

# GFM bags five-year contract worth RM52m for Sabah state administration centre

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KUALA LUMPUR (April 2): GFM Services Bhd has bagged an RM51.78 million contract from Sinar Uni-Resources Sdn Bhd to provide integrated facilities management (FM) services for the Sabah state administration centre in Kota Kinabalu.

The contract is for five years from January this year to January 2023.

In a filing with Bursa Malaysia today, GFM said its wholly-owned subsidiary Global Facilities Management Sdn Bhd has accepted the letter of award from Sinar Uni-Resources for the job.

"The contract is expected to contribute positively to the group's earnings and net assets per share for the financial year ending Dec 31, 2018," said GFM.

In a separate statement, GFM said the scope of services undertaken by it will include the management and maintenance of all buildings in the Sabah state administration centre, as well as security management services.

The state administration centre consists of three buildings with a total built-up area of 1.79 million sq ft. The complex represents an iconic landmark in Sabah as it houses the offices of over 1,500 government administrators, including the office of the chief minister and Cabinet members.

GFM managing director Ruslan Nordin said the latest contract is a significant addition to its FM portfolio, which contributes a recurring revenue of RM10.4

million per year or 10% of the group's total revenue in the financial year ended Dec 31, 2017 (FY17).

"The contract will further provide us with improved earnings visibility moving forward and further replenishes our current orderbook to RM300 million," he added.

Ruslan also hopes that the contract will extend GFM's involvement in government initiatives consistent with the group's aim to increase its participation in public-private partnerships (PPP).

To date, GFM has participated in five PPP projects to provide FM and consultancy services.

"In addition to organic growth, we are also looking to expand through strategic joint ventures, as well as mergers and acquisitions opportunities of long-term concessionaires. We believe 2018 will be an exciting year for us as we continue to strengthen our presence in the growing facilities management industry," he added.

In January 2018, GFM had proposed to acquire its first concession business — KP Mukah Development Sdn Bhd — for RM130 million. KP Mukah Development holds the concession awarded by Universiti Teknologi Mara and the government to build and deliver FM services for UiTM Mukah, Sarawak campus ending 2035.

GFM shares closed down 0.5 sen or 1.02% at 48.5 sen today, with 14,500 shares done, bringing it a market capitalisation of RM207.63 million.

SOURCE:

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