount of the investments in subsidiaries of the Company amounted to RM201,412,593, representing approximately 84% of the Company's total assets.

The Company reviewed its investments in subsidiaries for indication 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 amounts of the subsidiaries based on VIU. Estimating the VIU of the subsidiaries involved estimates made by the management relating to the future cash inflows and outflows that will be derived from the subsidiaries and discounting them at the appropriate rate. The discounted cash flows included a number of significant judgements and estimates such as revenue growth rate, gross profit margin 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 amounts 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; and
- Tested the mathematical accuracy of the VIU.

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.

(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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GFM SERVICES BERHAD

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

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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 12 to the financial statements.

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
03016/11/2024 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 19 April 2024

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Revenue	4	145,914,026	140,798,499	23,447,800	13,565,006
Cost of sales		(79,239,843)	(85,334,511)	-	-
Gross profit		66,674,183	55,463,988	23,447,800	13,565,006
Other income		2,158,568	2,351,309	2,232,678	81,728
Administrative expenses		(10,584,964)	(7,944,370)	(6,470,806)	(4,375,832)
Other expenses		(316,896)	-	(316,896)	-
Profit from operations		57,930,891	49,870,927	18,892,776	9,270,902
Finance costs		(19,474,125)	(20,308,449)	(8,214,726)	(8,214,726)
Share of results of:					
- associates, net of tax	13	2,036,711	19,273	-	-
- a joint venture, net of tax	14	384,848	-	-	-
Profit before tax	5	40,878,325	29,581,751	10,678,050	1,056,176
Tax (expense)/credit	6	(13,581,087)	(11,295,998)	378,465	(155,236)
Profit for the financial year, representing total comprehensive income for the financial year		27,297,238	18,285,753	11,056,515	900,940
Profit attributable to:					
Owners of the Company		27,297,238	18,285,753	11,056,515	900,940
Total comprehensive income attributable to:					
Owners of the Company		27,297,238	18,285,753	11,056,515	900,940
Earnings per share attributable to Owners of the Company (sen)					
- Basic	7	3.95	3.17		
- Diluted	7	-	3.17		

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	8	15,992,062	12,233,348	20,447	13,985
Investment property	9	6,174,000	6,174,000	-	-
Operating financial asset	10	280,149,038	292,008,986	-	-
Intangible assets	11	52,837,229	21,985,617	-	-
Investments in subsidiaries	12	-	-	201,412,593	163,449,298
Investment in an associate	13	97,788	87,981	50,225	50,225
Investment in a joint venture	14	1,818,117	-	-	-
Other investments	15	4,339,547	17,585,000	4,339,547	17,585,000
Deferred tax assets	16	160,911	22,346	160,911	-
		361,568,692	350,097,278	205,983,723	181,098,508
Current assets					
Operating financial asset	10	29,724,759	31,079,586	-	-
Inventories	17	641,753	-	-	-
Trade and other receivables	18	19,580,953	24,555,523	24,015,137	23,633,902
Contract assets	19	34,904,440	20,010,393	383,214	95,498
Tax recoverable		5,817,092	3,352,081	534,152	301,387
Dividend receivable		-	-	6,600,000	-
Deposits, cash and bank balances	20	98,680,608	101,187,145	1,352,639	18,627,018
		189,349,605	180,184,728	32,885,142	42,657,805
TOTAL ASSETS		550,918,297	530,282,006	238,868,865	223,756,313
EQUITY AND LIABILITIES					
Equity					
Share capital	21	103,122,590	103,122,590	103,122,590	103,122,590
Other reserves	22	-	(2,110,893)	-	(2,110,893)
Retained earnings/(Accumulated losses)		125,668,653	107,110,707	1,460,756	(856,467)
Reorganisation deficit	23	(45,265,315)	(45,265,315)	-	-
Total equity		183,525,928	162,857,089	104,583,346	100,155,230
Non-current liabilities					
Trade and other payables	24	-	-	107,098,976	110,884,249
Loans and borrowings	25	239,078,472	256,450,443	-	-
Deferred tax liabilities	16	50,589,280	46,803,011	-	-
		289,667,752	303,253,454	107,098,976	110,884,249
Current liabilities					
Trade and other payables	24	36,795,541	20,907,819	23,319,955	12,716,834
Contract liabilities	19	2,648,285	10,880,566	-	-
Loans and borrowings	25	32,349,008	32,339,343	-	-
Tax payables		2,065,195	43,735	-	-
Dividend payable		3,866,588	-	3,866,588	-
		77,724,617	64,171,463	27,186,543	12,716,834
Total liabilities		367,392,369	367,424,917	134,285,519	123,601,083
TOTAL EQUITY AND LIABILITIES		550,918,297	530,282,006	238,868,865	223,756,313

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 2023

		Attributable to Owners of the Company						
			Non-distributable					
	Note	Share capital RM	Fair value reserve RM	Share option reserve RM	Share grant reserve RM	Re-organisation deficit RM	Distributable retained earnings RM	Total equity RM
Group								
At 1 January 2023		103,122,590	(2,415,000)	272,754	31,353	(45,265,315)	107,110,707	162,857,089
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	-	27,297,238	27,297,238
Derecognition upon acquisition of a subsidiary		-	2,415,000	-	-	-	(2,415,000)	-
Transactions with Owners of the Company:								
Lapsed of ESOS and ESGS		-	-	(272,754)	(31,353)	-	304,107	-
Dividends	26	-	-	-	-	-	(6,628,399)	(6,628,399)
Total transactions with Owners of the Company		-	-	(272,754)	(31,353)	-	(6,324,292)	(6,628,399)
At 31 December 2023		103,122,590	-	-	-	(45,265,315)	125,668,653	183,525,928
At 1 January 2022		82,536,993	(2,415,000)	369,638	31,353	(45,265,315)	89,723,463	124,981,132
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	-	18,285,753	18,285,753
Transactions with Owners of the Company:								
Issuance of ordinary shares pursuant to:	21							
- private placement		20,583,127	-	-	-	-	-	20,583,127
- exercise of warrants		2,470	-	-	-	-	-	2,470
Forfeiture of shares after vesting period		-	-	(96,884)	-	-	96,884	-
Dividends	26	-	-	-	-	-	(995,393)	(995,393)
Total transactions with Owners of the Company		20,585,597	-	(96,884)	-	-	(898,509)	19,590,204
At 31 December 2022		103,122,590	(2,415,000)	272,754	31,353	(45,265,315)	107,110,707	162,857,089

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

			← Non-distributable	→			
	Note	Share capital RM	Fair value reserve RM	Share option reserve RM	Share grant reserve RM	(Accumulated losses)/ Retained earnings RM	Total equity RM
Company							
At 1 January 2023		103,122,590	(2,415,000)	272,754	31,353	(856,467)	100,155,230
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	11,056,515	11,056,515
Derecognition upon acquisition of a subsidiary		-	2,415,000	-	-	(2,415,000)	-
Transactions with Owners of the Company:							
Lapsed of ESOS and ESGS		-	-	(272,754)	(31,353)	304,107	-
Dividends	26	-	-	-	-	(6,628,399)	(6,628,399)
Total transactions with Owners of the Company		-	-	(272,754)	(31,353)	(6,324,292)	(6,628,399)
At 31 December 2023		103,122,590	-	-	-	1,460,756	104,583,346
At 1 January 2022		82,536,993	(2,415,000)	369,638	31,353	(762,014)	79,760,970
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	900,940	900,940
Transactions with Owners of the Company:							
Issuance of ordinary shares pursuant to:							
- private placement	21	20,583,127	-	-	-	-	20,583,127
- exercise of warrants		2,470	-	-	-	-	2,470
Forfeiture of shares after vesting period		-	-	(96,884)	-	-	(96,884)
Dividends	26	-	-	-	-	(995,393)	(995,393)
Total transactions with Owners of the Company		20,585,597	-	(96,884)	-	(995,393)	19,493,320
At 31 December 2022		103,122,590	(2,415,000)	272,754	31,353	(856,467)	100,155,230

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 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Cash Flows from Operating Activities					
Profit before tax		40,878,325	29,581,751	10,678,050	1,056,176
Adjustments for:-					
Amortisation of intangible assets		1,216,100	1,216,100	-	-
Bad debt written off		-	5,000	-	5,000
Depreciation of property, plant and equipment		1,590,247	1,506,816	6,301	3,997
Dividend income		-	-	(20,600,000)	(12,500,000)
Gain on disposal of property, plant and equipment		(49,946)	-	-	-
Gain from remeasurement of previously held interest in associate		(134,808)	-	(2,161,712)	-
Impairment loss on amount owing by an associate		316,896	-	316,896	-
Interest expenses		19,474,125	20,308,449	8,214,726	8,214,726
Interest income from financial institutions		(1,247,910)	(1,002,138)	(70,673)	(81,728)
Interest income on operating financial asset		(31,079,587)	(32,308,426)	-	-
Reversal of impairment loss on trade receivables		-	(882,104)	-	-
Share of results of:					
- associates, net of tax		(2,036,711)	(19,273)	-	-
- a joint venture, net of tax		(384,848)	-	-	-
Waiver of debts from trade payables		(432,727)	-	-	-
Operating profit/(loss) before working capital changes		28,109,156	18,406,175	(3,616,412)	(3,301,829)
Changes in working capital					
Operating financial asset		44,294,362	44,294,361	-	-
Contract liabilities		(2,720,886)	(6,739,446)	(287,716)	(63,320)
Receivables		17,764,457	(4,285,680)	26,777	30,932
Payables		(28,791,619)	94,519	(17,865,870)	(376,965)
Inventories		28,907	-	-	-
Cash generated from/(used in) operations		58,684,377	51,769,929	(21,743,221)	(3,711,182)
Interest paid	(v)	(18,437,025)	(19,349,895)	(8,214,726)	(8,214,726)
Interest received		1,247,910	1,002,138	70,673	81,728
Dividend received		-	-	14,000,000	12,500,000
Tax refund		211,613	-	118,117	-
Tax paid		(12,795,849)	(7,592,375)	(133,328)	(217,712)
Net cash from/(used in) operating activities		28,911,026	25,829,797	(15,902,485)	438,108

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Cash Flows from Investing Activities					
Acquisition of a subsidiary		570,591	-	-	-
Addition in other investment		(3,600,000)	-	(3,600,000)	-
Additional invesment in joint venture		(445,000)	-	-	-
Changes in escrow account, finance service reserve account, liquidity reserve account, revenue account, disbursement account and designated account		(1,734,976)	(51,259)	-	-
Changes in pledged deposits		(3,007,731)	(4,263,648)	-	-
Investment in redeemable convertible preference shares		-	(900,000)	-	(900,000)
Purchase of property, plant and equipment	(ii)	(422,209)	(495,783)	(12,763)	(8,145)
Proceeds from disposal of property, plant and equipment		61,707	-	-	-
Advance to subsidiaries		-	-	(1,464,455)	(3,341,883)
Net cash used in investing activities		(8,577,618)	(5,710,690)	(5,077,218)	(4,250,028)
Cash Flows from Financing Activities					
Advances from a joint venture	(iv)	34,760	-	-	-
Advance from subsidiaries	(iv)	-	-	6,467,135	321,854
Dividend paid		(2,761,811)	(995,393)	(2,761,811)	(995,393)
(Repayment)/Drawdown of revolving credit	(iv)	(2,555,366)	3,060,926	-	-
Proceeds from exercise of warrants	21	-	2,470	-	2,470
Proceeds from issuance of ordinary shares	21	-	20,583,127	-	20,583,127
Repayment of lease liabilities	(iii), (iv)	(338,067)	(229,600)	-	-
Repayment of term loans	(iv)	(23,022,666)	(23,974,646)	-	-
Net cash (used in)/from financing activities		(28,643,150)	(1,553,116)	3,705,324	19,912,058
Net (decrease)/increase in cash and cash equivalents		(8,309,742)	18,565,991	(17,274,379)	16,100,138
Cash and cash equivalents at beginning of the financial year		51,126,138	32,560,147	18,627,018	2,526,880
Cash and cash equivalents at end of the financial year	(i)	42,816,396	51,126,138	1,352,639	18,627,018

Notes:

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

	Group		Company	
	2023 **RM**	**2022** **RM**	**2023** **RM**	**2022** **RM**
Deposits, cash and bank balances	98,680,608	101,187,145	1,352,639	18,627,018
Less: Bank overdrafts	(2,066,884)	(1,006,386)	-	-
Deposits pledged as security	(15,665,246)	(12,657,515)	-	-
Escrow account	(15,897,091)	(14,564,513)	-	-
Finance service reserve account	(6,000,337)	(5,870,088)	-	-
Liquidity reserve account	(12,819,420)	(12,542,275)	-	-
Revenue account	(656,095)	(746,323)	-	-
Disbursement account	(785)	(825)	-	-
Designated account	(2,758,354)	(2,673,082)	-	-
	(55,864,212)	(50,061,007)	-	-
	42,816,396	51,126,138	1,352,639	18,627,018

(ii) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM918,843 (2022: RM688,475) and RM12,763 (2022: RM8,145) respectively which are satisfied by the following:

	Group		Company	
	2023 **RM**	**2022** **RM**	**2023** **RM**	**2022** **RM**
Cash payments	422,209	495,783	12,763	8,145
Lease arrangements	496,634	192,692	-	-
	918,843	688,475	12,763	8,145

(iii) Cash outflows for leases as a lessee:

	Group		Company	
	2023 **RM**	**2022** **RM**	**2023** **RM**	**2022** **RM**
Included in net cash used in operating activities:				
Payment relating to short-term leases	(2,062,958)	(605,785)	(82,680)	(67,992)
Payment relating to leases of low value assets	(62,375)	(101,522)	-	-
Interest paid in relation to lease liabilities	(47,916)	(28,502)	-	-
Included in net cash used in financing activities:				
Repayment of lease liabilities	(338,067)	(229,600)	-	-
Total cash outflows for leases	(2,511,316)	(965,409)	(82,680)	(67,992)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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	Amount owing to a joint venture RM
Group						
2023						
At 1 January		581,790	152,093,450	7,088,670	128,019,490	-
Non-cash changes						
Interest expenses		47,916	11,644,600	226,149	7,421,626	-
Acquisition of a subsidiary		1,443,465	-	-	4,516,096	112,044
Cash flows from operating activities						
Interest paid		(47,916)	(10,607,500)	(226,149)	(7,421,626)	-
Cash flows from financing activities						
Advances from/(Repayment to)		(338,067)	-	(2,555,366)	(23,022,666)	34,760
Acquisition of new lease	(ii)	496,634	-	-	-	-
At 31 December		2,183,822	153,130,550	4,533,304	109,512,920	146,804

	Note	Lease liabilities RM	Medium-term notes RM	Revolving credit RM	Term loans RM
2022					
At 1 January		618,698	151,134,896	4,027,744	151,994,136
Non-cash changes					
Interest expenses		28,502	11,566,057	261,216	8,293,412
Cash flows from operating activities					
Interest paid		(28,502)	(10,607,503)	(261,216)	(8,293,412)
Cash flows from financing activities					
Drawdown of		-	-	3,060,926	-
Repayment of		(229,600)	-	-	(23,974,646)
Acquisition of new lease	(ii)	192,692	-	-	-
At 31 December		581,790	152,093,450	7,088,670	128,019,490

Notes: (cont'd)

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

	Company	
	2023	**2022**
	RM	**RM**
Amounts owing to subsidiaries		
At 1 January	123,238,057	122,916,203
Non-cash changes		
Interest expenses	8,214,726	8,214,726
Cash flows from operating activities		
Interest paid	(8,214,726)	(8,214,726)
Cash flows from financing activities		
Advance from	6,467,135	321,854
At 31 December	129,705,192	123,238,057

(v) Interest paid consists of the followings:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Amount owing to a subsidiary	-	-	(8,214,726)	(8,214,726)
Bank guarantee	(56,000)	(50,671)	-	-
Bank overdrafts	(77,834)	(108,591)	-	-
Lease liabilities	(47,916)	(28,502)	-	-
Medium-term notes	(10,607,500)	(10,607,503)	-	-
Revolving credit	(226,149)	(261,216)	-	-
Term loans	(7,421,626)	(8,293,412)	-	-
Total interest paid	(18,437,025)	(19,349,895)	(8,214,726)	(8,214,726)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. CORPORATE INFORMATION

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

On 9 April 2024, the Company has obtained approval from Bursa Malaysia Securities Berhad for the transfer of the Company's entire issued share capital from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan.

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 financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 19 April 2024.

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

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting pronouncements did not have any significant effect on the financial statements of the Group and the Company except for those as disclosed in Note 3.

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**

The Company has 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 Company:

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non- Current
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability

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 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 respective 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 Group's and the Company's functional currency.

2. BASIS OF PREPARATION (cont'd)

(d) Significant accounting estimates and judgements

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.

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:

Note 4 – Revenue
Note 11 – Impairment of intangible assets
Note 12 – Investments in subsidiaries
Note 15 – Other investments

3. CHANGES IN MATERIAL ACCOUNTING POLICIES

Material accounting policy information

The Group and the Company have adopted amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 - Disclosures of Accounting Policies from 1 January 2023. The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's and the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes where relevant.

The Group and the Company have adopted the above accounting pronouncements in the current financial year. Other than the above, the other accounting pronouncements as described in Note 2(a) did not have any significant effect on the financial statements of the Group and of the Company.

4. REVENUE

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Revenue from contract with customers:				
Asset management services	10,532,479	5,070,822	-	-
Facilities management services	90,321,085	94,219,422	-	-
Maintenance income	12,489,267	9,199,829	-	-
	113,342,831	108,490,073	-	-
Revenue from other sources:				
Dividend income	-	-	20,600,000	12,500,000
Interest income on operating financial asset	31,079,587	32,308,426	-	-
Management fees	1,491,608	-	2,847,800	1,065,006
	32,571,195	32,308,426	23,447,800	13,565,006
	145,914,026	140,798,499	23,447,800	13,565,006
Timing of revenue recognition:				
At a point in time	-	-	20,600,000	12,500,000
Over time	145,914,026	140,798,499	2,847,800	1,065,006
	145,914,026	140,798,499	23,447,800	13,565,006

(a) Disaggregation of revenue

The Group reports on the following major segments: facilities management, concession arrangements and oil and gas services 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).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

4. REVENUE (cont'd)

(a) Disaggregation of revenue (cont'd)

	Facilities management RM	Concession arrangements RM	Oil and gas services RM	Others RM	Total RM
Group					
2023					
Major goods or services:					
Asset management services	-	10,532,479	-	-	10,532,479
Facilities management services	90,321,085	-	-	-	90,321,085
Maintenance income	-	9,206,136	3,283,131	-	12,489,267
	90,321,085	19,738,615	3,283,131	-	113,342,831
Other revenue:					
Interest income on operating financial asset	-	31,079,587	-	-	31,079,587
Management fees	-	-	-	1,491,608	1,491,608
	90,321,085	50,818,202	3,283,131	1,491,608	145,914,026
2022					
Major goods or services:					
Asset management services	2,220,846	2,849,976	-	-	5,070,822
Facilities management services	94,219,422	-	-	-	94,219,422
Maintenance income	-	9,199,829	-	-	9,199,829
	96,440,268	12,049,805	-	-	108,490,073
Other revenue:					
Interest income on operating financial asset	-	32,308,426	-	-	32,308,426
	96,440,268	44,358,231	-	-	140,798,499

4. REVENUE (cont'd)

(b) Material accounting policy information

Nature of goods and services and timing of recognition

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 or when capital replacements are unexercised in accordance to the expected life cycle of the asset.	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.
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.
Maintenance income	Revenue is recognised over time when the maintenance services are rendered in accordance to concession agreement or maintenance contract.	Credit period ranged from 30 to 90 days from invoice date.	Penalties and deductions for not meeting maintenance standards.	Not applicable.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. REVENUE (cont'd)

(b) Material accounting policy information (cont'd)

Nature of goods and services and timing of recognition (cont'd)

Interest income from operating financial asset 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.

(c) 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.

	Concession contract * RM	Facilities management contracts RM	Oil and gas RM
Within 1 year	41,956,713	85,865,053	558,861
More than 1 year but not later than 2 years	23,771,627	97,843,932	-
More than 2 years but not later than 5 years	47,294,679	156,825,474	-
More than 5 years	170,448,287	41,443,291	-
	283,471,306	381,977,750	558,861

* *Excluding interest income on operating financial asset.*

(d) Significant judgements and assumptions arising from revenue recognition

Asset management services

The Group applies judgement in recognising maintenance reserve fund ("MRF") as revenue when the Group is entitled to the non-refundable MRF, where capital replacements are unexercised by Universiti Teknologi Mara ("UiTM") and the lapse of asset life cycle as stated in the Life Cycle Schedule, the revenue recognised represents the proportion of maintenance reserve fund unexercised by UiTM.

5. PROFIT BEFORE TAX

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

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Auditors' remuneration:				
- Current year	394,000	346,000	170,000	140,000
- Non-statutory audit fee	7,000	6,000	7,000	6,000
- Underprovision in prior year	-	10,000	-	10,000
Amortisation of intangible assets	1,216,100	1,216,100	-	-
Bad debt written off	-	5,000	-	5,000
Depreciation of property, plant and equipment	1,590,247	1,506,816	6,301	3,997
Employee benefits expense (Note (a))	28,895,481	29,498,695	2,551,615	2,188,214
Expenses relating to:				
- short-term leases	2,062,958	605,785	82,680	67,992
- leases of low value assets	62,375	101,522	-	-
Gain on disposal of property, plant and equipment	(49,946)	-	-	-
Gain from remeasurement of previously held interest in associate (Note 12(d))	(134,808)	-	(2,161,712)	-
Impairment loss on amount owing by an associate	316,896	-	316,896	-
Interest expense on:				
- Amount owing to a subsidiary	-	-	8,214,726	8,214,726
- Bank guarantee	56,000	50,671	-	-
- Bank overdrafts	77,834	108,591	-	-
- Lease liabilities	47,916	28,502	-	-
- Medium-term notes	11,644,600	11,566,057	-	-
- Revolving credit	226,149	261,216	-	-
- Term loans	7,421,626	8,293,412	-	-
Interest income from financial institutions	(1,247,910)	(1,002,138)	(70,673)	(81,728)
Rental income	(34,621)	(18,000)	-	-
Reversal of impairment loss on trade receivables	-	(882,104)	-	-
Waiver of debts from trade payables	(432,727)	-	-	-

(a) Employee benefits expense:

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Staff costs				
Salaries, bonus, wages, allowance and overtime	18,669,314	19,819,446	629,950	419,395
Directors' remuneration (Note (b))	4,926,867	4,972,644	1,106,317	1,274,644
Defined contribution plan	2,042,810	2,288,574	111,150	105,546
Social security contributions	303,250	293,781	2,080	1,920
Termination benefits	448,384	34,000	-	-
Other benefits	2,504,856	2,090,250	702,118	386,709
	28,895,481	29,498,695	2,551,615	2,188,214

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

5. **PROFIT BEFORE TAX** (cont'd)

(b) The remuneration of the Directors are as follows:

	Group		**Company**	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Directors of the Company and subsidiaries				
Executive Directors				
- Fees	-	152,000	-	24,000
- Salaries and emoluments	1,800,500	3,637,405	300,500	637,405
- Allowances	7,500	-	7,500	-
- Defined contribution plan	431,775	677,901	57,000	107,901
- Social security contributions	743	1,338	743	1,338
	2,240,518	4,468,644	365,743	770,644
Non-executive Directors				
- Fees	641,667	372,000	465,667	372,000
- Salaries and emoluments	1,553,314	-	53,314	-
- Allowances	160,000	132,000	160,000	132,000
- Retirement gratuity	50,000	-	50,000	-
- Defined contribution plan	281,175	-	11,400	-
- Social security contributions	193	-	193	-
	2,686,349	504,000	740,574	504,000
	4,926,867	4,972,644	1,106,317	1,274,644

(c) Material accounting policy information

(i) Borrowings costs

Borrowings costs that are not directly attributable to the acquisition, construction or production of a qualifying asset is recognised in the profit or loss using the effective interest method.

(ii) Interest income

Interest income from financial institution is recognised on an accrual basis using the effective interest method.

6. TAX EXPENSE/(CREDIT)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Income tax:				
- Current year provision	9,974,446	9,324,449	16,962	234,516
- Under/(Over)provision in prior year	249,376	175,700	(234,516)	(79,280)
	10,223,822	9,500,149	(217,554)	155,236
Deferred tax: (Note 16)				
- Origination of temporary differences	3,765,854	1,917,836	182,067	-
- Overprovision in prior year	(408,589)	(121,987)	(342,978)	-
	3,357,265	1,795,849	(160,911)	-
Tax expense/(credit) for the financial year	13,581,087	11,295,998	(378,465)	155,236

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable results for the financial year.

The reconciliations from the tax amount at statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	40,878,325	29,581,751	10,678,050	1,056,176
Tax at the statutory income tax rate of 24% (2022: 24%)	9,810,798	7,099,620	2,562,732	253,482
Tax effect on:				
- non-deductible expenses	5,336,209	4,218,317	3,099,108	2,981,034
- non-taxable income	(843,657)	(94,906)	(5,462,811)	(3,000,000)
Tax effect on share of results of an associate	(488,811)	(4,626)	-	-
Tax effect on share of results of joint venture	(81,795)	-	-	-
Deferred tax asset not recognised during the financial year	7,556	23,880	-	-
Under/(Over) provision in respect of prior year:				
- income tax	249,376	175,700	(234,516)	(79,280)
- deferred tax	(408,589)	(121,987)	(342,978)	-
Tax expense/(credit) for the financial year	13,581,087	11,295,998	(378,465)	155,236

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

6. TAX EXPENSE/(CREDIT) (cont'd)

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 and the Company have the following estimated unutilised tax losses and unabsorbed capital allowances available for set-off against future taxable profits:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Unabsorbed capital allowances	1,520	1,520	-	-
Unutilised tax losses	1,136,467	1,475,677	670,463	1,429,077
	1,137,987	1,477,197	670,463	1,429,077

The availability of the unutilised tax losses will be subject to Inland Revenue Board discretion and approval to offset against future taxable profit. The unutilised tax losses will be allowed to be carried forward for 10 consecutive years of assessment ("YA") deemed to be effective from YA 2019.

(a) Material accounting policy information

(i) 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.

(ii) 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.

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 2023 RM	Group 2022 RM
Profit after tax attributable to Owners of the Company (RM)	27,297,238	18,285,753
Weighted average number of ordinary shares for basic earnings per share (unit)	690,462,137	576,253,161
Basic earnings per share (sen)	3.95	3.17

(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 2023 RM	Group 2022 RM
Profit after tax attributable to Owners of the Company	27,297,238	18,285,753
Weighted average number of ordinary shares for basic earnings per share (unit)	690,462,137	576,253,161
Effect of dilution from:		
- Share options	-	*
- Share grants	-	93,500
Weighted average number of ordinary shares for diluted earnings per share (unit)	690,462,137	576,346,661
Diluted earnings per share (sen)	#	3.17

* Share options have no dilutive effect as the average market price of the ordinary share was lower than the exercise prices of the share options.

\# Diluted earnings per share for the financial year ended 31 December 2023 is not presented as there were no potential ordinary shares outstanding as the share options and share grants have lapsed as disclosed in Note 22(b).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

8. PROPERTY, PLANT AND EQUIPMENT

	Office units RM	Computers RM	Engineering equipment, tools and plant and machinery RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Balance carried forward RM
Group								
2023								
Cost								
At 1 January 2023	8,856,465	5,455,074	913,025	162,262	270,615	471,565	2,088,893	18,217,899
Acquisition of a subsidiary (Note 12(d))	-	775,224	4,578,804	21,046	1,073,220	365,624	156,016	6,969,934
Additions	-	305,466	42,260	14,880	-	5,510	43,400	411,516
Disposals	-	(535,013)	(2,144,934)	(15,596)	(521,188)	(365,624)	-	(3,582,355)
Expiry of lease contract	-	-	-	-	-	-	-	-
At 31 December 2023	8,856,465	6,000,751	3,389,155	182,592	822,647	477,075	2,288,309	22,016,994
Accumulated depreciation								
At 1 January 2023	442,824	3,575,915	795,986	131,713	270,614	285,814	894,925	6,397,791
Acquisition of a subsidiary (Note 12(d))	-	688,348	4,370,544	16,067	1,073,211	365,525	156,013	6,669,708
Depreciation for the financial year	88,564	907,097	74,238	11,668	-	35,970	207,714	1,325,251
Disposals	-	(534,938)	(2,137,977)	(15,595)	(521,186)	(365,525)	-	(3,575,221)
Expiry of lease contract	-	-	-	-	-	-	-	-
At 31 December 2023	531,388	4,636,422	3,102,791	143,853	822,639	321,784	1,258,652	10,817,529
Carrying amount								
At 31 December 2023	8,325,077	1,364,329	286,364	38,739	8	155,291	1,029,657	11,199,465

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Balance brought forward RM	Building extension RM	Right-of-use assets RM	Total RM
Group (con't)				
2023 (con't)				
Cost				
At 1 January 2023	18,217,899	95,000	1,209,748	19,522,647
Acquisition of a subsidiary (Note 12(d))	6,969,934	-	7,608,992	14,578,926
Additions	411,516	-	507,327	918,843
Disposals	(3,582,355)	-	(494,288)	(4,076,643)
Expiry of lease contract	-	-	(28,978)	(28,978)
At 31 December 2023	22,016,994	95,000	8,802,801	30,914,795
Accumulated depreciation				
At 1 January 2023	6,397,791	83,917	807,591	7,289,299
Acquisition of a subsidiary	6,669,708	-	3,467,339	10,137,047
(Note 12(d))	1,325,251	11,083	253,913	1,590,247
Disposals	(3,575,221)	-	(489,661)	(4,064,882)
Expiry of lease contract	-	-	(28,978)	(28,978)
At 31 December 2023	10,817,529	95,000	4,010,204	14,922,733
Carrying amount				
At 31 December 2023	11,199,465	-	4,792,597	15,992,062

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	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										
2022										
Cost										
At 1 January 2022	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
Additions	459,161	16,224	-	-	16,980	-	-	-	196,110	688,475
Expiry of lease contract	-	-	-	-	-	-	-	-	(192,663)	(192,663)
At 31 December 2022	5,455,074	913,025	162,262	270,615	471,565	8,856,465	2,088,893	95,000	1,209,748	19,522,647
Accumulated depreciation										
At 1 January 2022	2,722,031	719,282	119,891	270,614	250,743	354,259	690,831	64,917	782,578	5,975,146
Depreciation for the financial year	853,884	76,704	11,822	-	35,071	88,565	204,094	19,000	217,676	1,506,816
Expiry of lease contract	-	-	-	-	-	-	-	-	(192,663)	(192,663)
At 31 December 2022	3,575,915	795,986	131,713	270,614	285,814	442,824	894,925	83,917	807,591	7,289,299
Carrying amount										
At 31 December 2022	1,879,159	117,039	30,549	1	185,751	8,413,641	1,193,968	11,083	402,157	12,233,348

8. **PROPERTY, PLANT AND EQUIPMENT** (cont'd)

	Computers RM	Office equipment RM	Total RM
Company			
2023			
Cost			
At 1 January 2023	9,195	15,390	24,585
Additions	12,763	-	12,763
At 31 December 2023	21,958	15,390	37,348
Accumulated depreciation			
At 1 January 2023	1,366	9,234	10,600
Depreciation for the financial year	3,223	3,078	6,301
At 31 December 2023	4,589	12,312	16,901
Carrying amount			
At 31 December 2023	17,369	3,078	20,447
2022			
Cost			
At 1 January 2022	1,050	15,390	16,440
Additions	8,145	-	8,145
At 31 December 2022	9,195	15,390	24,585
Accumulated depreciation			
At 1 January 2022	447	6,156	6,603
Depreciation for the financial year	919	3,078	3,997
At 31 December 2022	1,366	9,234	10,600
Carrying amount			
At 31 December 2022	7,829	6,156	13,985

(a) Assets pledged as security

The carrying amounts of property, plant and equipment of the Group pledged to a financial institution as security for a term loan facility granted to the Group as disclosed in Note 25(a) are as follows:

	Group	
	2023 RM	**2022 RM**
Office units	8,325,077	8,413,641
Leasehold land	798,000	-
Leasehold building	698,250	-

The office units are held under a master title in favour of the developer and their strata titles are in the process of issuance.

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8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(b) Right-of-use assets

The net carrying amount of right-of-use assets recognised by the Group are as follows:

	Motor vehicles RM	**Leasehold lands RM**	**Leasehold building RM**	**Plant and machinery RM**	**Operation sites, tools, and equipment RM**	**Total RM**
Group						
2023						
Cost						
At 1 January 2023	1,128,437	-	-	-	81,311	1,209,748
Acquisition of a subsidiary (Note 12(d))	496,733	3,067,843	926,721	2,088,708	1,028,987	7,608,992
Additions	318,693	-	-	-	188,634	507,327
Disposals	(132,588)	-	-	(185,000)	(176,700)	(494,288)
Expiry of lease contract	-	-	-	-	(28,978)	(28,978)
At 31 December 2023	1,811,275	3,067,843	926,721	1,903,708	1,093,254	8,802,801
Accumulated depreciation						
At 1 January 2023	780,304	-	-	-	27,287	807,591
Acquisition of a subsidiary (Note 12(d))	496,729	267,843	226,721	1,808,825	667,221	3,467,339
Depreciation for the financial year	123,222	7,000	1,750	12,258	109,683	253,913
Disposals	(132,588)	-	-	(180,375)	(176,698)	(489,661)
Expiry of lease contract	-	-	-	-	(28,978)	(28,978)
At 31 December 2023	1,267,667	274,843	228,471	1,640,708	598,515	4,010,204
Carrying amount						
At 31 December 2023	543,608	2,793,000	698,250	263,000	494,739	4,792,597

8. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(b) Right-of-use assets (cont'd)

The net carrying amount of right-of-use assets recognised by the Group are as follows: (cont'd)

	Motor vehicles RM	Operation sites RM	Total RM
Group			
2022			
Cost			
At 1 January 2022	1,002,019	204,282	1,206,301
Additions	126,418	69,692	196,110
Expiry of lease contract	-	(192,663)	(192,663)
At 31 December 2022	1,128,437	81,311	1,209,748
Accumulated depreciation			
At 1 January 2022	647,994	134,584	782,578
Depreciation for the financial year	132,310	85,366	217,676
Expiry of lease contract	-	(192,663)	(192,663)
At 31 December 2022	780,304	27,287	807,591
Carrying amount			
At 31 December 2022	348,133	54,024	402,157

The interest on lease liabilities, depreciation of right-of-use assets, expenses related to short-term leases and leases of low value assets are disclosed in Note 5.

The Group entered into leases with lease terms that ranged from 1 year to 9 years.

(c) Material accounting policy information

(i) Property, plant and equipment

Recognition and measurement

Property, plant and equipment (including right-of-use assets) are measured at cost less accumulated depreciation and accumulated impairment losses.

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.

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8. **PROPERTY, PLANT AND EQUIPMENT** (cont'd)

(c) Material accounting policy information (cont'd)

(i) Property, plant and equipment (cont'd)

Depreciation

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.

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 (including right-of-use assets) at the following estimated useful lives:

Leasehold lands	50 years
Leasehold buildings and office units	50 to 100 years
Computers	2.5 to 5 years
Engineering equipment, tools and plant and machinery	5 years
Furniture and fittings	5 to 10 years
Motor vehicles	5 years
Office equipment	5 to 10 years
Renovation	5 to 10 years
Building extension	5 years
Operation sites under lease	1 to 3 years

(ii) Right-of-use assets and lease liabilities

The Group and the Company recognise 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 assets are presented as part of the property, plant and equipment in the statements of financial position. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the 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 includes fixed payment.

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 an index or rate, or if the Group changes its assessment of whether it 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.

9. INVESTMENT PROPERTY

	Group	
	2023	**2022**
	RM	**RM**
Freehold land at cost		
At 1 January/31 December	6,174,000	6,174,000

(a) Assets pledged as security

The above carrying amount of the investment property of the Group is pledged to the financial institutions as security for revolving credit facilities granted to a subsidiary as disclosed in Note 25(e).

(b) Fair value

The fair value of investment property as at 31 December 2023 is RM8,000,000 (2022: RM8,000,000).

In prior financial year, the fair value of the above investment property was estimated based on valuation by an independent registered valuer. The valuation was based on market evidence of transaction prices for similar properties and, in which certain values are adjusted for differences in key attributes such as property size, time and location under the comparison method. The Group uses assumptions that are mainly based on market conditions existing at the end of the reporting period. The fair value is determined through the comparison method using Level 2 inputs in the fair value hierarchy of MFRS 13 Fair Value Measurement as disclosed in Note 30.

The-Directors are of the view that the fair value of investment property has not significantly changed as compared to the prior year. The fair value of investment property in the current financial year approximates the fair value of investment property in the prior year. The fair value of the investment property is categorised as Level 3 in the fair value hierarchy of MFRS 13 Fair Value Measurement as disclosed in Note 30.

The change in fair value hierarchy from Level 2 to Level 3 from the previous financial year to the current financial year does not have financial impact on the carrying amount of the investment property of the Group as the investment property is measured at cost less accumulated impairment losses.

(c) Material accounting policy information

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 year 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.

10. OPERATING FINANCIAL ASSET

	Group	
	2023	**2022**
	RM	**RM**
Non-current	280,149,038	292,008,986
Current	29,724,759	31,079,586
	309,873,797	323,088,572

(a) Service concession arrangement

On 21 November 2011, a wholly-owned subsidiary, KP Mukah Development Sdn. Bhd. ("KPMD") entered into a Concession Agreement with Government of Malaysia and Universiti Teknologi Mara ("UiTIM") 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 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 9 October 2015.

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 25(a).

(b) 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 Contractual payment term as stated in the Concession Agreement is disclosed below:

UiTM shall pay KPMD throughout the Asset Management Services Period for the following charges:

(i) Availability Charges ("AC") for the availability of the Facilities and Infrastructure; and

(ii) Asset Management Services Charges ("AMSC") for the provision of maintenance services and asset replacement programme in accordance with the provision of the Concession Agreement.

(c) Material accounting policy information

The Group constructs or 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 assets 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.

10. OPERATING FINANCIAL ASSET (cont'd)

(c) Material accounting policy information (cont'd)

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 measured at amortised cost. 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% (2022: 9.80%) per annum and is repayable in the form of Availability Charges upon fulfilment of the terms and conditions in the Concession Agreement.

The Group's material accounting policies for financial instrument and its credit risk management processes are disclosed in Note 29.

11. INTANGIBLE ASSETS

	Customer contract RM	Goodwill RM	Total RM
Group			
2023			
Cost			
At 1 January 2023	24,322,000	8,608,517	32,930,517
Acquisition of a subsidiary (Note 12(d))	-	32,067,712	32,067,712
At 31 December 2023	24,322,000	40,676,229	64,998,229
Accumulated amortisation			
At 1 January 2023	10,944,900	-	10,944,900
Amortisation charge for the financial year	1,216,100	-	1,216,100
At 31 December 2023	12,161,000	-	12,161,000
Carrying amount			
At 31 December 2023	12,161,000	40,676,229	52,837,229
2022			
Cost			
At 1 January 2022/31 December 2022	24,322,000	8,608,517	32,930,517
Accumulated amortisation			
At 1 January 2022	9,728,800	-	9,728,800
Amortisation charge for the financial year	1,216,100	-	1,216,100
At 31 December 2022	10,944,900	-	10,944,900
Carrying amount			
At 31 December 2022	13,377,100	8,608,517	21,985,617

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11. INTANGIBLE ASSETS (cont'd)

(a) Customer contract

Customer contract is related to the Purchase Price Allocation ("PPA") exercise upon acquisition of a subsidiary of the Group in previous years. The customer contract is amortised over 20 years.

(b) Goodwill

Goodwill acquired through business combinations arose from and are allocated to the Group's facilities management and oil and gas services cash-generating units ("CGUs"), which are represented by Everfine FMS Sdn. Bhd. ("Everfine") and Highbase Strategic Sdn. Bhd. ("HSSB") respectively.

The carrying amounts of goodwill allocated to each CGUs are as follows:

	2023 RM	**2022 RM**
Everfine	8,608,517	8,608,517
HSSB	32,067,712	-
	40,676,229	8,608,517

(c) Impairment review

Everfine

The recoverable amount of Everfine has been determined based on value-in-use ("VIU") calculation using cash flows projections from financial forecast and projections approved by Board of Directors covering remaining contractual maintenance period of 10 years.

The calculations of VIU for the CGU are most sensitive to the following assumptions:

(i) Average gross profit margin 25% (2022: 30%) — This is estimated based on past experience and actual operating results from the facilities management services agreement between Unitapah Sdn. Bhd. ("Unitapah") and Everfine dated 17 March 2014.

Unitapah has appointed Everfine for the maintenance works of the facilities and infrastructure of Universiti Teknologi Mara.

(ii) The discount rate of 10.7% (2022: 11.4%) is applied to the cash flows in determining the recoverable amount of the CGU. The discount rate used is based on the weighted average cost of capital of Everfine. One of the key inputs to the weighted average cost of capital is beta, which is derived based on publicly available market data.

(iii) There are no significant changes in maintenance income.

Based on the impairment assessment, the recoverable amount of Everfine's CGU was estimated to be higher than the carrying amount of the asset, and accordingly no impairment loss was recognised in the financial year ended 31 December 2023 and in the previous financial year.

The management believes there are no reasonably foreseeable changes in the above key assumptions that would cause the carrying values of the CGU to materially exceed the recoverable amount.

11. INTANGIBLE ASSETS (cont'd)

(c) Impairment review (cont'd)

HSSB

The recoverable amount of goodwill was determined based on VIU method using future discounted cash flows generated from financial forecasts and projections approved by management covering a five-year period.

The key assumptions used in the determination of recoverable amount derived based on VIU method are as follows:

(i) Revenue growth rate

Projected revenue growth rate of 3.3% per annum based on management's assessment of historical growth performance and anticipated growth within the next 5 years.

(ii) Budgeted gross profit margin

The budgeted gross profit margin was projected at 30%. Gross profit margins are projected based on management's assessment of historical achieved gross profit margin. Gross margins are assumed to be maintained over the budgeted period.

(iii) Discount rate

A discount rate of 8.7% was applied to the calculations in determining the recoverable amount of the CGU. The discount rate is estimated based on an industry weighted average cost of capital.

The management believes there are no reasonably foreseeable changes in the above key assumptions that would cause the carrying values of the CGU to materially exceed the recoverable amount.

(d) Material accounting policy information

(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.

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.

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.

11. INTANGIBLE ASSETS (cont'd)

(d) Material accounting policy information (cont'd)

(iii) Impairment loss

The carrying amount of intangible assets other than goodwill 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.

Goodwill is tested for impairment annually and whenever there is an indication that they may be impaired.

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 the recoverable amount, 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.

(e) Significant accounting judgement and assumption arising from impairment of goodwill

The Group is required to perform an annual impairment test and at other times when such indications 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, expected operating costs and discount rate used. If the actual result is different from the estimation, such difference will impact the carrying value of goodwill.

12. INVESTMENTS IN SUBSIDIARIES

	Company 2023 RM	2022 RM
Unquoted shares, at cost Ordinary shares		
At 1 January	162,014,753	162,014,753
Acquisition of a subsidiary (Note (d))	20,378,295	-
At 31 December	182,393,048	162,014,753
Unquoted shares, at deemed cost		
Redeemable convertible preference shares ("RCPS")		
At 1 January	-	-
Acquisition of a subsidiary (Note (d))	17,585,000	-
At 31 December	17,585,000	-
Capital contribution to subsidiaries (Note (b))		
At 1 January	1,434,545	1,531,429
Forfeiture of ESOS and ESGS	-	(96,884)
At 31 December	1,434,545	1,434,545
Net carrying amount		
At 31 December	201,412,593	163,449,298

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12. INVESTMENTS IN SUBSIDIARIES (cont'd)

(a) Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective equity interest 2023 %	2022 %	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. ("GFMS")	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
Highbase Strategic Sdn. Bhd. ("HSSB")	Malaysia	100	-	Trading of chemical and oil products and providing engineering services
Subsidiaries of GFMSB				
Everfine FMS Sdn. Bhd. ("Everfine")	Malaysia	100	100	Provision of facilities management services
Wira Pertiwi Sdn. Bhd. ("WPSB")@	Malaysia	100	-	Dormant

\# *Not audited by Moore Stephens Associates PLT.*

@ *The financial statements of WPSB, which was incorporated on 10 April 2023 are reviewed by Moore Stephens Associates PLT for consolidation purpose.*

(b) Capital contribution to subsidiaries

The capital contribution to subsidiaries represents the fair value of the equity-settled employees' share scheme ("ESS") which comprises Employees' Share Option Scheme ("ESOS") and Employees' Share Grant Scheme ("ESGS") granted by the Company to employees of the subsidiaries measured at grant date. As this amount is in substance, a part of the Company's net investments in the subsidiaries, it is stated at cost less accumulated impairment losses.

In prior financial year, the capital contribution amounting to RM96,884 relating to the forfeiture of ESOS and ESGS is treated as reversal cost of its investments in the subsidiaries.

(c) Incorporation of a subsidiary

On 10 April 2023, the Group has through its wholly-owned subsidiary, GFMSB subscribed for 1 ordinary share in the issued and paid-up share capital of WPSB for a cash consideration of RM1. Consequent to the subscription, WPSB became a 100% owned subsidiary of GFMSB.

12. INVESTMENTS IN SUBSIDIARIES (cont'd)

(d) HSSB

(i) Acquisition of 49% equity interest in HSSB

On 30 June 2023, the Company entered into a Shares Subscription Agreement with a Vendor to acquire 2,882,352 ordinary shares representing a 49% of the equity interest in HSSB for a cash consideration of RM288. The Group does not have control over HSSB and the power to direct the relevant activities of HSSB. Accordingly, the Group has accounted for this investment as an associate as disclosed in Note 13.

(ii) Acquisition of remaining 51% equity interest in HSSB

On 3 November 2023, the Company entered into a conditional Shares Sale Agreement ("SSA") with the Vendors to acquire the remaining 3,000,000 ordinary shares in HSSB representing 51% of the equity interest in HSSB for a purchase consideration of RM18,216,295. On 1 December 2023, the Company announced that all the condition precedents as stated in the conditional SSA have been fulfilled and completed on 30 November 2023 ("completion date"). Consequently, HSSB became a wholly-owned subsidiary of the Company.

As stated in the SSA, on completion date, the Company shall assume the amount owing by Vendors to HSSB amounted to RM18,216,295 as part of purchase consideration and to procure the Vendors be discharged from all the liabilities.

The Group's and the Company's investment in redeemable convertible preference shares ("RCPS") in HSSB, as disclosed in Note 15 amounting to RM17,585,000 has also formed part of the total purchase consideration to acquire the remaining 51% of the equity interest in HSSB.

For accounting purpose, the cut-off was taken on 30 November 2023.

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12. INVESTMENTS IN SUBSIDIARIES (cont'd)

(d) HSSB (cont'd)

The fair value of the identifiable assets and liabilities arising from the provisional purchase price allocation ("PPA") of HSSB as at the date of completion was as follows:

	Note	Provisional fair value RM
Net identifiable assets acquired and liabilities assumed		
Property, plant and equipment	8	4,441,879
Investment in joint venture	14	988,269
Deferred tax assets	16	185,261
Trade and other receivables		13,846,330
Contract assets	19	20,405,442
Cash and bank balances		570,591
Inventories		670,660
Bank borrowings		(4,516,096)
Lease liabilities		(1,443,465)
Trade and other payables		(26,860,725)
Deferred tax liabilities	16	(475,700)
Tax payable		(1,916,863)
Net identifiable assets acquired		5,895,583
Provisional goodwill on business combination	11	32,067,712
		37,963,295
Less:		
Assumption of the amount owing by vendors		(18,216,295)
Fair value of equity investment previously held		(19,747,000)
Total purchase consideration		(37,963,295)
Less: Cash and cash equivalents of subsidiary acquired		(570,591)
Net cash inflows of the Group on acquisition of subsidiary		(570,591)

During the financial year, the Group had performed provisional Purchase Price Allocation exercise on the acquisition of HSSB and allocated from provisional goodwill a fair value adjustment on leasehold lands and leasehold building of RM1,982,085 and the associated deferred tax liabilities of RM475,700 as at the completion date.

The provisional purchase price allocation was based upon a preliminary valuation, and the estimates and assumptions used are subject to change within the one-year measurement period as permitted under MFRS 3. The goodwill on business combination is on a provisional basis as the determination of contingent liability and other liabilities of HSSB is pending settlement.

The remeasurement to fair value of the Group's and the Company's equity investment include the existing 49% equity interest as an associate and investment in RCPS in HSSB which has resulted in a gain of RM134,808 and RM2,161,712 respectively, which has been recognised in the statements of profit or loss within the line item of "other income" for the financial year ended 31 December 2023.

12. INVESTMENTS IN SUBSIDIARIES (cont'd)

(d) HSSB (cont'd)

The fair value of the identifiable assets and liabilities arising from the provisional purchase price allocation ("PPA") of HSSB as at the date of completion was as follows: (cont'd)

	Group RM	Company RM
Fair value of equity investment previously held	19,747,000	19,747,000
Less: Carrying amount of investment in associate (Note 13)	(2,027,192)	(288)
Less: Carrying amount of RCPS (Note 15)	(17,585,000)	(17,585,000)
Gain on remeasurement to fair value of equityinvestment previously held	134,808	2,161,712

(e) Impairment assessment on HSSB

The impairment assessment of cost of investment in HSSB is disclosed in Note 11(c).

(f) Material accounting policy information

Consolidation

The consolidated financial statements comprise the financial statements of the Group 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 Group. Consistent accounting policies are applied for like transactions and events in similar circumstances. The Group controls an investee if and only if the Group 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 Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Group'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 Group, other vote holders or other parties;
(iii) Rights arising from other contractual arrangements; and
(iv) Any additional facts and circumstances that indicate that the Group 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 Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary.

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12. INVESTMENTS IN SUBSIDIARIES (cont'd)

(f) Material accounting policy information (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 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 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 acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

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 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.

Measurement period adjustments are adjustments that arise from additional information obtained during 12 months from the acquisition date, about facts and circumstances that existed at the acquisition date. If the initial accounting for a business combination is incomplete by the reporting date in which the business combination occurs, the Group reports provisional amounts for the business combination. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of the acquisition date.

12. INVESTMENTS IN SUBSIDIARIES (cont'd)

(f) Material accounting policy information (cont'd)

Business combination (cont'd)

When the consideration in a business combination includes contingent consideration, the contingent consideration is measured at fair value on acquisition date.

- Subsequent changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

- Subsequent changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments: (i) contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity; or (ii) other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

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.

Impairment loss

The material accounting policy information on impairment on investments in subsidiaries as disclosed in Note 11(d)(iii).

(g) Significant accounting judgement and assumption on cost of investment

(i) 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.

(ii) Purchase price allocation

Purchase prices related to business combinations and asset acquisitions are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value requires the Group to make assumptions, estimates and judgments regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets and liabilities, future net earnings due to the impact on future depreciation and amortisation expense, the corresponding impact on deferred tax assets and liabilities and impairment tests.

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13. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unquoted shares, at cost				
At 1 January	50,225	50,225	50,225	50,225
Addition	288	-	288	-
Derecognition upon acquisition of a subsidiary	(288)	-	(288)	-
At 31 December	50,225	50,225	50,225	50,225
Share of post-acquisition reserves				
At 1 January	37,756	18,483	-	-
Share of results	2,036,711	19,273	-	-
Derecognition upon acquisition of a subsidiary	(2,026,904)	-	-	-
At 31 December	47,563	37,756	-	-
Carrying amount				
At 31 December	97,788	87,981	50,225	50,225

(a) Details of the associate are as follows:

Name of company	Country of incorporation	Effective equity interest 2023 %	Effective equity interest 2022 %	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 Group does not own more than 20% of its equity as the Group is able to exercise significant influence over its financial and operating activities.*

Not audited by Moore Stephens Associates PLT.

Disclosure of the associate's financial information is immaterial to be presented.

(b) Acquisition of 49% equity interest in HSSB

The effect of the derecognition upon acquisition of a subsidiary is disclosed in Note 12(d).

14. INVESTMENT IN A JOINT VENTURE

	Group 2023 RM	Group 2022 RM
Unquoted shares, at cost		
At 1 January	-	-
Acquisition of a subsidiary (Note 12 (d))	510,000	-
Additions	445,000	-
At 31 December	955,000	-
Share of post-acquisition reserves		
At 1 January	-	-
Acquisition of a subsidiary (Note 12 (d))	478,269	-
Share of results	384,848	-
At 31 December	863,117	-
Carrying amount		
At 31 December	1,818,117	-

(a) Details of the joint venture are as follows:

Name of company	Country of incorporation	Effective equity interest 2023 %	Effective equity interest 2022 %	Principal activities
HIMS Integrated Services Sdn. Bhd. *	Malaysia	51	-	Engineering services, experimental and development for oil and gas industries

* *Not audited by Moore Stephens Associates PLT.*

Disclosure of the joint venture's financial information is immaterial to be presented.

(b) Material accounting policy information

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Group has rights to the assets and obligations for the liabilities relating to an arrangement. The Group accounts for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

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14. INVESTMENT IN A JOINT VENTURE (cont'd)

(b) Material accounting policy information (cont'd)

Joint arrangements are classified and accounted for as follows: (cont'd)

- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the Group's statement of financial position at cost less any impairment losses. The cost of investment includes transaction costs.

15. OTHER INVESTMENTS

		Group and Company	
	Note	**2023**	**2022**
		RM	**RM**
At Fair Value through Other Comprehensive Income:			
At 1 January		17,585,000	16,685,000
Additions		3,600,000	900,000
Transfer from other receivables and deposits	18(d)	739,547	-
Derecognition upon acquisition of a subsidiary	12(d)	(17,585,000)	-
At 31 December		4,339,547	17,585,000

The carrying amount of other investments represented by the investment in entities as follows:

		Group and Company	
	Note	**2023**	**2022**
		RM	**RM**
Unquoted shares			
Highbase Strategic Sdn. Bhd. (Note (b))		-	17,585,000
Amzass (M) Sdn. Bhd.		739,547	-
Atmajaya Arvino Sdn. Bhd.		3,600,000	-
		4,339,547	17,585,000

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 newly acquired unquoted shares were carried at cost and this is considered to be approximate to the fair value as at year end.

In the previous financial year, the fair value of the unquoted investment was 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, long-term operating margins and discount rate.

There were no transfers between all three levels of the fair value hierarchy during the financial year.

15. OTHER INVESTMENTS (cont'd)

(a) Acquisition of investments

Amzass (M) Sdn. Bhd. ("ASB")

During the financial year, the Company had subscribed to a total of 352,942 ordinary shares in ASB representing 15% interest held in ASB for total consideration of RM739,547 at RM2.10 per share.

Atmajaya Arvino Sdn. Bhd. ("AASB")

The Company had on 15 March 2023 announced that it had entered into a Shares Sale Agreement ("SSA") with Ahmad Nasri Bin Abdul Gani ("Seller") for the acquisition of 100 ordinary shares in AASB representing the entire issued share capital ("Sale Shares") of AASB for the development of a Rest & Service Area ("RSA") in Karak, Bentong along Kuala Lumpur-Karak Expressway for the purchase consideration of RM9,000,000 ("Purchase Consideration") ("the Acquisition").

The Acquisition will be undertaken in three (3) tranches and payment will be proportionate to the number of shares acquired and subject to the fulfillment on the terms and conditions stipulated in the SSA as follows:

(i) Tranche 1, the Company shall acquire 40% ordinary shares at RM3,600,000 ("Tranche 1 Purchase Consideration");
(ii) Tranche 2, the Company shall acquire a further 20% of ordinary shares at RM1,800,000 ("Tranche 2 Purchase Consideration"); and
(iii) Tranche 3, the Company shall acquire the final 40% of ordinary shares at RM3,600,000 ("Tranche 3 Purchase Consideration").

Upon completion of the Acquisition, AASB will become wholly-owned subsidiary of the Company.

As at 31 December 2023, the Company has completed Tranche 1 and subscribed to a total of 40 ordinary shares in AASB representing 40% interest held in AASB for total consideration of RM3,600,000 at RM90,000 per share.

The Group's and the Company's 40% equity interest in AASB was classified as an investment in financial instrument measured at FVTOCI. Notwithstanding the Group's effective shareholding of 40% in AASB, the Group does not have board representative appointed in the board of AASB to exercise significant influence and its power to participate in the financial and operating policy decisions of AASB. Therefore, the Group continues to account its equity interest as simple investment as at 31 December 2023 until the completion of the 100% equity interest via Tranche 2 and 3.

(b) Derecognition upon acquisition of a subsidiary

Highbase Strategic Sdn. Bhd. ("HSSB")

In the previous financial year, the Group and the Company subscribed to a total of RM20,000,000 HSSB RCPS. The Group and the Company accounted for the changes in fair value of the investment in RCPS amounted to RM2,415,000 in the fair value reserve.

As disclosed in Note 12(d), the Group and the Company have on 30 June 2023 and 30 November 2023 completed the acquisition of 49% equity interest and the remaining 51% equity interest in HSSB respectively. Accordingly, the net carrying amount of RM17,585,000 was considered as purchase consideration for the acquisition of HSSB, which being recognised as cost of investments on completion date.

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15. OTHER INVESTMENTS (cont'd)

(b) Derecognition upon acquisition of a subsidiary (cont'd)

Highbase Strategic Sdn. Bhd. ("HSSB") (cont'd)

Movement of investment in HSSB is as follows:

		Group and Company	
	Note	**2023**	**2022**
		RM	**RM**
Highbase Strategic Sdn. Bhd.			
At 1 January		17,585,000	16,685,000
Additions		-	900,000
Derecognition upon acquisition of a subsidiary	12(d)	(17,585,000)	-
At 31 December		-	17,585,000

(c) Material accounting policy information

Fair value through other comprehensive income ("FVTOCI") - Equity investments not held for trading

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.

(d) Significant accounting judgement and assumption on fair value of RCPS

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.

In the previous financial year, 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.

16. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	(46,780,665)	(44,984,816)	-	-
Acquisition of a subsidiary (Note 12(d))	(290,439)	-	-	-
Recognised in profit or loss (Note 6)	(3,357,265)	(1,795,849)	160,911	-
At 31 December	(50,428,369)	(46,780,665)	160,911	-

Represented by:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax assets	160,911	22,346	160,911	-
Deferred tax liabilities	(50,589,280)	(46,803,011)	-	-
	(50,428,369)	(46,780,665)	160,911	-

Presented before appropriate offsetting:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax assets	284,792	1,214,853	160,911	-
Deferred tax liabilities	(50,713,161)	(47,995,518)	-	-
	(50,428,369)	(46,780,665)	160,911	-

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.

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16. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

This is in respect of estimated deferred tax assets/(liabilities) arising from temporary differences as follows:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Deferred tax liabilities				
Differences between the carrying amount of property, plant and equipment and their tax base	(807,991)	(392,547)	-	-
Customer contract	(2,918,640)	(3,210,504)	-	-
Contract liabilities	(1,572,601)	-	-	-
Operating financial asset	(45,413,929)	(44,392,467)	-	-
	(50,713,161)	(47,995,518)	-	-
Deferred tax assets				
Differences between the carrying amount of property, plant and equipment and their tax base	1,186	-	-	-
Contract liabilities	-	955,194	-	-
Unabsorbed capital allowances	273	175	-	-
Unutilised tax losses	254,106	-	160,911	-
Other deductible temporary differences	29,227	259,484	-	-
	284,792	1,214,853	160,911	-
	(50,428,369)	(46,780,665)	160,911	-

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Unabsorbed capital allowances	382	-	-	-
Unutilised tax losses	77,691	46,592	-	-
	78,073	46,592	-	-

The material accounting policy information is disclosed in Note 6(a).

17. INVENTORIES

	Group 2023 RM	Group 2022 RM
At cost:		
Consumables and minor spares	641,753	-

The Group has recognised inventories as cost of sales amounted to RM1,617,070.

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade				
External parties (Note (a))	15,263,746	20,759,605	-	-
A joint venture (Note (a))	1,088,078	-	-	-
Less: Allowance for impairment loss	(125,865)	(125,865)	-	-
Total trade receivables	16,225,959	20,633,740	-	-
Non-trade				
Other receivables (Note (b))	1,722,382	801,559	108,077	374,066
Less: Allowance for impairment loss	(110,565)	(110,565)	(107,655)	(107,655)
	1,611,817	690,994	422	266,411
Amount owing by an associate (Note (c))	316,896	316,896	316,896	316,896
Less: Allowance for impairment loss	(316,896)	-	(316,896)	-
	-	316,896	-	316,896
Amounts owing by subsidiaries (Note (c))	-	-	23,983,769	22,519,314
Deposits (Note (d))	408,039	832,610	8,250	508,250
Prepayments (Note (e))	1,335,138	2,081,283	22,696	23,031
Total other receivables	3,354,994	3,921,783	24,015,137	23,633,902
	19,580,953	24,555,523	24,015,137	23,633,902

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

18. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables

The Group's normal trade credit term is 30 days (2022: 30 days) from the date of invoice. Other credit terms are assessed and approved on a case-by-case basis.

The amount owing by a joint venture is unsecured, interest free and collectible on demand.

(b) Other receivables

Included in other receivables of the Group is an amount of RM1,132,298 (2022: Nil) being advance payment made to a stakeholder, who is appointed by a subsidiary under the Scheme of Payment Arrangement. This amount has been subsequently collected by the Group.

(c) Amounts owing by an associate and subsidiaries

Amounts owing by an associate and subsidiaries are non-trade in nature, unsecured, interest-free and collectible on demand in cash.

(d) Deposits

In prior financial year, included in the deposits of the Group and the Company is an amount of 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 ASB by the Group ("Proposed Acquisition").

During the financial year, the said deposits have been recovered via the allotment of new ordinary shares by ASB to the Company, representing a 15% equity shares investment in ASB as disclosed in Note 15(a).

(e) Prepayments

Included in prepayments of the Group are advance payments made to suppliers for services to be received from the suppliers amounted to RM692,160 (2022: RM1,403,766).

The Group's and the Company's related party transactions, material accounting policies and credit risk management processes are disclosed in Notes 27 and 29 respectively.

19. CONTRACT ASSETS/(LIABILITIES)

	Group 2023 RM	Group 2022 RM
Contract assets relating to:		
Facilities management services	13,720,783	15,360,781
Concession contract	-	4,649,612
Oil and gas services	21,183,657	-
	34,904,440	20,010,393
Contract liabilities relating to:		
Concession contract	(2,648,285)	(10,880,566)

	Company 2023 RM	Company 2022 RM
Contract assets relating to:		
Accrued billings for management fees	383,214	95,498

(a) Contract assets

The contract assets of the Group relate to the right for consideration for the following services rendered but not yet billed at the reporting date:

(i) Provision of facilities management services rendered in accordance to the facilities management contract;

(ii) Availability charges and the provision of maintenance services and asset management services pursuant to the Concession Agreement; and

(iii) Provision of maintenance services rendered in accordance to the maintenance contract under oil and gas services.

The contract assets of the Company relate to the right for consideration for the provision of management service rendered to subsidiaries but not yet billed at the reporting date.

Typically, the amounts of contract assets of the Group and of the Company will be billed ranging from 30 days to 90 days and payment is expected within 30 days.

(b) Contract liabilities

The contract liabilities relating to 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 Group.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

19. CONTRACT ASSETS/(LIABILITIES) (cont'd)

(c) Movement of contract assets/(liabilities)

(i) Facilities management

	Group	
	2023 RM	**2022 RM**
At 1 January	15,360,781	13,820,727
Revenue recognised during the financial year (Note 4)	90,321,085	96,440,268
Billing issued during the financial year	(91,961,083)	(94,900,214)
At 31 December	13,720,783	15,360,781

(ii) Concession contract

	Group	
	2023 RM	**2022 RM**
At 1 January	(6,230,954)	(11,430,346)
Revenue recognised during the financial year (Note 4)	50,818,202	44,358,231
Billing issued during the financial year	(47,235,533)	(39,158,839)
At 31 December	(2,648,285)	(6,230,954)

(iii) Oil and gas service

	Group	
	2023 RM	**2022 RM**
At 1 January	-	-
Acquisition of a subsidiary (Note 12(d))	20,405,442	-
Revenue recognised during the financial year (Note 4)	3,283,131	-
Billing issued during the financial year	(2,504,916)	-
At 31 December	21,183,657	-

(iv) Management fee

	Group	
	2023 RM	**2022 RM**
At 1 January	-	-
Revenue recognised during the financial year (Note 4)	1,491,608	-
Billing issued during the financial year	(1,491,608)	-
At 31 December	-	-

19. CONTRACT ASSETS/(LIABILITIES) (cont'd)

(c) Movement of contract assets/(liabilities) (cont'd)

(iv) Management fee (cont'd)

	Company	
	2023	**2022**
	RM	**RM**
At 1 January	95,498	32,178
Revenue recognised during the financial year (Note 4)	2,847,800	1,065,006
Billing issued during the financial year	(2,560,084)	(1,001,686)
At 31 December	383,214	95,498

(d) Material accounting policy information

The Group's and the Company's material accounting policies and credit risk management processes are disclosed in Note 29.

20. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Cash and bank balances	45,984,749	47,482,929	305,907	13,043,905
Deposits with licensed banks	52,695,859	53,704,216	1,046,732	5,583,113
	98,680,608	101,187,145	1,352,639	18,627,018
Interest rate per annum (%)	1.00 - 3.00	1.80 - 2.70	2.25	2.10
Maturity period (days)	30 - 365	22 - 365	30	30

(i) Security

(i) an amount of RM2,796,800 (2022: RM1,950,000) pledged as security for bank guarantee granted to a subsidiary;

(ii) an amount of RM300,000 (2022: Nil) pledged as security for bank guarantee granted to a customer of a subsidiary;

(iii) an amount of RM12,568,446 (2022: RM10,707,515) pledged as a security for term loan facilities, bank overdrafts and revolving credit facilities granted to a subsidiary of the Group as disclosed in Note 25(a), (d) and (e);

(iv) escrow accounts of RM15,897,091 (2022: RM14,564,513) pledged as a security for a term loan facility for refinancing of the construction of the UiTM Campus as disclosed in Note 25(a). This amount is not freely available for general use;

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20. DEPOSITS, CASH AND BANK BALANCES (cont'd)

(i) Security (cont'd)

(v) an amount of RM19,476,637 (2022: RM19,159,511) 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 25(c). The Designated Accounts are operated solely by the Security Trustee and therefore restricted from general use by the subsidiary; and

(vi) designated account of RM2,758,354 (2022: RM2,673,082), which is part of the security arrangements of Medium-Term Notes facilities undertaken by a subsidiary as disclosed in Note 25(c). The Designated Account is operated solely by the Security Trustee and therefore restricted from general use by the subsidiary.

(ii) Material accounting policy information

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.

The Group's and the Company's material accounting policies and credit risk management processes are disclosed in Note 29.

21. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2023 RM	2022 RM	2023 RM	2022 RM
Issued and fully paid:				
At 1 January	690,462,137	550,378,625	103,122,590	82,536,993
Issuance of shares				
- Private placement	-	140,077,012	-	20,583,127
Exercise of warrants	-	6,500	-	2,470
At 31 December	690,462,137	690,462,137	103,122,590	103,122,590

In prior financial year, the Group had increased its issued and paid-up capital by way of:

(i) conversion of 6,500 warrants to ordinary shares on 26 January 2022 at RM0.38 per warrant totaling RM2,470;

(ii) issuance of 25,000,000 new ordinary shares on 14 April 2022 at RM0.1881 per share totaling RM4,702,500 pursuant to a private placement; and

(iii) issuance of 115,077,012 new ordinary shares on 7 December 2022 at RM0.138 per share totaling RM15,880,627 pursuant to a private placement.

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 Group. All ordinary shares rank equally with regard to the Group's residual assets.

22. OTHER RESERVES

	Group and Company 2023 RM	2022 RM
Fair value reserve (Note (a))	-	(2,415,000)
Share option reserve (Note (b))	-	272,754
Share grant reserve (Note (b))	-	31,353
	-	(2,110,893)

(a) Fair value reserve of financial assets at FVTOCI

This reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income ("FVTOCI") 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 15. These changes are accumulated within the fair value reserve of financial assets at FVTOCI.

Upon derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(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 Group to grant share options and share grants under the ESOS and ESGS respectively to eligible Non-Executive Directors and eligible employees of the Group 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 Group; 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.

22. OTHER RESERVES (cont'd)

(b) Share option reserve and share grant reserve (cont'd)

ESOS

The number and weighted average exercise price ("WAEP") of share options outstanding are as follows:

	WAEP 2023	No. of share options Units 2023	WAEP 2022	No. of share options Units 2022
1 January	RM0.4298	1,251,500	RM0.4298	1,740,000
Lapsed	RM0.4298	(1,251,500)	RM0.4298	(488,500)
At 31 December		-	RM0.4298	1,251,500

As at 31 December 2023, there is no outstanding balance of ESOS as the ESOS had expired on 8 March 2023. In the previous financial year, the number of shares exerciseable was 1,251,500 shares.

The weighted average exercise price for options outstanding as at 31 December 2022 was RM0.4298 and the remaining contractual life for the share options outstanding as at 31 December 2022 was 0.2 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%

22. 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 Group and/or its eligible subsidiaries are entitled to are as follows:

	At 1.1.2022 Unit	Vested Unit	Forfeited * Unit	At 31.12.2022 Unit
Date of offer				
Offer 1	48,000	-	-	48,000
Offer 2	45,500	-	-	45,500

	RM	At 1.1.2023 3.00	Vested Unit	Lapsed Unit	At 31.12.2023 Unit
Date of offer					
Offer 1		48,000	-	(48,000)	-
Offer 2		45,500	-	(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	ESGS 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.

As at 31 December 2023, there is no outstanding balance of ESGS as the ESGS scheme had lapsed on 8 March 2023. In the previous fianncial year, the remaining contractual life for the share grants outstanding was 0.2 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.

23. REORGANISATION DEFICIT

	Group	
	2023 RM	2022 RM
At 1 January/31 December	(45,265,315)	(45,265,315)

(a) Reorganisation deficit relates 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. In previous financial years, the Group 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.

(b) Material accounting policy information

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.

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current:				
Non-trade				
Amount owing to a subsidiary (Note (b))	-	-	107,098,976	110,884,249
Current:				
Trade				
Trade payables (Note (a))	14,808,603	6,866,041	-	-
Non-trade				
Amounts owing to subsidiaries (Note (c))	-	-	22,606,216	12,353,808
Amounts owing to a joint venture (Note (d))	146,804	-	-	-
Other payables	9,017,255	5,305,902	161,408	90,519
Accruals	12,822,879	8,735,876	552,331	272,507
	21,986,938	14,041,778	23,319,955	12,716,834
Total current payables	36,795,541	20,907,819	23,319,955	12,716,834
Total payables	36,795,541	20,907,819	130,418,931	123,601,083

24. TRADE AND OTHER PAYABLES (cont'd)

(a) The normal trade credit terms granted by the trade payables to the Group range from 30 to 90 (2022: 30 to 90) days.

(b) This amount owing to a subsidiary is non-trade in nature, secured, bearing interest at a rate of 7.46% (2022: 7.46%) per annum and repayable over a period of more than 5 years in accordance with the scheduled payment as stated in an Inter-Group Financing Agreement.

(c) These amounts owing to subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand, except for an amount of RM12,000,000 (2022: RM10,000,000) owing to a subsidiary, DHSB in relation to the Inter-Group Financing Agreement as disclosed in Note 24(b).

(d) This amount owing to joint venture is non-trade in nature, unsecured, interest free and repayable on demand.

The Group's and the Company's related party transactions, material accounting policies and liquidity risk management processes are disclosed in Notes 27 and 29 respectively.

25. LOANS AND BORROWINGS

	Note	Group 2023 RM	Group 2022 RM
Non-current liabilities			
Term loans	(a)	85,611,534	104,989,503
Lease liabilities	(b)	1,370,249	404,593
Medium-term notes	(c)	152,096,689	151,056,347
		239,078,472	256,450,443
Current liabilities			
Term loans	(a)	23,901,386	23,029,987
Lease liabilities	(b)	813,573	177,197
Medium-term notes	(c)	1,033,861	1,037,103
Bank overdrafts	(d)	2,066,884	1,006,386
Revolving credit	(e)	4,533,304	7,088,670
		32,349,008	32,339,343
		271,427,480	288,789,786
Total loans and borrowings			
Term loans	(a)	109,512,920	128,019,490
Lease liabilities	(b)	2,183,822	581,790
Medium-term notes	(c)	153,130,550	152,093,450
Bank overdrafts	(d)	2,066,884	1,006,386
Revolving credit	(e)	4,533,304	7,088,670
		271,427,480	288,789,786

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25. LOANS AND BORROWINGS (cont'd)

(a) Term loans

	Group	
	2023 RM	2022 RM
Non-current:		
Term loan I	5,981,523	6,141,250
Term loan III	76,037,117	98,848,253
Term loan IV	259,536	-
Term loan V	3,333,358	-
	85,611,534	104,989,503
Current:		
Term loan I	203,295	218,852
Term loan III	22,811,135	22,811,135
Term loan IV	34,956	-
Term loan V	852,000	-
	23,901,386	23,029,987
	109,512,920	128,019,490
Total term loans:		
Term loan I	6,184,818	6,360,102
Term loan III	98,848,252	121,659,388
Term loan IV	294,492	-
Term loan V	4,185,358	-
	109,512,920	128,019,490

Maturity profile of term loans:

	Group	
	2023 RM	2022 RM
Current		
Within 1 year	23,901,386	23,029,987
Non-current		
Due in more than:		
- 1 year but not later than 2 years	23,912,666	23,018,282
- 2 years but not later than 5 years	56,591,553	69,626,426
- 5 years	5,107,315	12,344,795
	85,611,534	104,989,503
	109,512,920	128,019,490

25. LOANS AND BORROWINGS (cont'd)

(a) Term loans (cont'd)

Term loan I

Term loan I bears interest ranging from 4.25% to 4.50% (2022: 3.25% to 4.25%) per annum and is repayable by monthly instalment of RM40,030 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 a 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 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
(ii) jointly and severally guaranteed by several Directors of the Company.

Term loan III

Term loan III bears interest ranging from 6.50% (2022: 6.50%) 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 20(i)(iii);
(ii) assignment of all rights, title and benefits of a subsidiary of the Group 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.

Term loan IV

Term loan IV bears interest at 4.65% per annum and is repayable by monthly instalment of RM2,913 over 240 months and last instalment of the remaining loan balance, commencing from the date of full drawdown of term loan.

Term loan IV is secured by the following:

(i) assignment of all rights, title and benefits of HSSB in relation to the Facility Agreement;
(ii) a legal charge over a property at Lot 9713, Taman Industri Paka, 23100 Paka, Dungun Terengganu Darul Iman and Lot 60988, Mukim of Teluk Kalung, District of Kemaman and State of Terengganu as disclosed in Note 8(a); and
(iii) joint and several guarantees by former shareholders of HSSB.

Term loan V

Term loan V bears interest at 8.40% per annum and is repayable by monthly instalment of RM71,000 over 60 months and last instalment of the remaining loan balance, commencing from the date of Settlement Agreement between the subsidiary and the Bank.

Term loan V is secured by the following:

(i) a legal charge over a property at Lot 9713, Taman Industri Paka, 23100 Paka, Dungun Terengganu Darul Iman and Lot 60988, Mukim of Teluk Kalung, District of Kemaman and State of Terengganu as disclosed in Note 8(a);
(ii) a Deed of Assignment of Contract Proceed ("DACP");
(iii) a Memorandum of Deposit and Letter of Set-Off ("LOSO") for deposit; and
(iv) joint and several guarantees by former shareholders of HSSB.

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25. LOANS AND BORROWINGS (cont'd)

(b) Lease liabilities

The average interest rates implicit in the leases are ranging from 2.15% to 8.40% (2022: 2.15% to 6.85%) per annum.

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2023 RM	**2022 RM**
Future minimum lease payments:		
Repayable within 1 year	907,704	201,197
Repayable more than 1 year but less than 2 years	696,203	164,412
Repayable more than 2 years but less than 5 years	645,712	247,176
Repayable more than 5 years	113,005	27,139
	2,362,624	639,924
Less: Future finance charges	(178,802)	(58,134)
Total present value of lease liabilities	2,183,822	581,790
Present value of lease liabilities:		
Repayable within 1 year	813,573	177,197
Repayable more than 1 year but less than 2 years	651,350	148,412
Repayable more than 2 years but less than 5 years	609,207	229,464
Repayable more than 5 years	109,692	26,717
	2,183,822	581,790

(c) Medium-term notes

	Group	
	2023 RM	**2022 RM**
At net proceeds:		
At 1 January/31 December	148,701,500	148,701,500
Accretion of discount:		
At 1 January	3,391,950	2,433,396
Interest expense	11,644,600	11,566,057
Interest paid	(10,607,500)	(10,607,503)
At 31 December	4,429,050	3,391,950
Carrying amount		
At 31 December	153,130,550	152,093,450
Represented by:		
Current	1,033,861	1,037,103
Non-current	152,096,689	151,056,347
	153,130,550	152,093,450

25. LOANS AND BORROWINGS (cont'd)

(c) Medium-term notes (cont'd)

The medium term-notes are repayable as follows:

	Group	
	2023 **RM**	**2022** **RM**
Between 2 to 5 years	14,508,164	-
Due in more than 5 years	137,588,525	151,056,347
	152,096,689	151,056,347

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 6.20% 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 of at least 1.25 times for so long as any Sukuk Wakalah remains outstanding.

The Sukuk Wakalah is secured by the following:

(i) A first ranking third party charge by the Group over its entire shareholding in DHSB;
(ii) An assignment by the Group of all dividends and distributions received or receivable by the Group from KPMD, whether income or capital in nature;
(iii) An assignment by DHSB over its rights, interest and benefits under the inter-Group financing agreement entered or to be entered into between DHSB and the Group in respect of the advance by DHSB to the Group;
(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 20(i)(iv), (i)(v) and 20(i)(vi);
(vi) A debenture by DHSB over its assets, both present and future; and
(vii) Corporate guarantee by the Company.

(d) Bank overdrafts

The bank overdrafts facilities granted to a subsidiary of the Group, GFMSB bear interest ranging from 8.10% to 8.35% (2022: 7.10% to 8.10%) per annum. The subsidiary is required to maintain the gearing ratio of not exceeding 1.0 time and is secured by the following:

(i) a fixed deposit with a licensed bank as disclosed in Note 20(i)(iii); and
(ii) corporate guarantee by the Company.

A consent is required from the bank for declaration of dividend exceeding 40% of net profit after tax.

25. LOANS AND BORROWINGS (cont'd)

(e) Revolving credit

Revolving credit bears interest ranging from 5.32% to 5.91% (2022: 3.78% to 5.53%) 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 20(i)(iii);
(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.

(f) Material accounting policy information

<u>Loans and borrowing (other than medium-term notes)</u>

Loans and borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, within finance costs in the statements of comprehensive income.

<u>Medium-Term Notes</u>

The Medium-Term Notes are measured at amortised cost using the effective interest method, which allocates interest expenses at a constant rate over the term of the Medium- Term Notes under the Sukuk Wakalah Programme. The effective interest rate is calculated at initial gross nominal value 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 Sukuk Wakalah to the amortised cost of the Sukuk Wakalah.

Subsequent to initial recognition, the carrying amount of the Medium-Term Notes is the net proceeds amount minus principal repayments, plus the cumulative accretion of discount using the effective interest method.

The Group derecognises financial liabilities when the obligations of the Group are discharged, cancelled or have expired.

The Group's material accounting policy and liquidity risk management processes are disclosed in Note 29.

26. DIVIDENDS

	Group and Company 2023 RM	2022 RM
In respect of the financial year ended 31 December 2023		
First interim single-tier dividend of 0.22 sen per ordinary share on 690,462,137 ordinary shares	1,518,998	-
Second interim single-tier dividend of 0.18 sen per ordinary share on 690,462,137 ordinary shares	1,242,813	-
Third interim single-tierdividend of 0.56 sen per ordinary share on 690,462,137 ordinary shares	3,866,588	-
In respect of the financial year ended 31 December 2022		
Single-tier interim dividend of 0.1730 sen per ordinary share on 575,385,125 ordinary shares	-	995,393
	6,628,399	995,393

Subsequent to the financial year, on 29 February 2024, the Company declared a fourth single- tier interim dividend of 0.58 sen per ordinary share on 690,462,137 ordinary shares amounting to RM4,004,680 in respect of the financial year ended 31 December 2023 payable on 29 April 2024. The financial statements for the financial year ended 31 December 2023 do not reflect this dividend. The dividend will be accounted for in equity as an appropriation of retained earnings during the financial year ended 31 December 2024.

27. 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 subsidiaries, associate, joint venture partner, key management personnel and related parties. Related parties refer to companies in which certain Directors of the Group have substantial financial interests and/or are also Directors of the companies.

(b) Related party transactions

The related party balances are shown in Notes 18 and 24 respectively. The related party transactions of the Group are shown below.

	Group 2023 RM	2022 RM
Transactions with joint venture partner		
Advances from	34,760	-
Sales	2,465,475	-
Repayment	(4,862,009)	-

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27. RELATED PARTIES (cont'd)

(b) Related party transactions

	Company 2023 RM	Company 2022 RM
Transactions with subsidiaries		
Advances from	6,467,135	321,854
Dividend income	(20,600,000)	(12,500,000)
Interest charges	8,214,726	8,214,726
Expenses related to short-term leases	82,680	67,992
Management fees charged	450,553	536,572
Management fees income	(2,847,800)	(1,065,006)
Advances to	(1,464,455)	(3,341,883)

(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 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Short-term employee benefits	1,294,806	985,666	690,000	333,385
Post-employment benefits	220,387	132,241	120,467	44,680
	1,515,193	1,117,907	810,467	378,065

28. 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.

28. OPERATING SEGMENTS (cont'd)

(b) Measurement of reportable segments (cont'd)

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, consultancy and advisory
Concession arrangements	Construction and maintenance of facilities and infrastructure
Oil and gas services	Trading of chemical and oil products and providing engineering services
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 2023 RM	**Revenue 2022 RM**	**Segment**
Customer A	52,841,743	46,328,885	Concession Arrangements
Customer B	15,210,343	17,476,805	Facilities Management
Customer C	64,621,586	29,854,196	Facilities Management
	132,673,672	93,659,886	

The Group has 3 (2022: 3) customers which contributed RM132,673,672 (2022: RM93,659,886), representing 91% (2022: 67%) of the Group's revenue during the financial year.

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28. OPERATING SEGMENTS (cont'd)

	Note	Facilities management RM	Concession arrangements RM	Oil and gas services RM	Others RM	Adjustments and eliminations RM	Total RM
2023							
Profit or loss							
Revenue from external customers		90,321,085	52,841,743	3,283,131	1,491,608	(2,023,541)	145,914,026
Inter-segment revenue	A	10,342,503	-	-	28,138,176	(38,480,679)	-
Total revenue		100,663,588	52,841,743	3,283,131	29,629,784	(40,504,220)	145,914,026
Results:							
Amortisation of intangible assets		-	-	-	-	(1,216,100)	(1,216,100)
Depreciation of property, plant and equipment		(1,375,771)	-	(53,562)	(160,914)	-	(1,590,247)
Employee benefits expense		(21,053,113)	-	(820,183)	(7,021,685)	-	(28,894,981)
Expenses relating to short-term leases		(728,140)	-	(1,317,418)	(100,080)	82,680	(2,062,958)
Expenses relating to leases of lowvalue assets		(36,842)	-	(4,851)	(20,682)	-	(62,375)
Gain/(loss) on disposal of property,plant and equipment		51,000	-	(1,054)	-	-	49,946
Gain from remeasurement of previously held interest in associate		-	-	-	2,161,712	(2,026,904)	134,808
Impairment loss on amount owing by an associate		-	-	-	(316,896)	-	(316,896)
Interest expense		(630,805)	(7,156,928)	(41,792)	(19,859,326)	8,214,726	(19,474,125)
Interest income		213,852	454,464	-	8,794,320	(8,214,726)	1,247,910
Rental income		85,680	-	31,621	-	(82,680)	34,621

28. OPERATING SEGMENTS (cont'd)

	Note	Facilities management RM	Concession arrangements RM	Oil and gas services RM	Others RM	Adjustments and eliminations RM	Total RM
2023 (cont'd)							
Profit or loss (cont'd)							
Results: (cont'd)							
Waiver of debts from trade payables		-	-	432,727	-	-	432,727
Share of results of an associate,net of tax		-	-	-	-	2,036,711	2,036,711
Share of results of a joint venture,net of tax		-	-	-	-	384,848	384,848
Segment profit before tax		23,283,062	35,277,188	2,605,474	7,150,257	(27,437,656)	40,878,325
Tax (expense)/credit		(5,410,320)	(8,984,131)	(340,814)	376,664	777,514	(13,581,087)
Profit for the financial year		17,872,742	26,293,057	2,264,660	7,526,921	(26,660,142)	27,297,238
Assets							
Operating financial asset		-	290,634,077	-	-	19,239,720	309,873,797
Intangible assets		-	-	-	-	52,837,229	52,837,229
Investment in an associate		-	-		50,225	47,563	97,788
Investment in a joint venture		-	-	1,818,117	-	-	1,818,117
Other segment assets	B	104,334,197	54,166,808	34,431,387	385,377,903	(392,018,929)	186,291,366
Segment assets		104,334,197	344,800,885	36,249,504	385,428,128	(319,894,417)	550,918,297
Included in the segment assets:							
Additions to property, plant and equipment		749,772	-	20,000	149,071	-	918,843
Segment liabilities	C	56,765,106	148,667,703	29,595,646	296,239,971	(163,876,057)	367,392,369

28. OPERATING SEGMENTS (cont'd)

	Note	Facilities management RM	Concession arrangements RM	Others RM	Adjustments and eliminations RM	Total RM
2022						
Profit or loss						
Revenue from external customers		96,440,268	46,328,885	-	(1,970,654)	140,798,499
Inter-segment revenue	A	6,061,261	-	18,765,609	(24,826,870)	-
Total revenue		102,501,529	46,328,885	18,765,609	(26,797,524)	140,798,499
Results:						
Amortisation of intangible assets		-	-	-	(1,216,100)	(1,216,100)
Bad debt written off			-	(5,000)	-	(5,000)
Depreciation of property, plant and equipment		(1,366,193)	-	(140,623)	-	(1,506,816)
Employee benefits expense		(23,518,528)	-	(5,980,167)	-	(29,498,695)
Expenses relating to short-term leases		(583,480)	-	(90,297)	67,992	(605,785)
Expenses relating to leases of low value assets		(79,153)	-	(22,369)	-	(101,522)
Interest expense		(664,725)	(8,077,667)	(19,780,783)	8,214,726	(20,308,449)
Interest income		198,150	326,810	8,691,904	(8,214,726)	1,002,138
Rental income		85,992	-	-	(67,992)	18,000
Reversal of impairment loss on trade receivables		882,104	-	-	-	882,104
Share of results of an associate, net of tax		-	-	-	19,273	19,273
Segment profit/(loss) before tax		17,164,712	31,775,782	(2,399,085)	(16,959,658)	29,581,751
Tax expense		(4,230,027)	(7,648,730)	(182,062)	764,821	(11,295,998)
Profit/(loss) for the financial year		12,934,685	24,127,052	(2,581,147)	(16,194,837)	18,285,753

28. OPERATING SEGMENTS (cont'd)

	Note	Facilities management RM	Concession arrangements RM	Others RM	Adjustments and eliminations RM	Total RM
2022 (cont'd)						
Assets						
Operating financial asset		-	301,825,311	-	21,263,261	323,088,572
Intangible assets		-	-	-	21,985,617	21,985,617
Investment in an associate		-	-	50,225	37,756	87,981
Other segment assets	B	97,304,823	50,820,150	369,870,971	(332,876,108)	185,119,836
Segment assets		97,304,823	352,645,461	369,921,196	(289,589,474)	530,282,006
Included in the segment assets:						
Additions to property, plant and equipment		674,230	-	14,245	-	688,475
Segment liabilities	C	60,608,474	172,805,336	281,631,562	(147,620,455)	367,424,917

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28. OPERATING SEGMENTS (cont'd)

Note:

A Inter-segment revenues are eliminated on consolidation.

B Reconciliation of assets

	2023 RM	2022 RM
Segment assets	544,940,294	526,907,579
Deferred tax assets	160,911	22,346
Tax recoverable	5,817,092	3,352,081
	550,918,297	530,282,006

The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2023 RM	2022 RM
Investments in subsidiaries	(212,930,999)	(176,949,788)
Inter-companies assets	(179,087,930)	(155,926,320)
	(392,018,929)	(332,876,108)

C The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2023 RM	2022 RM
Deferred tax liabilities	8,011,873	8,313,687
Inter-companies liabilities	(171,887,930)	(155,934,142)
	(163,876,057)	(147,620,455)

29. FINANCIAL INSTRUMENTS

Categories of financial instruments

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Financial assets				
Amortised cost				
Operating financial asset	309,873,797	323,088,572	-	-
Trade and other receivables, net of prepayments	18,245,815	22,474,240	23,992,441	23,610,871
Dividend receivable	-	-	6,600,000	-
Deposits, cash and bank	98,680,608	101,187,145	1,352,639	18,627,018
	426,800,220	446,749,957	31,945,080	42,237,889
FVTOCI				
Other investments	4,339,547	17,585,000	4,339,547	17,585,000
Financial liabilities				
Amortised cost				
Trade and other payables	36,795,541	20,907,819	130,418,931	123,601,083
Loan and borrowings	271,427,480	288,789,786	-	-
Dividend payable	3,866,588	-	3,866,588	-
	312,089,609	309,697,605	134,285,519	123,601,083

Material accounting policy information

Recognition and measurement of financial instruments

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 where the effective interest rate is applied to the amortised cost.

29. FINANCIAL INSTRUMENTS (cont'd)

Material accounting policy information (cont'd)

Recognition and measurement of financial instruments (cont'd)

Financial assets (cont'd)

(b) Fair value through other comprehensive income ("FVTOCI")

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 FVTOCI, are subject to impairment assessment under Note 29(i).

Financial liabilities

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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

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.

29. FINANCIAL INSTRUMENTS (cont'd)

Material accounting policy information (cont'd)

Recognition and measurement of financial instruments (cont'd)

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:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(ii) 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.

Derecognition of financial instruments

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 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 or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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.

29. FINANCIAL INSTRUMENTS (cont'd)

Financial risks management objectives and policies (cont'd)

(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 joint venture), operating financial asset and contract assets. whereas the Company's exposure to credit risk arises principally from receivables (which consist of other receivables and amount owing by an associate), contract assets, dividend receivable and financial guarantees given to banks for credit facilities granted to subsidiaries. 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.

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.

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 2023, the Group has significant concentration of credit risk arising from the amount owing by 4 customers (2022: 5 customers) constituting 87% (2022: 71%) of gross trade receivables 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 and contract assets respectively.

The Group and the Company assess impairment of trade receivables 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.

29. 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 (cont'd)

Recognition and measurement of impairment loss (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 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.

Consistent with the debt recovery process, invoices which are past due more than 120 days will be considered as credit impaired.

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29. 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 (cont'd)

Recognition and measurement of impairment loss (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables, operating financial asset and contract assets as at the reporting date which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM	Loss allowances RM	Net balance RM
Group			
2023			
Trade receivables			
Neither past due nor impaired	9,908,097	-	9,908,097
Past due but not impaired:			
1 to 30 days	1,481,314	-	1,481,314
31 to 60 days	1,451,951	-	1,451,951
61 to 90 days	318,162	-	318,162 91
91 to 120 days	442,412	-	442,412
More than 120 days	2,624,023	-	2,624,023
	6,317,862	-	6,317,862
Credit impaired:			
Individually impaired	125,865	(125,865)	-
	16,351,824	(125,865)	16,225,959
Neither past due nor impaired:			
Operating financial asset	309,873,797	-	309,873,797
Contract assets	34,904,440	-	34,904,440
Total	361,130,061	(125,865)	361,004,196

29. 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 (cont'd)

Recognition and measurement of impairment loss (cont'd)

	Gross carrying amount RM	Loss allowances RM	Net balance RM
2022			
Trade receivables			
Neither past due nor impaired	8,305,463	-	8,305,463
Past due but not impaired:			
1 to 30 days	8,074,946	-	8,074,946
31 to 60 days	99,501	-	99,501
61 to 90 days	3,889,271	-	3,889,271
91 to 120 days	213,203	-	213,203
More than 120 days	51,356	-	51,356
	12,328,277	-	12,328,277
Credit impaired:			
Individually impaired	125,865	(125,865)	-
	20,759,605	(125,865)	20,633,740
Neither past due nor impaired:			
Operating financial asset	323,088,572	-	323,088,572
Contract assets	20,010,393	-	20,010,393
Total	363,858,570	(125,865)	363,732,705
Company			
2023			
Neither past due nor impaired: Contract assets	383,214	-	383,214
2022			
Neither past due nor impaired: Contract assets	95,498	-	95,498

NOTES TO THE FINANCIAL STATEMENTS
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29. 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 (cont'd)

Recognition and measurement of impairment loss (cont'd)

Receivables that are past due but not impaired

The Group and the Company have not provided impairment for the trade receivables, 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 several customers have repaid their outstanding amount to the Group subsequent to the financial year end, except for a customer with credit impaired risk with an outstanding balance of RM2,124,263 which will be collected once the sales adjustment of key performance indicator ("KPI") has been finalised with a customer within facilities management segment.

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	
	2023 RM	**2022 RM**
At 1 January	125,865	1,007,969
Reversal	-	(882,104)
At 31 December	125,865	125,865

Operating financial asset

The operating financial asset is recoverable from a customer, UiTM, for the construction of UiTM Sarawak Campus pursuant to the Concession Agreement over a period of 20 years from 9 October 2015 to 8 October 2035. The expected credit loss of the operating financial asset is determined individually based on their past trend of payment. The customer has low risk of default.

As the end of the reporting period, the maximum exposure to credit risks is represented by the carrying amount in the statements of financial position. The Group is of the view that no allowance is to be recognised as at the end of the reporting period.

29. FINANCIAL INSTRUMENTS (cont'd)

Financial risks management objectives and policies (cont'd)

(i) Credit risk (cont'd)

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.

The Group and the Company have provided allowances for expected credit losses on these amounts as follow:

Other receivables (External parties)

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
At 1 January/31 December	110,565	110,565	107,655	107,655

Amount owing by an associate

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
At 1 January	-	-	-	-
Additions	316,896	-	316,896	-
At 31 December	316,896	-	316,896	-

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.

NOTES TO THE FINANCIAL STATEMENTS
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29. FINANCIAL INSTRUMENTS (cont'd)

Financial risks management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Inter-company loans and advances (cont'd)

Recognition and measurement of impairment loss

Inter-company 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 Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Company amounted to RM262,696,924 (2022: RM286,164,507) representing the outstanding banking facilities of the subsidiaries.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

Recognition and measurement of impairment loss

A financial guarantee contract is a contract that requires the issuer to make a specified payment to reimburse the holder for a loss incurred because a specified debtor fails to make payment when due. 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 subsidiaries' financial position deteriorate significantly. The Company considers a financial guarantee to be credit impaired when the subsidiaries are unlikely to repay its credit obligations to the bank in full.

29. FINANCIAL INSTRUMENTS (cont'd)

Financial risks management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Financial guarantee (cont'd)

Recognition and measurement of impairment loss (cont'd)

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 subsidiaries which was granted the loan facilities as disclosed in Note 25 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. Should the subsidiaries default any loan repayments, the proceeds from the realisation of assets will be able to satisfy the outstanding secured loans.

(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 to enable it to meet their obligation as and when they fall due.

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.

In respect of the borrowings that are supported by corporate guarantee provided by the Company to certain subsidiaries as disclosed in Note 29(i), there was no indication as at 31 December 2023 that any subsidiaries would default. In the event of a default by the subsidiaries, the financial guarantees could be called on demand.

29. 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						
2023						
Trade and other payables	36,795,541	36,795,541	36,795,541	-	-	-
Bank overdrafts	2,066,884	2,236,885	2,236,885	-	-	-
Medium-term notes	153,130,550	242,696,890	10,694,685	10,578,438	31,822,500	189,601,267
Lease liabilities	2,183,822	2,362,624	907,704	696,203	645,712	113,005
Term loans	109,512,920	127,920,301	30,111,023	28,627,115	62,067,071	7,115,092
Revolving credit	4,533,304	4,787,849	4,787,849	-	-	-
Dividend payable	3,866,588	3,866,588	3,866,588	-	-	-
	312,089,609	420,666,678	89,400,275	39,901,756	94,535,283	196,829,364
2022						
Trade and other payables	20,907,819	20,907,819	20,907,819	-	-	-
Bank overdrafts	1,006,386	1,082,871	1,082,871	-	-	-
Medium-term notes	152,093,450	253,304,391	10,607,500	10,694,685	31,764,377	200,237,829
Lease liabilities	581,790	639,924	201,197	164,412	247,176	27,139
Term loans	128,019,490	151,776,997	30,468,313	28,986,774	78,060,456	14,261,454
Revolving credit	7,088,670	7,418,648	7,418,648	-	-	-
	309,697,605	435,130,650	70,686,348	39,845,871	110,072,009	214,526,422

29. 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						
2023						
Trade and other payables	130,418,931	175,319,955	23,319,955	12,000,000	68,000,000	72,000,000
Dividend payable	3,866,588	3,866,588	3,866,588	-	-	-
Financial guarantees *	-	262,696,924	262,696,924	-	-	-
	134,285,519	441,883,467	289,883,467	12,000,000	68,000,000	72,000,000
2022						
Trade and other payables	123,601,083	176,716,834	12,716,834	12,000,000	38,000,000	114,000,000
Financial guarantees *	-	286,164,507	286,164,507	-	-	-
	123,601,083	462,881,341	298,881,341	12,000,000	38,000,000	114,000,000

* This liquidity risk exposure is included for illustration purpose only as the related financial guarantees have not crystalised.

29. FINANCIAL INSTRUMENTS (cont'd)

(ii) 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 20 and 25.

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	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Floating rate instruments				
Financial asset				
Deposits with licensed banks	52,395,859	53,704,216	1,046,732	5,583,113
Financial liabilities				
Loans and borrowings				
- Bank overdrafts	(2,066,884)	(1,006,386)	-	-
- Revolving credit	(4,533,304)	(7,088,670)	-	-
- Term loans	(109,512,920)	(128,019,490)	-	-
	(63,717,249)	(82,410,330)	1,046,732	5,583,113

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 profit after tax and equity with all other variables held constant:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Effect on (decrease)/ increase on profit after tax/ equity				
Increase of 100 (2022:100) basis points	(484,251)	(626,319)	7,955	42,432
Decrease of 100 (2022:100) basis points	484,251	626,319	(7,955)	(42,432)

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.

30. 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.

During the financial year, there is a change in fair value hierarchy from Level 2 to Level 3 (2022: from Level 3 to Level 2) in investment property. However, it does not have a financial impact on the carrying amount of the investment property of the Group as the investment property is measured at cost less accumulated impairment.

Other than the above, there was no other material transfer between Level 1, Level 2 and Level 3 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

30. 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 assets and liabilities carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Fair value of assets and liabilities not carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group									
2023									
Financial asset									
Other investments	4,339,547	-	-	4,339,547	4,339,547	-	-	-	-
Non-financial asset									
Investment property	6,174,000	-	-	-	-	-	-	8,000,000	8,000,000
Financial liability									
Medium-term notes (Non-current)	152,096,689	-	-	-	-	-	-	152,096,689	52,096,689
2022									
Financial asset									
Other investments	17,585,000	-	-	17,585,000	17,585,000	-	-	-	-
Non-financial asset									
Investment property	6,174,000	-	-	-	-	-	8,000,000	-	8,000,000
Financial liability									
Medium-term notes (Non-current)	151,056,347	-	-	-	-	-	-	151,056,347	151,056,347
Company									
2023									
Financial asset									
Other investments	4,339,547	-	-	4,339,547	4,339,547	-	-	-	-
2022									
Financial asset									
Other investments	17,585,000	-	-	17,585,000	17,585,000	-	-	-	-

30. FAIR VALUE INFORMATION (cont'd)

Level 2 fair value

Fair value of non-financial asset not carried at fair value

The fair value measurement hierarchies used to measure the fair value of investment property for disclosure purpose is disclosed in Note 9.

Level 3 fair value

Fair value of financial asset carried at fair value

The fair value measurement of the unquoted equity investments is disclosed in Note 15.

Fair value of financial liability not carried at fair value

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 near to or as at the end of the reporting period. The carrying amount of the medium-term notes is estimated to approximate its fair value as at the end of reporting period.

31. 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 2023 and 31 December 2022.

Under the terms of the borrowing facilities as disclosed in Note 25, 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 1.63 times and 2.43 times (2022: 1.62 times and 2.43 times) respectively.

(ii) KPMD is required to maintain a debt-to-equity ratio of not more than 90:10 at all times. As at the end of the reporting period, the debt-to-equity ratio of KPMD is 34:66 (2022: 40:60); 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 end of the reporting period, the gearing ratio, DSCR and tangible net worth are 0.21 time, 3.34 times and RM41,701,857 (2022: 0.3 time, 1.83 times and RM33,845,171) respectively

    In addition, consent is required from the bank for declaration of dividend exceeding 40% net profit after tax. GFMSB is in midst of obtaining the consent from bank for declaration of a 53% dividend net profit after tax.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

31. CAPITAL MANAGEMENT (cont'd)

As at the reporting date, the Group is in compliance with the externally imposed capital requirements as mentioned above, except for certain financial covenants as disclosed in Note 31(iii) above. The Directors are of the 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.

The gearing ratio of the Group and of the Company as at the end of the reporting period were as follows:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Loans and borrowings	271,427,480	288,789,786	-	-
Less: Deposits, cash and bank balances	(98,680,608)	(101,187,145)	(1,352,639)	(18,627,018)
Net debt	172,746,872	187,602,641	(1,352,639)	(18,627,018)
Total equity	183,525,928	162,857,089	104,583,346	100,155,230
Total equity plus net debt	356,272,800	350,459,730	103,230,707	81,528,212
Gearing ratio (times)	0.48	0.54	*	*

* *Not meaningful to disclose negative gearing ratio*

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group or company to another.

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Acquisition of a subsidiary and other investments

The details are disclosed in Notes 12 and 15 respectively.

33. SUBSEQUENT EVENTS

(i) Proposed transfer from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad

On 14 August 2023, the Group proposed to undertake the transfer of the listing of and quotation for the entire issued share capital of the Group from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Transfer"). On 6 October 2023, the application in relation to the Proposed Transfer has been submitted to the Securities Commission ("SC").

33. SUBSEQUENT EVENTS (cont'd)

(ii) Proposed transfer from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad (cont'd)

The SC had, vide its letter dated 29 March 2024, approved the Proposed Transfer under Section 214(1) of the Capital Markets and Services Act 2007 and under the Bumiputera equity requirement for public listed companies.

Bursa Securities had, vide its letter dated 9 April 2024, approved the transfer of the Company's entire issued share capital from the ACE Market to the Main Market of Bursa Securities, under the "Industrial Products & Services" sector.

(iii) Proposed acquisition of Era Gema Bina Sdn. Bhd. ("EGBSB")

On 15 February 2024, the Company announced that it had entered Shares Sale Agreement ("SSA") with Sellers to acquire the entire equity interest comprising of 200,000 ordinary shares in EGBSB for a consideration of RM23,000,000 to be satisfied in the following manner:

Time of payment	**Percentage of consideration (%)**	**Total consideration (RM)**
Upon execution of the SSA (1)	20	4,600,000
On Completion Date	80	18,400,000
Total	**100**	**23,000,000**

Denotes:
1: Being the deposit payable to the Sellers, and the same shall be refundable in the event:
   (a) The condition precedent to the SSA is not fulfilled in accordance with the SSA; or
   (b) The SSA is terminated in accordance with its terms.

The completion of the Proposed Acquisition will result in EGBSB becoming a wholly-owned subsidiary of the Company.

(iv) Proposed private placement of 10% of the total number of issued shares of the Company

On 19 February 2024, Company proposed to undertake a private placement of up to 10% of the total number of issued shares of the Company to third party investor(s) to be identified later, at an issue price to be determined and announced later.

The Private Placement was subsequently completed on 7 March 2024, where a total of 69,000,000 new ordinary shares were placed out at RM0.22 each, raising total gross proceeds of RM15,180,000.

(v) Proposed Bonus Issue of Warrants

On 18 March 2024, the Company proposed to undertake a bonus issue of up to 379,731,068 free warrants in the Company ("Warrant(s)") on the basis of 1 Warrant for every 2 existing ordinary shares in the Company.

The Company has 759,462,137 Shares in issue without retaining any treasury shares held by the Group. Accordingly, a total of up to 379,731,068 Warrants may be issued pursuant to the Proposed Bonus Issue of Warrants. In addition, assuming all the Warrants are exercised, a total of up to 379,731,068 new Shares may be issued.

(vi) Appointment from Petroliam Nasional Berhad ("Petronas") in relation to provision of integrated turnaround main mechanical and maintenance static ("TA4MS")

On 2 April 2024, the Company announced that the contractual joint venture of Highbase Strategic Sdn Bhd and Mun Siong Engineering Limited ("Joint Venture") had on 15 March 2024 secured 3 letters of appointment ("LOAs") from the operating companies of Petronas ("OPCs").

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023

34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current financial year presentation as shown below:

	As previously reported RM	As reclassified RM
Company		
2022		
Statements of Financial Position		
Current assets		
Trade and other receivables	23,099,063	23,633,902
Current liabilities		
Trade and other payables	12,181,995	12,716,834
Cash Flows from Investing Activities		
Advances to subsidiaries	(2,807,044)	(3,341,883)
Cash Flows from Financing Activities		
(Repayment to)/Advances from subsidiaries	(212,985)	321,854

> Others

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 31.12.2023	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	8,325,077	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					
HIGHBASE STRATEGIC SDN BHD	Lot 9713, Taman Industrial Paka, 23100 Paka, Dungun, Terengganu	Land & Building	4,000sqm	Yard	Leasehold	15 years	833,211	12 February 2010
	Lot. 60988 (formerly PT 9483), Mukim Teluk Kalung, District Of Kemaman, Terengganu	Industrial Land	19,987sqm	Land	Leasehold	-	675,955	20 March 2015

> — Others

ANALYSIS OF SHAREHOLDINGS

AS AT 27 MARCH 2024

Issued and Paid-Up Share Capital	:	RM118,302,590.470
Number of Issued Shares	:	759,462,137 ordinary shares
Class of Shares	:	Ordinary shares
Number of Shareholders	:	8,624
Voting Rights	:	One (1) vote per ordinary share held

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 27 MARCH 2024

Size of Shareholdings	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
Less than 100	1,144	13.26	45,880	0.01
100 – 1,000	1,898	22.01	760,185	0.10
1,001 – 10,000	2,887	33.48	15,372,870	2.02
10,001 – 100,000	2,237	25.94	80,500,899	10.60
100,001 – 37,973,105*	454	5.26	330,663,644	43.54
37,973,106 and above**	4	0.05	332,118,659	43.73
TOTAL	**8,624**	**100.00**	**759,462,137**	**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 27 MARCH 2024

Name of Directors	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
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	94,684,961	12.47	-	-
Mohammad Shahrizal Bin Mohammad Idris	101,633,358	13.38	-	-
Tang Jia Wann	-	-	-	-
Ruslan Bin Nordin	61,069,260	8.04	74,800,340*	9.85

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 27 MARCH 2024

Name of Substantial Shareholders	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
GFM Global Sdn. Bhd.	74,800,340	9.85	-	-
Zainal Bin Amir	94,684,961	12.47	-	-
Mohammad Shahrizal Bin Mohammad Idris	101,633,358	13.38	-	-
Ruslan Bin Nordin	61,069,260	8.04	74,800,340*	9.85

Note:-
* *Deemed interested by virtue of his shareholdings in GFM Global Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.*

THIRTY (30) LARGEST SHAREHOLDERS AS AT 27 MARCH 2024

No.	Name of Shareholders	No. of Shares	Percentage (%)
1.	MOHAMMAD SHAHRIZAL BIN MOHAMMAD IDRIS	101,633,358	13.38
2.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ZAINAL BIN AMIR	94,684,961	12.47
3.	GFM GLOBAL SDN BHD	74,800,340	9.85
4.	PRISMA ARMADA SDN BHD PLEDGED SECURITIES ACCOUNT FOR RUSLAN BIN NORDIN	61,000,000	8.03
5.	TEH SWEE SEE	16,700,000	2.20
6.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SATVINDER SINGH	11,000,000	1.45
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOY YANG ZHOU	10,863,600	1.43
8.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAJINDER KAUR A/P PIARA SINGH	9,000,000	1.19
9.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HONG KOK ANN	8,000,000	1.05
10.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEONG KIM FONG	7,000,000	0.92
11.	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	7,000,000	0.92
12.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO BOON LING (M&A)	6,500,000	0.86
13.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH BENG KHIM (MY3941)	5,500,000	0.72
14.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HOW KIM LIAN (HOW0113M)	5,300,000	0.70
15.	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	4,898,000	0.64
16.	HO KAT SIN	4,655,000	0.61
17.	TAN CHOON BING	4,500,000	0.59
18.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	4,500,000	0.59
19.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE WAI	4,247,700	0.56
20.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEE KOK WAH	4,065,400	0.54
21.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JASVINDER SINGH A/L PIARA SINGH	4,000,000	0.53
22.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE CHIA LIN (MY3057)	4,000,000	0.53
23.	PIARA SINGH A/L ANOKH SINGH	4,000,000	0.53
24.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MAVERICK VENTURES SDN. BHD. (MY4353)	3,700,000	0.49
25.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	3,471,900	0.46
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FOO YUK WAI	3,466,100	0.46
27.	ONG PEI BOON	3,180,000	0.42
28.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KAH SOON	2,900,000	0.38
29.	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HO KAT ANN (STA 2)	2,820,000	0.37
30.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG AIK LAY (ONG1107C)	2,500,000	0.33
	TOTAL	**479,886,359**	**63.19**

GFM SERVICES BERHAD
[Registration No.: 201301003302 (1033141-H)]
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eleventh ("11th") Annual General Meeting of **GFM SERVICES BERHAD** ("the Company") will be conducted fully virtual from the Online Meeting Platform at http://surl.li/rrasj provided by Acclime Corporate Services Sdn. Bhd. on **Thursday, 20 June 2024 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 2023 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 RM1,023,255.00 for the period from 21 June 2024 until the next Annual General Meeting of the Company to be held in 2025. **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) Encik Ruslan Bin Nordin **Ordinary Resolution 2**
   b) Mr. Ashok Virendra Shah **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 Resolutions:-

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."

   AND FURTHER THAT pursuant to Section 85 of the Companies Act, 2016 read together with Clause 53 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act, 2016 **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company."

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)
LIM LI HEONG (MAICSA 7054716) (SSM Practising Certificate No.: 202008001981)
WONG MEE KIAT (MAICSA 7058813) (SSM Practising Certificate No.: 202008001958)
Company Secretaries

Kuala Lumpur
30 April 2024

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, Acclime Corporate Services Sdn. Bhd. at Level 5, Tower 8, Avenue 5, Horizon 2, 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 13 June 2024 (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 2023

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
– Payment of Directors' Fees and benefits payable to Non-Executive Directors

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 11th Annual General Meeting on the Ordinary Resolution 1 on payment of Directors' Fees and benefits payable for the period from 21 June 2024 until the next Annual General Meeting of the Company to be held in 2025.

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 are estimated not to exceed RM1,023,255.00. 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 2025.

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 21 June 2023 which will lapse at the conclusion of this Annual General Meeting to be held on 20 June 2024.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act, 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 53 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 53 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholding percentage in the Company.

By adding the above paragraph, the shareholders of the Company shall agree to waive and deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016.

As at the date of this Notice of the Annual General Meeting, a total of 69,000,000 Placement Shares have been issued and allotted on 6 March 2024, details of which are as follows:-

No.	Date of Allotment	Total Number of Private Placement	Proceeds (RM)
1.	6 March 2024	69,000,000	15,180,000
	TOTAL		**15,180,000**

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

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

No.	Purpose	Proposed Utilisation		Actual Amount Raised	Actual Utilisation	Intended timeframe for utilisation from listing date (18 March 2024)	Balance of unutilised proceeds
		Base Scenario RM'000	Maximum Scenario RM'000	RM'000	RM'000		RM'000
1.	Future Viable Investment	-		-	-	Within 24 months	-
	Working Capital						
2.	HSSB	11,396	-	11,800	5,049	Within 24 months	6,751
3.	General	3,000	-	3,000	-	Within 24 months	3,000
4.	Estimated expenses in relation to the Proposed Private Placement	380	-	380	380	Upon completion of the Proposed Private Placement	–
TOTAL		**14,776**	**-**	**15,180**	**5,429**		**9,751**

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. The 11th Annual General Meeting of the Company will be conducted fully virtual from the Online Meeting Platform at http://surl.li/rrasj provided by Acclime Corporate Services Sdn. Bhd. on Thursday, 20 June 2024 at 10.00 a.m.

2. The Directors who are standing for re-election at the 11th Annual General Meeting of the Company pursuant to Clause 98 of the Constitution of the Company are:-

   a) Encik Ruslan Bin Nordin
   b) Mr. Ashok Virendra Shah

   Encik Ruslan Bin Nordin and Mr. Ashok Virendra Shah have no conflict of interest or potential conflict of interest including any interest in any competitor business with GFM or its subsidiaries.

   The details of the above Directors seeking for re-election are set out in the Profile of Directors as disclosed on pages 41 and 45 of the Annual Report 2023.

3. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 31 December 2023 are disclosed in the Corporate Governance Overview Statement set out on pages 52 and 53 of the Annual Report 2023.

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 11th Annual General Meeting on page 186 of the Annual Report 2023.

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 ELEVENTH ANNUAL GENERAL MEETING ("11TH AGM") TO BE HELD VIA AN ONLINE PLATFORM

DATE:	TIME:	FULLY VIRTUAL VIA ONLINE MEETING PLATFORM:
Thursday, 20 June 2024	10.00 a.m.	http://surl.li/rrasj

GENERAL MEETING RECORD OF DEPOSITORS

1. In respect of deposited securities, only members whose names appear on the Record of Depositors on 13 June 2024 (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 20 June 2024, 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 Company's Secretariat, Acclime Corporate Services Sdn. Bhd. at Level 5, Tower 8, Avenue 5, Horizon 2, 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, 19 June 2024 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 **ACCLIME CORPORATE SERVICES SDN. BHD.** as Poll Administrator to conduct the poll by way of online voting and **USEARCH CORPORATE SERVICES SDN. BHD.** 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 Acclime Corporate Services Sdn. Bhd. not later than **Wednesday, 19 June 2024 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.

ADMINISTRATIVE GUIDE

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 Acclime Corporate Services Sdn. Bhd. **not later than Wednesday, 19 June 2024 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: http://surl.li/rrasj
(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 http://surl.li/rrbfs 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 20 June 2024. • 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 20 June 2024 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.

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):-

ACCLIME CORPORATE SERVICES SDN. BHD.
[Registration No.: 199901021060 (495960-D)]
Level 5, Tower 8, Avenue 5, Horizon 2,
Bangsar South City,
59200 Kuala Lumpur.
Tel : 603-2280 6388
Mobile/WhatsApp: 016-602 7041
Fax : 603-2280 6399
Email : virtualsupport@acclime.com
Contact Person: Acclime Virtual Meeting Administrator

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PROXY FORM

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 Eleventh (11th) Annual General Meeting of **GFM SERVICES BERHAD** ("the Company") will be conducted fully virtual from the Online Meeting Platform at http://surl.li/rrasj provided by Acclime Corporate Services Sdn. Bhd. on **Thursday, 20 June 2024 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 RM1,023,255.00 for the period from 21 June 2024 until the next Annual General Meeting of the Company to be held in 2025.		
2.	**ORDINARY RESOLUTION 2** To re-elect Encik Ruslan Bin Nordin as the Director who retires in accordance with Clause 98 of the Constitution of the Company.		
3.	**ORDINARY RESOLUTION 3** To re-elect Mr. Ashok Virendra Shah 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 ______________________, 2024.

____
Signature of Member / Common Seal

Fold this flap for sealing

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, Acclime Corporate Services Sdn. Bhd. at Level 5, Tower 8, Avenue 5, Horizon 2, 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 13 June 2024 (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

ACCLIME CORPORATE SERVICES SDN. BHD.
[Registration No.: 199901021060 (495960-D)]

Level 5, Tower 8, Avenue 5, Horizon 2,
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.

GFM SERVICES BERHAD
[Registration No.: 201301003302 (1033141-H)]

A-3A-1, Melawati Corporate Centre, Jalan Bandar Melawati,
Taman Melawati, 53100 Kuala Lumpur, Malaysia.