

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

MINUTES OF THE EIGHTH ANNUAL GENERAL MEETING OF GFM SERVICES BERHAD
("GFM" OR "THE COMPANY") CONDUCTED FULLY VIRTUAL VIA AN ONLINE
PLATFORM AT KUALA LUMPUR ON THURSDAY, 24 JUNE 2021 AT 10.00 A.M.

SUMMARY OF PROCEEDINGS AND KEY MATTERS DISCUSSED

PRESENT:-

Board of Directors ("the Board")

- | | |
|---|--|
| Mr. Abdul Rahim Bin Abdul Hamid | - Independent Non-Executive Director
(Chairman)
(Via video-conferencing) |
| Mr. Ruslan Bin Nordin | - Executive Vice Chairman
(Via video-conferencing) |
| Mr. Mohammad Shahrizal Bin Mohammad Idris | - Managing Director
(Via video-conferencing) |
| Mr. Ashok Virendra Shah | - Independent Non-Executive Director
(Via video-conferencing) |
| Mr. Yong Hee Kong | - Independent Non-Executive Director
(Via video-conferencing) |
| Mr. Zainal Arifin Bin Khalid | - Independent Non-Executive Director
(Via video-conferencing) |
| Mr. Zainal Bin Amir | - Non-Independent Non-Executive Director
(Via video-conferencing) |

IN ATTENDANCE

- | | |
|-------------------|---|
| Ms. Wong Youn Kim | - Company Secretary
(Via video-conferencing) |
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BY INVITATION

As per Attendance Lists

1. **CHAIRMAN**

The Chairman, Mr. Abdul Rahim Bin Abdul Hamid took the Chair and welcomed all present at the virtual Annual General Meeting (“AGM”) of the Company which was held via an online platform at Kuala Lumpur (“Meeting”). This Meeting was conducted in a fully virtual environment in accordance with the Guidance issued by the Securities Commission Malaysia dated 18 April 2020 which was revised on 1 June 2021.

He then introduced the members of the Board, the Company Secretary, the External Auditors and the GFM’s Investor Relations to the members.

2. **BRIEFING ON HOUSEKEEPING PROCEDURES**

The Company Secretary, upon request of the Chairman, briefed the members on the housekeeping procedures to be adhered to pertaining to the Meeting.

3. **QUORUM**

The Chairman, having confirmed with the Company Secretary that the requisite quorum being present, called the Meeting to order at 10.00 a.m.

4. **NOTICE OF MEETING**

The Chairman informed the members that the notice of the Meeting (“the Notice”) was properly sent to all members of the Company and advertised in the New Straits Times newspaper on 7 May 2021.

The Notice, having been circulated earlier, was taken as read.

5. **PRESENTATION BY EXECUTIVE VICE CHAIRMAN**

Mr. Ruslan Bin Nordin (“Mr. Ruslan”), the Executive Vice Chairman of the Company briefed the members on GFM’s financial and operational performance for the financial year 2020.

6. **TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon were laid before the Meeting pursuant to Section 340(1)(a) of the Companies Act, 2016.

The Chairman then tabled all the items on the Agenda.

7. **QUESTIONS AND ANSWERS SESSION**

The Chairman proceeded to the Questions and Answers session.

The Chairman informed that there were questions received from the shareholders during the live-streamed Meeting and the answers were provided in response to those questions by Mr. Ruslan, the Executive Vice Chairman and Ms. Keow Mei-Lynn, the GFM's Investor Relations. The questions and answers are as follows:-

1) **Can the Management guide us on the outlook for 2021 and 2022?**

GFM's operations is not affected by the Covid-19 pandemic as it is deemed as an essential function and allowed to operate with maximum 60% capacity in adherence to MITI and MOH's SOPs for the duration of the full MCO 3.0.

For our FM business, our efforts are channelled towards expanding our portfolio by proactively bidding for projects from both public and private sectors, while executing our projects on hand.

We also aim to become a leader in the long-term concession business. For KP Mukah Development Sdn. Bhd., we will continue to serve our mandate with the provision of FM services at the UiTM Mukah campus until 2035, while enhancing our project management capabilities.

To remain competitive, we are adopting tech-driven solutions to enhance our service offerings to customers. We will continue to roll out the Internet of Things ("IoT") at more project sites with the GFM Enterprise Management System ("GEMS") platform. Beyond organic growth, we are also open to pursuing strategic opportunities which are earnings-accretive and complementary to our business.

2) **What is the new job replenishment target for 2021? For orderbook, how much will it be depleted in the year?**

Based on our outstanding orderbook, none of our projects is due for succession this year. However, there are several projects expected to complete next year. This provides us the opportunity to participate in new projects or new tenders.

Keeping that in mind, we are expecting a robust year in 2021, based on our orderbook of RM1.18 billion as at 31 March 2021.

3) **Is there any profit margin erosion due to challenging operating environment now? If yes, how bad the margin erosion is and please share the quantum.**

Despite a challenging operating environment in FYE 2020 due to the Covid-19 pandemic and resultant containment measures, GFM sustained a healthy gross profit margin of 40.8%.

4) **Will there be any new acquisition by the Company in 2021 or 2022? If yes, what is the size of the deal would be?**

For 2021, we will focus on completing our acquisition of a 70%-stake in Amzass (M) Sdn. Bhd. (“Amzass”). Amzass was awarded a conditional approval by the Malaysian Highway Authority to upgrade the existing facilities of the Northbound and Southbound Bemban lay-bys, which are located along the North-South Expressway, as well as to construct a petrol station and its facilities on both sides of the lay-bys.

The Bemban lay-bys are situated in the state of Melaka and are located between the Rest Service Areas of Ayer Keroh, Melaka and Pagoh, Johor.

Upon completion of the acquisition, GFM will gain access to participate in Amzass’ project, enabling the Group to enlarge our concession assets portfolio to include a Rest and Service Area.

If there is any future merger and acquisition (“M&A”) target identified, we will perform the due diligence, and make the relevant announcements in due course.

5) **What are the jobs the Company is tendering now?**

We currently have a tenderbook size of approximately RM162 million, consisting of both private and public sector, including tertiary education institutions.

6) **Will the Company still earn steady margin of at least 40% going forward?**

We are unable to provide any financial estimates and targets. However, we will continue to closely monitor our costs to maintain profitability.

7) **For M&A, what are the segments the company looking to buy? Is it FM division or others?**

We are looking at concessions, similar to what we are undertaking now. With our experience in managing concessions with KP Mukah, we have a good understanding of the business and have the expertise as well as experience in this area.

8) **Why the Management expects lower gross margin year-on-year?**

We remain steadfast in executing our cost rationalisation measures to reduce the Group’s operating costs. However, we are expecting a slight contraction of gross margin due to market uncertainties caused by Covid-19 pandemic. Although some works at our project sites were halted last year due to Covid-19 containment measures, we are expecting that the projects would resume and be back to the normal trend this year.

Based on the Company’s past history, our average gross margin is below 40%. Nonetheless, taking into consideration the market uncertainties, we will strive to maintain profitability this year, on the back of our cost optimisation efforts.

9) **How much investment is the Company allocating this year?**

Any future Capex investments will depend on the economic situation moving ahead.

10) **How will the proceeds from the private placement be utilised?**

We have announced the proposed proceeds utilisation of the private placement exercise in an announcement on Bursa Malaysia website.

The private placement fund utilisation will be shared via quarterly announcements in due course.

11) **Will the M&A between GFM and Amzass be completed before 30 June 2021? As we know the due date is coming at end June 2021 or will there be any extensions?**

We will make the relevant announcements as and when the signing is completed.

12) **Please give e-vouchers or e-wallet credits (e.g. Touch & Go) for our loyal minority shareholders voting today.**

There will be no gift vouchers provided as it is not the Company's policy to give out e-vouchers. The AGM is conducted on a fully virtual basis, consistent with market practice. The Group's main method of rewarding shareholders is through payments of dividend. Nonetheless, the Board will take note of the suggestion and would consider it in planning future AGMs.

13) **What is the estimated timeframe to finalise the proposed acquisition of Amzaas?**

We will make the relevant announcements as and when the signing is completed.

14) **Any intention for shares buy back at this moment?**

We are always open to opportunities for us to add value to our shareholders. While we do not rule out the possibility of us to embark on a share buyback exercise, we would need to carefully consider the utilisation of our cash resources.

15) **Instead of diluting existing shareholders, have the Management considered a dividend reinvestment plan the likes done by UOA to preserve cash for working capital?**

We do not rule out the possibility, and we are always open to opportunities for us to add value to our shareholders.

Upon conclusion of the Questions and Answers session, the Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon be taken as duly received pursuant to Section 340(1)(a) of the Companies Act, 2016.

The Ordinary Resolutions 1 to 6 were duly proposed and seconded by Mr. Zainal Bin Amir and Mr. Mohammad Shahrizal Bin Mohammad Idris, the director and shareholder of the Company and put aside by the Chairman for voting by poll upon completion of the remaining business of the Meeting.

8. **POLLING / VOTING SESSION**

The Chairman then proceeded to conducting the poll. Upon the request of the Chairman, the Company Secretary briefed the shareholders on the polling procedures.

The Company Secretary then invited all the members present to cast their votes.

The Meeting was adjourned at 10.45 a.m. for the counting of votes.

9. **ANNOUNCEMENT OF POLL RESULTS**

The Chairman called the Meeting to order at 11.09 a.m. for the declaration of the poll results. The Chairman informed the Meeting that he had received the poll results which have been verified by the Independent Scrutineers.

The poll results which have been verified by the Independent Scrutineers, USearch Management Services were presented to the members as follows:-

Resolutions	Voted For		Voted Against		Results
	No. of Shares	%	No. of Shares	%	
<u>Ordinary Resolution 1</u> To declare a Final Single-Tier Tax Exempt Dividend of 0.6473 sen per ordinary share of the Company in respect of the financial year ended 31 December 2020.	273,769,733	100.0000	-	0.0000	Carried
<u>Ordinary Resolution 2</u> To approve the payment of Directors' fees and benefits payable up to an amount of RM970,000 for the period from 25 June 2021 until the next Annual General Meeting of the Company to be held in 2022.	267,644,326	99.9721	74,704	0.0279	Carried
<u>Ordinary Resolution 3</u> To re-elect Mr. Abdul Rahim Bin Abdul Hamid as the Director who is retiring in accordance with Clause 98 of the Constitution of the Company.	273,450,833	99.9073	253,700	0.0927	Carried
<u>Ordinary Resolution 4</u> To re-elect Mr. Ruslan Bin Nordin as the Director who is retiring in accordance with Clause 98 of the Constitution of the Company.	273,600,647	99.9382	169,086	0.0618	Carried

Resolutions	Voted For		Voted Against		Results
	No. of Shares	%	No. of Shares	%	
<u>Ordinary Resolution 5</u> To re-appoint Messrs. Moore Stephens Associates PLT as Auditors of the Company and authorise the Directors to fix their remuneration.	273,599,559	99.9378	170,174	0.0622	Carried
<u>Ordinary Resolution 6</u> Authority for Directors to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	273,390,155	99.8661	366,578	0.1339	Carried

Based on the poll results, the Chairman declared that all the six (6) Ordinary Resolutions as set out in the Notice were duly carried.

It was **RESOLVED**:-

ORDINARY RESOLUTION 6

AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

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 twenty percent (20%) 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.

10. **TERMINATION**

There being no other business to be transacted, the Meeting terminated at 11.11 a.m. with a vote of thanks extended to the Chair.