

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, BANK MANAGER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

This Circular has been reviewed by UOB Kay Hian Securities (M) Sdn Bhd as the Adviser of GFM Services Berhad for the Proposed Private Placement (as defined herein).

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**GFM SERVICES BERHAD**

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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED PRIVATE PLACEMENT OF UP TO 115,077,025 NEW ORDINARY SHARES IN GFM SERVICES BERHAD ("GFM" OR THE "COMPANY"), REPRESENTING UP TO 20% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser and Placement Agent*

The logo for UOB Kay Hian, with "UOB" in orange and "KayHian" in a dark blue font.

**UOB Kay Hian Securities (M) Sdn Bhd**

Registration No.: 199001003423 (194990-K)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of the Company ("**EGM**") is scheduled to be conducted fully virtual from the Online Meeting Platform at <https://bit.ly/3vdW8kK> provided by Acclime Corporate Services Sdn Bhd on Wednesday, 27 July 2022 at 2.30 p.m., or any adjournment thereof. The Notice of EGM together with the Form of Proxy is enclosed in this Circular.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/ her behalf. In such event, the Form of Proxy must be lodged 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 for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 26 July 2022 at 2.30 p.m.

Date and time of the EGM : Wednesday, 27 July 2022 at 2.30 p.m.

This Circular is dated 12 July 2022

---

## DEFINITIONS

---

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	: Companies Act 2016
"Board"	: Board of Directors of GFM
"Bursa Securities"	: Bursa Malaysia Securities Berhad
"Circular"	: This circular dated 12 July 2022
"Director(s)"	: The director(s) of the Company and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
"EGM"	: Extraordinary General Meeting of GFM
"EPS"	: Earnings per Share
"ESGS"	: Employee share grant scheme
"ESOS"	: Employee share option scheme
"ESS"	: Employee share scheme of up to 5% of the total number of issued shares of the Company, comprising the ESOS and ESGS to the eligible Directors and employees of the Group which are not dormant
"FPE"	: Financial period ended/ ending
"FYE"	: Financial year ended/ ending
"GFM" or the "Company"	GFM Services Berhad
"GFM Group" or the "Group"	: GFM and its subsidiaries, collectively
"GFM Share(s)" or "Share(s)"	: Ordinary share(s) in GFM
"HSSB"	: Highbase Strategic Sdn Bhd, an investee company of GFM
"Listing Requirements"	: ACE Market Listing Requirements of Bursa Securities
"LPD"	: 30 June 2022, being the latest practicable date prior to the printing and despatch of this Circular
"Market Day(s)"	: Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for trading of securities
"NA"	: Net assets attributable to the owners of the Company
"Placement Share(s)"	: Up to 115,077,025 new GFM Shares to be issued pursuant to the Proposed Private Placement
"Proposed Private Placement"	: Proposed private placement of up to 115,077,025 Placement Shares, representing up to 20% of the total number of issued shares of the Company
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"UOBKH" or the "Adviser" or the "Placement Agent"	: UOB Kay Hian Securities (M) Sdn Bhd
"VWAP"	: Volume weighted average market price

---

**DEFINITIONS (CONT'D)**

---

All references to "**we**", "**us**", "**our**" or "**ourselves**" are made to GFM, and where the context requires, shall include our subsidiaries.

All references to "**you**" or "**your(s)**" in this Circular are made to our shareholders, who are entitled to attend and vote at the EGM.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable include the plural and vice versa and words denoting incorporating the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

---

**TABLE OF CONTENTS**

---

	<b>PAGE</b>
<b>EXECUTIVE SUMMARY</b>	iv
<b>CIRCULAR TO THE SHAREHOLDERS OF GFM IN RELATION TO THE PROPOSED PRIVATE PLACEMENT CONTAINING:-</b>	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT	2
3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED PRIVATE PLACEMENT	6
4. INDUSTRY OVERVIEW AND OUTLOOK AND FUTURE PROSPECTS OF GFM GROUP	7
5. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT	10
6. HISTORICAL SHARE PRICES	14
7. APPROVALS REQUIRED/ OBTAINED	14
8. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED TO THEM	15
9. ESTIMATED TIMEFRAME FOR COMPLETION	15
10. PROPOSALS ANNOUNCED BUT PENDING COMPLETION	15
11. DIRECTORS' STATEMENT AND RECOMMENDATION	16
12. EGM	16
13. FURTHER INFORMATION	16
<b>APPENDIX</b>	
FURTHER INFORMATION	17
<b>NOTICE OF EGM</b>	<b>ENCLOSED</b>
<b>ADMINISTRATIVE GUIDE</b>	<b>ENCLOSED</b>
<b>FORM OF PROXY</b>	<b>ENCLOSED</b>

## EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Private Placement. You are advised to read this Circular in its entirety for further details of the Proposed Private Placement and not to rely solely on this Executive Summary in forming a decision on the Proposed Private Placement before voting at the EGM.

Key information	Description	Reference															
<b>Summary</b>	<p>The Company proposes to undertake a private placement of up to 115,077,025 Placement Shares, representing 20% of the total number of issued shares of the Company as at the LPD</p> <p>The Placement Shares will be issued at issue price(s) of not more than 20% discount to the 5-day VWAP of GFM Shares immediately preceding the price-fixing date(s)</p>	Section 2															
<b>Allocation to placees</b>	<p>The Company intends to allocate the Placement Shares in the following manner:-</p> <table border="1"> <thead> <tr> <th>Placees</th> <th>No. of Placement Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Interested Directors</td> <td>57,538,512</td> <td>50.0</td> </tr> <tr> <td>Third party investor(s)</td> <td>57,538,513</td> <td>50.0</td> </tr> <tr> <td><b>Total</b></td> <td><b>115,077,025</b></td> <td><b>100.0</b></td> </tr> </tbody> </table> <p>The proposed allocation above is purely indicative at this juncture</p>	Placees	No. of Placement Shares	%	Interested Directors	57,538,512	50.0	Third party investor(s)	57,538,513	50.0	<b>Total</b>	<b>115,077,025</b>	<b>100.0</b>	Section 2.5			
Placees	No. of Placement Shares	%															
Interested Directors	57,538,512	50.0															
Third party investor(s)	57,538,513	50.0															
<b>Total</b>	<b>115,077,025</b>	<b>100.0</b>															
<b>Utilisation of proceeds</b>	<p>The proceeds are intended to be utilised by the Group in the manner set out below:-</p> <table border="1"> <thead> <tr> <th>Details</th> <th>Timeframe for utilisation</th> <th>RM'000</th> </tr> </thead> <tbody> <tr> <td>Future viable investments</td> <td>Within 24 months from completion</td> <td>10,720</td> </tr> <tr> <td>Working capital</td> <td>Within 24 months from completion</td> <td>5,524</td> </tr> <tr> <td>Estimated expenses</td> <td>Upon completion</td> <td>500</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>16,744</b></td> </tr> </tbody> </table>	Details	Timeframe for utilisation	RM'000	Future viable investments	Within 24 months from completion	10,720	Working capital	Within 24 months from completion	5,524	Estimated expenses	Upon completion	500	<b>Total</b>		<b>16,744</b>	Section 2.7
Details	Timeframe for utilisation	RM'000															
Future viable investments	Within 24 months from completion	10,720															
Working capital	Within 24 months from completion	5,524															
Estimated expenses	Upon completion	500															
<b>Total</b>		<b>16,744</b>															
<b>Rationale and justification</b>	<ol style="list-style-type: none"> <li>Enables GFM to raise the requisite funds to meet the Group's funding requirements</li> <li>Enables GFM to raise additional funds without incurring interest costs as compared to conventional bank borrowings</li> <li>Provides GFM with an expeditious way of raising funds from the capital market as opposed to other forms of fund raising</li> <li>Enables GFM to further strengthen its financial position from the enlarged capital base</li> </ol>	Section 3															
<b>Approvals required</b>	<p>The Proposed Private Placement is subject to the following approvals being obtained:-</p> <ol style="list-style-type: none"> <li>Bursa Securities, which was obtained on 27 June 2022;</li> <li>Shareholders of GFM at the EGM; and</li> <li>Any other relevant authority and/ or third parties, if required</li> </ol> <p>The Proposed Private Placement is not conditional upon any other proposals undertaken or to be undertaken by the Company</p>	Section 7															

---

## EXECUTIVE SUMMARY

---

Key information	Description	Reference
<b>Interested parties</b>	<p>Save as disclosed below, none of the Directors, major shareholders, chief executive of GFM and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement:-</p> <ul style="list-style-type: none"><li>i. Ruslan Bin Nordin, is the Executive Vice Chairman and a Major Shareholder of the Company;</li><li>ii. Mohammad Shahrizal Bin Mohammad Idris, is the Managing Director and a Major Shareholder of the Company; and</li><li>iii. Zainal Bin Amir, is the Non-Independent Non-Executive Director and a Major Shareholder of the Company</li></ul>	Section 8
<b>Board's recommendation</b>	<p>The Board (save for the Interested Directors) recommends that you <b>vote in favour</b> of the ordinary resolutions pertaining to the Proposed Private Placement at the EGM</p>	Section 11



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

**Registered Office**

Level 5, Tower 8, Avenue 5, Horizon 2  
Bangsar South City  
59200 Kuala Lumpur, Malaysia

12 July 2022

**Board of Directors**

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

**To: Our shareholders**

Dear Sir/ Madam,

**PROPOSED PRIVATE PLACEMENT**

---

**1. INTRODUCTION**

On 12 May 2022, UOBKH had, on behalf of the Board, announced that the Company proposes to undertake a private placement of up to 115,077,025 Placement Shares, representing up to 20% of the total number of issued shares of GFM.

On 28 June 2022, UOBKH had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 27 June 2022, resolved to approve the listing and quotation of up to 115,077,025 Placement Shares to be issued pursuant to the Proposed Private Placement on the ACE Market of Bursa Securities, subject to the terms and conditions as set out in **Section 7** of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED PRIVATE PLACEMENT AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE EGM.**

## 2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

### 2.1 Placement size

As at the LPD, the Company's total issued share capital was RM87,241,963, comprising 575,385,125 GFM Shares. Therefore, the private placement of up to 115,077,025 new Placement Shares represents 20% of the total number of issued shares of the Company as at the LPD.

### 2.2 Basis and justification of determining the issue price(s) of the Placement Shares

The issue price(s) of the Placement Shares will be determined and fixed by the Board at a later date after receipt of all relevant approvals for the Proposed Private Placement.

The Placement Shares will be issued at issue price(s) of not more than 20% discount to the 5-day VWAP of GFM Shares immediately preceding the price-fixing date(s).

This provides the Board the flexibility to fix any price range up to a maximum discount of 20% in order to entice investors to subscribe for the Placement Shares. The Board intends to fully place out the Placement Shares at issue price(s) deemed attractive as well as acceptable to both the Company and potential investors and also to meet GFM Group's funding objectives as set out in **Section 2.7** of this Circular.

For illustrative purpose, the indicative issue price is assumed at RM0.1455 per Placement Share, which represents a discount of approximately 20% to the 5-day VWAP of GFM Shares up to and including the LPD of RM0.1819 per Share.

### 2.3 Ranking of the Placement Shares

The Placement Shares will, upon allotment and issuance, rank equally and carry the same rights with the existing GFM Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Placement Shares.

### 2.4 Listing and quotation for the Placement Shares

The Placement Shares to be issued will be listed on the ACE Market of Bursa Securities. Approval for the listing and quotation of the Placement Shares on the ACE Market of Bursa Securities have been obtained via Bursa Securities' approval letter dated 27 June 2022.

### 2.5 Allocation to placees

The Company intends to allocate the Placement Shares to investors who qualify under Schedules 6 and 7 of the Capital Markets and Services Act, 2007, in the following manner:-

Placees	Designation	No. of Placement Shares	%
Ruslan Bin Nordin <sup>*1</sup>	Director/ Shareholder	28,769,256	25.0
Mohammad Shahrizal Bin Mohammad Idris <sup>*1</sup>	Director/ Shareholder	14,384,628	12.5
Zainal Bin Amir <sup>*1</sup>	Director/ Shareholder	14,384,628	12.5
		<hr/>	
		57,538,512	50.0
Third party investor(s)	NA	57,538,513	50.0
<b>Total</b>		<hr/>	
		<b>115,077,025</b>	<b>100.0</b>



**Note:-**

\*1 Collectively referred to as the "**Interested Director**". The Company agrees that in the event any one of the Interested Directors do not fully subscribe for their proposed allocation as illustrated above ("**Balance Portion**"), the other two Interested Directors shall be offered the priority right to subscribe for the Balance Portion.

As at the LPD, the shareholdings of the Interested Directors in the Company are set out as follows:-

<b>Name</b>	<b>&lt;-----Direct-----&gt;</b>		<b>&lt;-----Indirect-----&gt;</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Ruslan Bin Nordin	32,300,004	5.6	74,800,340	13.0
Mohammad Shahrizal Bin Mohammad Idris	87,248,730	15.2	-	-
Zainal Bin Amir	80,300,333	14.0	-	-

The proposed allocation above is purely indicative at this juncture. Accordingly, the Interested Directors had collectively provided their irrevocable and unconditional undertakings on 12 May 2022 (and subsequently supplemented on 8 June 2022), to subscribe for an amount of 57,538,512 Placement Shares.

The Interested Directors had also vide the undertaking letters dated 12 May 2022 (and subsequently supplemented on 8 June 2022) confirmed they have sufficient financial resources to fulfil their undertakings. Such statements have been verified by UOBKH, being the Adviser for the Proposed Private Placement. Further, the Proposed Private Placement is not expected to give rise to any mandatory offer obligation pursuant to the rules of the Take-Overs, Mergers and Compulsory Acquisitions.

The Proposed Private Placement may be implemented in multiple tranches within 6 months from the date of approval of Bursa Securities or any extended period as may be approved by Bursa Securities. This would provide the Company with the flexibility to procure interested investors to subscribe for the Placement Shares from time to time.

The issue price(s) of the Placement Shares will be determined and fixed by the Board separately for each respective tranches. Pursuant to Rule 6.14 of the Listing Requirements, the Company will ensure that the payments for the Placement Shares are received within 5 market days from the price-fixing date(s).

## **2.6 Information on Interested Directors**

i. **Ruslan Bin Nordin ("Ruslan")**, a Malaysian aged 62, has been an Executive Director of the Company since his appointment to the Board on 18 October 2016. He was redesignated as Non-Independent Non-Executive Director on 1 January 2020, and subsequently as Executive Vice Chairman on 2 June 2020.

He has accumulated over 32 years of experience in engineering, project management, marketing and facilities management. His previous employments include the Lembaga Letrik Negara, ABB Sdn Bhd, Mobil Oil Malaysia Sdn Bhd (Territory Manager) and Propel-Johnson Controls Sdn Bhd (Division Manager) before founding GFM in 2000.

ii. **Mohammad Shahrizal Bin Mohammad Idris ("Mohammad Shahrizal")**, a Malaysian aged 52, has been an Executive Director of the Company since his appointment to the Board on 18 October 2016. He was redesignated as Non-Independent Non-Executive Director on 7 January 2020, and subsequently as Managing Director on 1 March 2021.

He has accumulated over 27 years of experience in engineering and facilities management. In 1995, he started his career as a Technical Executive at GrahaTech Resources Sdn Bhd, before joining Mechanalysis Sdn Bhd, an operation and maintenance company in 1998. Later in 2001, he joined Global Facilities Management Sdn Bhd (a wholly owned subsidiary of GFM) as an Executive Director responsible for operations of facilities management services.

- iii. **Zainal Bin Amir ("Zainal")**, a Malaysian aged 62, 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 accumulated over 32 years of experience in mechanical engineering and project management. His previous employments include Malaysian Tobacco Company Bhd (Engineering Manager) and Mechanalysis Sdn Bhd (General Manager) before joining GFM as Business Development Director in 2000.

## 2.7 Utilisation of proceeds

Based on the indicative issue price of RM0.1455 per Placement Share, the Proposed Private Placement is expected to raise gross proceeds of up to RM16.74 million. The proceeds are intended to be utilised by GFM Group in the manner set out below:-

Details	Timeframe for utilisation	RM'000
Future viable investments <sup>*1</sup>	Within 24 months from completion	10,720
Working capital <sup>*2</sup>	Within 24 months from completion	5,524
Estimated expenses <sup>*3</sup>	Upon completion	500
<b>Total</b>		<b>16,744</b>

### Notes:-

<sup>\*1</sup> *GFM Group is principally involved in the provision of facilities management services. Apart from expanding its business organically, the Group intends to also expand inorganically, via joint ventures, collaborative arrangements, business agreements, and/ or mergers and acquisitions of businesses or investments that are similar or complementary to its nature of business, and/ or in different businesses with growth potential, if the need arises to diversify its earnings base.*

*At this juncture, the Board is in discussion with asset/ project owners for the potential collaboration involving the construction and upgrade of infrastructure such as highway rest and service areas, Centralised Labour Quarters (workers accommodation outsourced to a management responsible for looking after the residents' welfare), whereby the Group would be the appointed facility operator of the said premises. These concession arrangements would enable the Group to grow its asset portfolio and recurring income stream from operating the premises throughout the concession period.*

*Barring any unforeseen circumstances, the collaborative agreement(s) are envisaged to materialise by the second quarter of 2023, following which the necessary announcements shall also be made in accordance with the Listing Requirements. In the event such opportunities are not within the existing business of the Group or is anticipated to result in a diversification, the Board will ensure compliance with the provisions of the Listing Requirements, specifically Rule 10.13 of the Listing Requirement. If the nature of the transaction requires shareholders' approval pursuant to the Listing Requirements, the Company will also seek to do so.*

*In the event the Company is unable to identify any suitable and viable opportunities within the timeframe stipulated (or any extended timeframe, if applicable), the proceeds allocated for future viable investments shall be utilised as working capital of the Group, the exact breakdown of which cannot be determined at this juncture, and depends on the Group's operating requirements at material time. Should the Board wishes to vary the utilisation of proceeds raised, the Company shall make the necessary announcements and/ or seek the approval from its shareholders in accordance with Rule 8.24 of the Listing Requirements in the event of a material variation.*

**Notes (Cont'd):-**

<sup>2</sup> GFM Group intends to use part of the proceeds for its working capital requirements as follows:-

<b>Details</b>	<b>Commencement/ completion dates</b>	<b>Descriptions</b>	<b>RM'000</b>
Pengerang Integrated Complex ("PIC") Project	September 2020 - September 2023	<p>Operation and maintenance of services of PIC Village 1 &amp; 2 and all the associated facilities, non-process building and gate houses at PIC, whereby the building premises are occupied by PRPC Utilities and Facilities Sdn Bhd and PETRONAS Refinery and Petrochemical Corporation Sdn Bhd.</p> <p>For the avoidance of doubt, the services rendered by GFM are via monthly maintenance schedule together with ad-hoc maintenance as and when requested by the client. These expenses include, amongst others:-</p> <ul style="list-style-type: none"> <li>i. project management costs;</li> <li>ii. purchase of materials for the upgrading of facilities;</li> <li>iii. administrative costs (e.g. travel and accommodation expenses, other contractor and consumable costs); and</li> <li>iv. staff-related expenses (e.g. reimbursements, purchase of protective equipment, employee skills development training programs and insurance costs),</li> </ul> <p>the exact breakdown of which cannot be determined at this juncture.</p>	2,762
General working capital	N/A	<p>These expenses include, amongst others:-</p> <ul style="list-style-type: none"> <li>i. purchase of office supplies and/ or equipment required for the rendering of facilities management services; and</li> <li>ii. general administrative costs (e.g. utilities expenses, licensing fees, upkeep of office and site premises),</li> </ul> <p>the exact breakdown of which cannot be determined at this juncture.</p>	2,762

<sup>3</sup> The estimated expenses include professional fees, placement fees, regulatory fees and other incidental expenses in relation to the Proposed Private Placement. Any variation in the actual expenses will be adjusted against the proceeds allocated for working capital of the Group.

The actual gross proceeds to be raised from the Proposed Private Placement is dependent on the eventual issue price(s) and the number of Placement Shares to be issued. Any variance in the actual gross proceeds raised will be adjusted against the amount allocated for working capital of the Group.

Pending the actual utilisation of proceeds from the Proposed Private Placement, the proceeds would be placed as deposits with licensed financial institutions or short-term money market instruments, as the Board may deem fit. Any interest income earned from such deposits or instruments will be used as general working capital of the Group as set out in Note 2 above.

## 2.8 Other fund raising exercises in the past 12 months

The Company had on 9 April 2021, announced the private placement of up to 20% of the total number of issued shares of GFM pursuant to Sections 75 and 76 of the Act ("**Private Placement I**"), of which a total of 54,400,000 GFM Shares were placed out, raising gross proceeds of RM11.17 million. The Private Placement I was subsequently completed on 15 April 2022. The utilisation of proceeds as at the LPD are set out below:-

Details	Timeframe for utilisation	Proceeds raised RM'000	Actual utilisation RM'000	Balance to be utilised RM'000
New investment/ business opportunity <sup>1</sup>	by 14 April 2024	4,700	-	4,700
Working capital for new projects <sup>2</sup>	by 14 April 2024	6,000	5,291	709
Working capital for existing projects	by 14 April 2023	60	-	60
Estimated expenses	-	412	412	-
<b>Total</b>		<b>11,172</b>	<b>5,703</b>	<b>5,469</b>

### Note:-

<sup>1</sup> Notwithstanding that GFM had on 20 April 2022 announced the termination of joint venture with Amzass (M) Sdn Bhd ("**Amzass**"), the Board is still keen on participating in the project involving the upgrade of existing facilities of the Northbound and Southbound Bemban lay-bys in Melaka. The joint venture was terminated due to the parties' intention to make amendments to the terms and conditions of the initial agreement. The Board is still in the midst of negotiation with Amzass and has yet to finalise any terms at this juncture. Barring any unforeseen circumstances, the new collaboration agreement is envisaged to materialise by the fourth quarter of 2022, following which the necessary announcements shall also be made in accordance with the Listing Requirements.

<sup>2</sup>

Details	Proceeds raised RM'000	Actual utilisation RM'000	Balance to be utilised RM'000
Utilised for the joint venture with Amzass, further details of which are set out in Note 1 above	1,000	291	709
Utilised by HSSB in rendering turnaround and daily maintenance work for PETRONAS's refinery and petrochemical plants	5,000	5,000	-
<b>Total</b>	<b>6,000</b>	<b>5,291</b>	<b>709</b>

Save for the Private Placement I, the Company has not undertaken any other fund raising exercises in the 12 months prior to the date of this Circular.

## 3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED PRIVATE PLACEMENT

The Proposed Private Placement was undertaken by the Company to raise the requisite funds to meet the Group's funding requirements as set out in **Section 2.7** of this Circular.

After due consideration of the various methods of fund raising, the Board opines that the Proposed Private Placement is the most appropriate avenue as it enables the Company to raise additional funds without incurring interest costs as compared to conventional bank borrowings which may affect the Group's bottom line.

The Proposed Private Placement also provides the Company an expeditious way of raising funds from the capital market as opposed to other forms of fund raising. Upon completion of the Proposed Private Placement, the enlarged capital base is also expected to further strengthen the financial position of the Company.

#### 4. INDUSTRY OVERVIEW AND OUTLOOK AND FUTURE PROSPECTS OF GFM GROUP

##### 4.1 Overview and outlook for the Malaysian economy

Malaysia's gross domestic product ("**GDP**") in the fourth quarter of 2021 rebounded 3.6% in tandem with sturdy growth of exports and imports in this quarter. For quarter-on-quarter seasonally adjusted GDP turned around 6.6% (Q3 2021: -3.6%). Correspondingly, the monthly economic performance has grown modestly in the fourth quarter with the growth of 2.7% in October and accelerated to 5.4% in November 2021. Nonetheless, the growth moderated to 2.6% in December 2021. Overall, Malaysia's economic performance in 2021 showed a recovery momentum with the growth of 3.1% as compared to a decline of 5.6% in 2020. From the current economic standing, the performance in 2021 is still below its pre-pandemic level in 2019. However, the economic performance for the fourth quarter of 2021 has surpassed the level of fourth quarter of 2019 by 0.01%.

*(Source: Malaysia Economic Performance Fourth Quarter 2021, Department of Statistics Malaysia)*

After experiencing significant supply and demand shocks triggered by the COVID-19 pandemic in 2020, economic activity improved moderately in 2021. An incipient recovery which began in the second half of 2020 resumed in the first five months of 2021, despite the imposition of the Second Movement Control Order (MCO 2.0) and the Second Conditional Movement Control Order (CMCO 2.0), as most businesses were allowed to operate during these phases. Thus, together with continued policy support, domestic demand gradually improved. The recovery was further supported by robust exports performance amid favourable external demand. The labour market also rebounded, as the unemployment rate fell from 4.9% in January 2021 to 4.5% in May 2021 and underemployment declined, amid a decline in jobless claims and an increase in the pace of hiring.

The recovery momentum, however, was affected by the reimposition of nationwide containment measures under the first phase of the National Recovery Plan ("**NRP**") in June 2021, following a rapid resurgence of cases due to the Delta variant. These measures weighed on household spending and investment activity in the third quarter of 2021, particularly affecting the services and construction sectors. Nevertheless, the severity of containment measures in 2021 was smaller compared to the first Movement Control Order ("**MCO**") in the second quarter of 2020, as essential economic sectors were allowed to operate. Additionally, businesses and households adapted better to the containment measures and standard operating procedures (SOPs) during the NRP Phase 1 period. Greater adoption of technology and digitalisation, more effective remote working arrangements, and increased automation helped mitigate further losses arising from the lockdowns. Meanwhile, the rapid progress of domestic vaccinations and phased lifting of restrictions under the NRP supported a safe economic reopening and gradual normalisation in economic activity towards the end of 2021.

In terms of developments across economic sectors, the improvement in the domestic economy was fairly uneven, as the pace of recovery differed across sectors. Strong external trade supported the exceptional performance of the manufacturing sector. Meanwhile, the services sector remained constrained by weak demand amid restrictions on mobility and high-touch activities (such as dine-ins and tourism), while activity in the construction sector was hampered by labour and operating capacity restrictions. Additionally, adverse weather conditions and continued foreign worker shortages affected output in the agriculture sector.

From the demand perspective, economic activity continued to be underpinned by household spending, as labour market conditions improved. Continued investments, particularly in machinery and equipment as firms increased their efforts in automation and digitalisation, as well as expansion in production capacity provided further support to growth. In the labour market, employment improved amid a return of workers into the labour force. Underemployment also improved, albeit it remained at a slightly elevated rate compared to long-term averages.

Overall conditions, however, remained subdued during 2021, as the unemployment rate remained elevated and wage growth was modest amid an uneven recovery across labour market segments. Supportive measures continued to remain in place to enable businesses and households to better withstand the impact of these shocks, support incomes, and mitigate displacements in the labour market. These comprise in large part a continuation of measures put in place in 2020, including Bantuan Prihatin Rakyat, the Targeted Repayment Assistance (TRA) and the Wage Subsidy Programme.

Following the trough in the third quarter of 2021, economic activity resumed towards the end of 2021 in line with the lifting of restrictions. As containment measures were gradually eased during the third quarter of 2021, most economic activities restarted, and labour market conditions improved further. This enabled a quick recovery in mobility and consumer spending in the fourth quarter of 2021. The lifting of interstate travel bans in October 2021, in conjunction with the year-end holiday season, also provided support for domestic tourism activities. Towards the end of 2021, Malaysia also detected growing cases involving the new and highly transmissible Omicron variant.

The Malaysian economy is expected to improve further, with growth projected to be between 5.3% and 6.3% in 2022. The economic recovery is underpinned by the continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and further improvement in labour market conditions. In addition, the implementation of investment projects and targeted policy measures will provide further support to economic activity and aggregate demand.

*(Source: Economic and Monetary Review 2021, Bank Negara Malaysia)*

#### **4.2 Overview and outlook of the facilities management industry in Malaysia**

According to the Competitive Analysis of the Malaysian facilities management ("FM") Market, Forecast to 2023 by Frost & Sullivan, the FM landscape in Malaysia is developing, yet highly competitive. High outsourcing rates and maturing end-user sectors continue to position Malaysia as an attractive market for service providers. The domestic market is led by several established service providers, with minimal change in market share. Despite the Malaysian FM market being more mature compared to those of the neighbouring countries, it is perceived to be highly competitive and fragmented amongst local and foreign service providers due to its high price sensitivity. Many service providers are thus relying on recurring revenue streams and looking at the same to secure their market positioning in the long run.

The market is expected to be driven by a strong outsourcing culture in certain end-user sectors such as healthcare and education, securing of longer-term engagements for recurring revenue streams, and value-adding engagements focusing on cost efficiency and asset value optimisation. The market grapples with key restraints - such as intense competition due to pricing and market fragmentation, stagnant outsourcing rate, and lack of awareness on an integrated approach - that challenge its development.

Key growth opportunities in the Malaysian FM market focus on cost efficiency, partnerships, asset value optimisation, real-time analysis, and a long-term, integrated approach. The establishment of key service providers in end-user sectors that predominantly rely on concessions for long-term revenue streams will continue to position these sectors and concession contracts as lucrative areas to tap into.

*(Source: Competitive Analysis of the Malaysian FM Market, Forecast to 2023, Frost & Sullivan, April 2019)*

Frost & Sullivan's recent analysis on Southeast Asian integrated facilities management ("IFM") finds that the IFM market is on an upswing in the region due to the demand for energy efficiency, regulatory support, narrowing expectation gaps between service providers and end-users, and the emergence of service providers that offer specialized FM services. As a result, this market is estimated to garner USD2.41 billion in revenue by 2025 from USD1.82 billion in 2020, registering a 5.8% compound annual growth rate. Additionally, the increasing deployment of technologies due to COVID-19 and environment-conscious consumers' emphasis on adopting energy-efficient methods will further expedite market progress. Though IFM adoption levels are anticipated to vary across the Southeast Asian countries, Singapore and Malaysia are expected to observe the highest adoption rates.

*(Source: Rising Demand for Energy Efficiency and Sustainability Boosts the Southeast Asian IFM Market, Frost & Sullivan, August 2021)*

#### **4.3 Future prospects of GFM Group**

The COVID-19 pandemic has severely disrupted the global economy. Outlook for the near future remains challenging and uncertain as the full impact of COVID-19 pandemic has not been ascertained. In an effort to remain competitive in the facilities management industry, GFM shall focus on enhancing technical competencies to expand its portfolio, while continuing to implement cost-cutting measures to reduce operating expenses and improve profitability.

As at the LPD, the Group has an outstanding orderbook of RM1.07 billion. At present, it is the intention of the Board to focus on executing the Group's existing contracts, whilst continue to identify suitable opportunities to expand and strengthen its core business of facilities management services and concession business. The gradual revenue recognition of existing orderbook, would provide earnings visibility for the upcoming 13 years.

In order to expand the Group's recurring income streams, the Company had on 17 January 2022, announced the heads of agreement with Jua Juara Sdn Bhd (a wholly-owned subsidiary of Majuperak Holdings Berhad) to jointly develop, operate and maintain the rest and service areas at Hulu Bernam, Perak, situated along the North-South Expressway. Further, a portion of the proceeds raised from the Proposed Private Placement shall be utilised to finance identified business(es)/ investment(s), within 24 months from the receipt of funds. This allows the Group to capitalise on suitable and viable opportunities as and when they arise, which in turn may generate positive returns to the Group in the future.

Premised on the above and barring any unforeseen circumstances, the Board is positive on the business strategy of the Group and remains optimistic of its future prospects.

*(Source: Management of GFM)*

## 5. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

The Company had on 9 March 2018 ("**Effective Date**"), implemented the ESS of up to 5% of the total number of issued shares of GFM, at any point in time for a period of five years, commencing from the Effective Date.

The ESS comprises the ESOS and ESGS to the eligible Directors and employees of GFM Group which are not dormant.

As at the LPD, there are a total of 1,833,500 outstanding ESOS options and ESGS awards granted which have yet to be exercised, while the remaining of up to 26,935,756 ESOS options and ESGS awards are yet to be granted by the Company.

For illustrative purpose, the effects of the Proposed Private Placement shall be illustrated based on the following scenarios:-

**Minimum Scenario** : Assuming **NONE** of the ESOS options and ESGS awards granted and to be granted is exercised, prior to the implementation of the Proposed Private Placement

**Maximum Scenario** : Assuming **ALL** of the ESOS options and ESGS awards granted and to be granted are exercised, prior to the implementation of the Proposed Private Placement

### 5.1 Issued share capital

The pro forma effects of the Proposed Private Placement on the issued share capital of the Company are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Share capital as at the LPD	575,385,125	87,241,963	575,385,125	87,241,963
After all ESOS options granted are exercised	-	-	1,740,000	1,117,490 <sup>1</sup>
After all ESGS awards granted are exercised	-	-	93,500	31,353 <sup>2</sup>
After all ESOS options and ESGS awards to be granted are exercised	-	-	26,935,756	4,444,400 <sup>3</sup>
	<u>575,385,125</u>	<u>87,241,963</u>	<u>604,154,381</u>	<u>92,835,206</u>
After the Proposed Private Placement	115,077,025	16,743,707 <sup>4</sup>	115,077,025	16,743,707 <sup>4</sup>
<b>Enlarged share capital</b>	<b><u>690,462,150</u></b>	<b><u>103,985,670</u></b>	<b><u>719,231,406</u></b>	<b><u>109,578,913</u></b>

#### Notes:-

<sup>1</sup> Computed based on the following:-

- i. 1,740,000 ESOS options granted are exercised at the weighted average exercise price of RM0.4298 each; and
- ii. corresponding reclassification of RM0.37 million in the share option reserve account to the share capital account.

<sup>2</sup> Computed based on the following:-

- i. 93,500 ESGS awards granted are exercised without any cash consideration; and
- ii. corresponding reclassification of RM0.03 million in the share grant reserve account to the share capital account.

<sup>3</sup> Computed based on the indicative exercise price of RM0.1650 per ESOS option/ ESGS award, which represents a discount of approximately 9.29% to the 5-day VWAP of GFM Shares up to and including the LPD of RM0.1819 per Share.

<sup>4</sup> Computed based on the indicative issue price of RM0.1455 per Placement Share.



## 5.2 NA per Share and gearing level

Based on the latest audited statements of financial position of the Group as at 31 December 2021, the pro forma effects of the Proposed Private Placement on the NA per Share and gearing level of the Group are set out as follows:-

### *Minimum Scenario*

	Audited as at 31 December 2021 RM'000	Subsequent adjustments up to the LPD <sup>*1</sup> RM'000	After the Proposed Private Placement RM'000
Share capital	82,537	87,242	103,986
Other reserves	(2,014) <sup>*2</sup>	(2,014) <sup>*2</sup>	(2,014) <sup>*2</sup>
Retained earnings	89,723	89,723	89,223 <sup>*3</sup>
Reorganisation deficit	(45,265)	(45,265)	(45,265)
<b>Shareholders' funds/ NA</b>	<b>124,981</b>	<b>129,686</b>	<b>145,930</b>
No. of Shares ('000)	550,378	575,385	690,462
NA per Share (RM)	0.23	0.23	0.21
Total borrowings (RM'000)	309,761	309,761	309,761
Gearing ratio (times)	2.48	2.39	2.12

### *Maximum Scenario*

	Audited as at 31 December 2021 RM'000	Subsequent adjustments up to the LPD <sup>*1</sup> RM'000	I After the ESS RM'000	II After I and the Proposed Private Placement RM'000
Share capital	82,537	87,242	92,835	109,579
Other reserves	(2,014) <sup>*2</sup>	(2,014) <sup>*2</sup>	(2,415)	(2,415)
Retained earnings	89,723	89,723	89,723	89,223 <sup>*3</sup>
Reorganisation deficit	(45,265)	(45,265)	(45,265)	(45,265)
<b>Shareholders' funds/ NA</b>	<b>124,981</b>	<b>129,686</b>	<b>134,878</b>	<b>151,122</b>
No. of Shares ('000)	550,378	575,385	604,154	719,231
NA per Share (RM)	0.23	0.23	0.22	0.21
Total borrowings (RM'000)	309,761	309,761	309,761	309,761
Gearing ratio (times)	2.48	2.39	2.30	2.05

**Notes:-**

<sup>\*1</sup> From 1 January 2022 up to the LPD, the share capital increased by RM4.70 million after adjusting for the following:-

- i. issuance of 25,000,000 GFM Shares at RM0.1881 each pursuant to the Private Placement I, raising total gross proceeds of RM4.70 million; and
- ii. issuance of 6,500 GFM Shares at RM0.38 each pursuant to the exercise of warrants 2019/2022 ("**Warrant(s)**"), raising total gross proceeds of RM2,470. The Warrants expired on 6 February 2022.

<sup>\*2</sup> Including the share option reserve account and share grant reserve account.

<sup>\*3</sup> After deducting estimated expenses of RM0.50 million in relation to the Proposed Private Placement.

### 5.3 Earnings and EPS

The Proposed Private Placement is not expected to have any material effect on the earnings of GFM Group for the FYE 31 December 2022, save for the potential dilutive effect on the EPS of the Group due to the increase in the number of GFM Shares arising from the Proposed Private Placement.

### 5.4 Convertible securities

As at the LPD, save for the outstanding ESOS options and ESGS awards, the Company does not have any other convertible securities.

The Proposed Private Placement will not result in any adjustments to the exercise prices and the number of outstanding ESOS options and ESGS awards granted and to be granted.

### 5.5 Substantial shareholder's shareholdings

The pro forma effects of the Proposed Private Placement on the substantial shareholders' shareholdings in the Company are set out below:-

**Minimum Scenario**

Shareholders	Shareholdings as at the LPD				After the Proposed Private Placement			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
GFM Global Sdn Bhd	74,800,340	13.00	-	-	74,800,340	10.83	-	-
Ruslan	32,300,004	5.61	74,800,340 <sup>*1</sup>	13.00	61,069,260 <sup>*2</sup>	8.84	74,800,340 <sup>*1</sup>	10.83
Mohammad Shahrizal	87,248,730	15.16	-	-	101,633,358 <sup>*3</sup>	14.72	-	-
Zainal	80,300,333	13.96	-	-	94,684,961 <sup>*4</sup>	13.71	-	-
Third party investor(s)	-	-	-	-	57,538,513 <sup>*5</sup>	8.33	-	-

**Maximum Scenario**

Shareholders	Shareholdings as at the LPD				I After the ESS			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
GFM Global Sdn Bhd	74,800,340	13.00	-	-	74,800,340	12.38	-	-
Ruslan	32,300,004	5.61	74,800,340 <sup>*1</sup>	13.00	32,300,004	5.35	74,800,340 <sup>*1</sup>	12.38
Mohammad Shahrizal	87,248,730	15.16	-	-	87,248,730	14.44	-	-
Zainal	80,300,333	13.96	-	-	80,300,333	13.29	-	-
Third party investor(s)	-	-	-	-	-	-	-	-

Shareholders	II After I and the Proposed Private Placement			
	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
GFM Global Sdn Bhd	74,800,340	10.40	-	-
Ruslan	61,069,260 <sup>*2</sup>	8.49	74,800,340 <sup>*1</sup>	10.40
Mohammad Shahrizal	101,633,358 <sup>*3</sup>	14.13	-	-
Zainal	94,684,961 <sup>*4</sup>	13.16	-	-
Third party investor(s)	57,538,513 <sup>*5</sup>	8.00	-	-

**Notes:-**

<sup>\*1</sup> Deemed interest by virtue of his shareholding in GFM Global Sdn Bhd.

<sup>\*2</sup> In the event up to 28,769,256 Placement Shares are placed out to Encik Ruslan.

<sup>\*3</sup> In the event up to 14,384,628 Placement Shares are placed out to Encik Mohammad Shahrizal.

<sup>\*4</sup> In the event up to 14,384,628 Placement Shares are placed out to Encik Zainal.

<sup>\*5</sup> In the event up to 57,538,513 Placement Shares are placed out to third party investor(s).

## 6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of GFM Shares as traded on Bursa Securities for the past 12 months from July 2021 to June 2022 are set out below:-

	High RM	Low RM
<b>2021</b>		
July	0.260	0.220
August	0.230	0.185
September	0.285	0.210
October	0.265	0.225
November	0.235	0.195
December	0.205	0.185
<b>2022</b>		
January	0.235	0.195
February	0.250	0.200
March	0.215	0.175
April	0.220	0.185
May	0.210	0.170
June	0.215	0.175
Last transacted market price as at 11 May 2022 (being the latest trading day prior to the announcement of the Proposed Private Placement)		0.195
Last transacted market price as at the LPD		0.175

(Source: Bloomberg)

## 7. APPROVALS REQUIRED/ OBTAINED

The Proposed Private Placement is subject to the following approvals being obtained:-

- i. Bursa Securities, for which the approval for the listing and quotation for the Placement Shares on the ACE Market of Bursa Securities was obtained vide its letter dated 27 June 2022, subject to the following conditions:-

Conditions	Status of compliance
(a) GFM and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement	To be complied
(b) GFM and UOBKH to inform Bursa Securities upon the completion of the Proposed Private Placement	To be complied
(c) GFM to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed	To be complied

- ii. Shareholders of GFM at the EGM; and
- iii. Any other relevant authority, if required.

The Proposed Private Placement is not conditional upon any other proposals undertaken or to be undertaken by the Company.

## 8. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM

Save for the Interested Directors (as disclosed below), none of the other Directors, major shareholders, chief executive of GFM and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement:-

- i. Encik Ruslan, is the Executive Vice Chairman and a Major Shareholder of the Company, with a total shareholding of 18.61% as at the LPD;
- ii. Encik Mohammad Shahrizal, is the Managing Director and a Major Shareholder of the Company, with a total shareholding of 15.16% as at the LPD; and
- iii. Encik Zainal, is the Non-Independent Non-Executive Director and a Major Shareholder of the Company, with a total shareholding of 13.96% as at the LPD.

Accordingly, they have abstained and will continue to abstain from deliberating and voting at the relevant Board meetings in relation to the Proposed Private Placement and their respective allocation of the Placement Shares. They will also abstain from voting, and will ensure that the persons connected with them will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company on the resolutions pertaining to the Proposed Private Placement and their respective allocation of the Placement Shares to be tabled at the EGM.

## 9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Private Placement is expected to be completed in the fourth quarter of 2022.

## 10. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save as disclosed below, there are no other outstanding proposals which have been announced but not yet completed as at the LPD:-

- i. On 17 December 2019, KAF Investment Bank Berhad had, on behalf of the Board, announced that the Company entered into an agreement for the subscription of 2,882,352 new ordinary shares in HSSB ("**Subscription Share(s)**"), representing approximately 49% of equity interest in HSSB for a cash consideration of RM1.00 per Subscription Share. The subscription is expected to take place by 2024, depending on the funding requirements for HSSB's future project(s) which are yet to be secured at this juncture;
- ii. On 17 January 2022, the Company announced that it entered into a heads of agreement with Jua Juara Sdn Bhd ("**JJSB**") for the proposed joint venture to develop, operate and maintain the rest and service areas at Hulu Bernam, Perak, situated along the North-South Expressway ("**HOA**"). As at the LPD, the conditions precedent stipulated in the HOA have yet to be fulfilled; and
- iii. for the Proposed Private Placement (which is the subject matter of this Circular).

## 11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Interested Directors have abstained from expressing opinion and recommendation in respect of the Proposed Private Placement and their respective allocation of the Placement Shares.

The Board (save for the Interested Directors), having considered all aspects including, but are not limited to the basis of determining the issue price(s), rationale of the Proposed Private Placement, its effects to the financials of the Company and future prospects of GFM Group, is of the opinion that the Proposed Private Placement is in the best interest of the Company.

The Board (save for the Interested Directors), recommends that you **vote in favour** of the resolutions pertaining to the Proposed Private Placement at the EGM.

## 12. EGM

The EGM, the notice of which is enclosed in this Circular, will be conducted fully virtual from the Online Meeting Platform at <https://bit.ly/3vdW8kK> provided by Acclime Corporate Services Sdn Bhd on Wednesday, 27 July 2022 at 2.30 p.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposed Private Placement.

If you are unable to attend and vote in person at the EGM, you should complete, sign and return the enclosed Form of Proxy in accordance with the instructions provided thereon so as to arrive 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 set for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy will not, however, preclude you from attending the EGM and voting in person should you subsequently wish to do so.

## 13. FURTHER INFORMATION

Shareholders are advised to refer to the appendix set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board  
**GFM SERVICES BERHAD**

**ZAINAL ARIFIN BIN KHALID**  
Independent Non-Executive Director

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**2. CONSENT**

UOBKH, being the Adviser and Placement Agent for the Proposed Private Placement, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

**3. DECLARATION OF CONFLICT OF INTEREST**

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Adviser and Placement Agent to GFM for the Proposed Private Placement.

**4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, GFM Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group.

**5. MATERIAL COMMITMENTS**

As at the LPD, there are no material commitments incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the financial results or position of the Group.

**6. CONTINGENT LIABILITIES**

As at the LPD, there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the financial results or position of the Group.

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia during the normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the EGM:-

- i. Constitution of GFM;
- ii. Audited consolidated financial statements of GFM Group for the past 2 financial years up to the FYE 31 December 2021, and the latest unaudited consolidated financial statements of GFM Group for the 3-month FPE 31 March 2022;
- iii. Undertaking letters by the Interested Directors pursuant to the Proposed Private Placement; and
- iv. The letter of consent and declaration of conflict of interest referred to in **Sections 2 and 3** of this Appendix, respectively.



**GFM SERVICES BERHAD**

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

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of GFM Services Berhad ("**GFM**" or the "**Company**") ("**EGM**") will be conducted fully virtual from the Online Meeting Platform at <https://bit.ly/3vdW8kK> provided by Acclime Corporate Services Sdn Bhd on Wednesday, 27 July 2022 at 2.30 p.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:-

**ORDINARY RESOLUTION 1**

**PROPOSED PRIVATE PLACEMENT OF UP TO 115,077,025 NEW ORDINARY SHARES IN GFM ("GFM SHARE(S)" OR "SHARE(S)") ("PLACEMENT SHARE(S)"), REPRESENTING UP TO 20% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED PRIVATE PLACEMENT")**

"**THAT** subject to the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board of Directors of GFM ("**Board**") to allot and issue up to 115,077,025 Placement Shares.

**THAT** the Placement Shares will be priced at not more than 20% discount to the five-day volume weighted average market price ("**VWAP**") of the GFM Shares immediately preceding the price-fixing date(s) to be determined later, for such purpose and use of proceeds as set out in **Section 2.7** of the circular to shareholders dated 12 July 2022.

**THAT** the Placement Shares will, upon allotment and issuance, rank equally in all respects with the existing GFM Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Placement Shares.

**AND THAT** the Board be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/ or amendments as may be required or permitted by any relevant authorities, and to take all steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfer, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Private Placement."



## ORDINARY RESOLUTIONS 2 TO 4

### PROPOSED ALLOCATION OF 57,538,512 PLACEMENT SHARES TO THE INTERESTED DIRECTORS OF GFM ("PROPOSED ALLOCATION")

"**THAT** subject to the passing of Ordinary Resolution 1 and the approvals of all relevant authorities and/ or third parties being obtained, where required, approval be and is hereby given to the Board to allot and issue 57,538,512 Placement Shares to the following Interested Directors, at issue price(s) not more than 20% discount to the five-day VWAP of the GFM Shares immediately preceding the price-fixing date(s) to be determined later:-

No.	Name	Ordinary Resolutions
i.	Ruslan Bin Nordin	Ordinary Resolution 2
ii.	Mohammad Shahrizal Bin Mohammad Idris	Ordinary Resolution 3
iii.	Zainal Bin Amir	Ordinary Resolution 4

**AND THAT** the Board be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/ or amendments as may be required or permitted by any relevant authorities, and to take all steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfer, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Allocation."

## BY ORDER OF THE BOARD

**WONG YOUN KIM (MAICSA 7018778)**

**(PC No. 201908000410)**

Company Secretary

Kuala Lumpur

12 July 2022

### Notes:-

1. A member entitled to attend and vote at the EGM is entitled to appoint a proxy/ proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. A member may appoint up to two (2) proxies to attend and vote at the EGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 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.
4. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall 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, otherwise the instrument of proxy should not be treated as valid.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 July 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/ or vote on his behalf.



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

## **ADMINISTRATIVE GUIDE**

### **IN RESPECT OF THE EXTRAORDINARY GENERAL MEETING ("EGM") TO BE HELD VIA AN ONLINE PLATFORM**

<b>DATE:</b> Wednesday, 27 July 2022	<b>TIME:</b> 2.30 p.m.	<b>FULLY VIRTUAL VIA ONLINE MEETING PLATFORM:</b> <a href="https://bit.ly/3GxwSKk">https://bit.ly/3GxwSKk</a>
---	---------------------------	--

#### **GENERAL MEETING RECORD OF DEPOSITORS**

1. In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 July 2022 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the EGM 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 EGM 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 Form of Proxy in accordance with the notes and instructions set out hereunder.
3. Alternatively, if a shareholder is unable to attend the EGM via Virtual Meeting Facilities on 27 July 2022, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy.
4. 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 the taking of poll at the meeting or adjourned meeting, **not later than Tuesday, 26 July 2022 at 2.30 p.m. The appointed proxy(ies) must register themselves via the Registration Link in Item 10 below.**

#### **POLL VOTING**

5. The voting at the EGM 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 **U Search Management Services** as Scrutineers to verify the poll results.
6. Shareholders can proceed to vote on the resolutions and submit your votes at any time from the commencement of the EGM at 2.30 p.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 EGM, 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 EGM 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 Tuesday, 26 July 2022 at 2.30 p.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.
9. For the beneficiary of the shares under a Nominee Company's CDS account who wishes to use the Virtual Meeting Facility at the EGM may request its Nominee Company to appoint him/her as proxy to participate and vote remotely at the EGM via the Virtual Meeting Facilities, please submit the duly executed Form of Proxy to Acclime Corporate Services Sdn Bhd **not later than Tuesday, 26 July 2022 at 2.30 p.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 EGM		
(a)	REGISTRATION	<ul style="list-style-type: none"><li>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: <a href="https://bit.ly/3GxwSKk">https://bit.ly/3GxwSKk</a></li></ul>
(b)	CONFIRMATION ATTENDANCE	<ul style="list-style-type: none"><li>Upon verification, the participation link will be sent to you via email.</li></ul>
(c)	SUBMISSION OF QUESTIONS	<ul style="list-style-type: none"><li>You may submit any questions online by scanning the QR Code below or via <a href="https://bit.ly/3z7OJ8T">https://bit.ly/3z7OJ8T</a> and to submit your questions accordingly:-</li></ul> 

<b>ON THE EGM DAY</b>		
(d)	PARTICIPATION	<ul style="list-style-type: none"> <li>• 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 2.30 p.m. on 27 July 2022.</li> <li>• If you have any questions to be raised during the meeting, you may submit it by using the Q&amp;A box.</li> <li>• The Chairman/Board of Directors will address the questions submitted prior or during the meeting accordingly.</li> <li>•</li> </ul>
(e)	ONLINE VOTING	<ul style="list-style-type: none"> <li>• Upon the commencement of the meeting, the link to the online voting will be displayed in the Chat Box of the Virtual Meeting Room.</li> <li>• Members or proxies may commence voting from 2.30 p.m. on 27 July 2022 until such time when the Chairman announces the closing of the voting session.</li> <li>• After the counting of votes, the Chairman will announce the poll results.</li> <li>•</li> </ul>
(f)	CLOSURE	The EGM 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 EGM.

#### **NO RECORDING OR PHOTOGRAPHY**

Unauthorised recording and photography are strictly prohibited at the EGM.

#### **ENQUIRY**

If you have any enquiry or require any assistance before or during the EGM, 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 : 017-388 3989  
Fax : 603-2280 6399  
Email : [office365support@hmc.my](mailto:office365support@hmc.my)  
Contact Person : Acclime Virtual Meeting Administrator*

**FORM OF PROXY****GFM SERVICES BERHAD**Registration No.: 201301003302 (1033141-H)  
(Incorporated in Malaysia)

CDS Account No.	
Number 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** (the "**Company**") hereby appoint:-**FIRST PROXY**

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
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	%
Telephone No	Email		
Full Address			

or failing whom, the Chairperson of the Meeting, as my/ our proxy/ proxies to vote for me/ us and on my/ our behalf at the Extraordinary General Meeting of the Company to be conducted fully virtual from the Online Meeting Platform at <https://bit.ly/3vdW8kK> provided by Acclime Corporate Services Sdn Bhd on Wednesday, 27 July 2022 at 2.30 p.m., or any adjournment thereof.

My/ Our proxy(ies) is(are) to vote as indicated below:-

Description of Resolution	Resolution	For	Against
Proposed Private Placement	Ordinary Resolution 1		
Proposed Allocation to Ruslan Bin Nordin	Ordinary Resolution 2		
Proposed Allocation to Mohammad Shahrizal Bin Mohammad Idris	Ordinary Resolution 3		
Proposed Allocation to Zainal Bin Amir	Ordinary Resolution 4		

Please indicate with an (X) in the spaces how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his(her) discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
Signature of Member / Common Seal

**Notes:-**

1. *A member entitled to attend and vote at the EGM is entitled to appoint a proxy/ proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
2. *A member may appoint up to two (2) proxies to attend and vote at the EGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
3. *Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 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.*
4. *The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.*

*Please fold here*

---

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

*Please fold here*

---

5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall 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, otherwise the instrument of proxy should not be treated as valid.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 July 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/ or vote on his behalf.*