

GFM bags RM51m facilities management contract



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KUALA LUMPUR: GFM Services Bhd has secured a contract from Sinar UniResources Sdn Bhd (SUR) to provide integrated facilities management services for the Sabah State Administration Centre (PPNS) in Kota Kinabalu worth RM51.8 million.

The scope of services undertaken by GFM will include the management and maintenance of all PPNS buildings as well as provision of security management services.

The contract is for a period of five years from January 2018 until January 2023, GFM said in a statement today.

PPNS 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 of Sabah.

GFM managing director Ruslan Nordin said the contract is a significant addition to the company's portfolio which will contribute positively to its financial performance with a recurring revenue of RM10.4 million per annum, approximately 10 per cent of total revenue in financial year 2017.

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

GFM said the PPNS contract will extend its involvement in government initiatives consistent with the Group's aim to increase its participation in Public-Private Partnerships (PPPs).

To date, GFM has participated in five PPP projects to provide facilities management and consultancy services, reflecting the government's confidence in the Group's capabilities in delivering quality standard of work to its clients.

Ruslan said in addition to organic growth, the Group is also looking to expand through strategic joint ventures as well as mergers and acquisitions opportunities of long-term concessionaires.

To recap, in January 2018, GFM had proposed to acquire its first concession business, KP Mukah Development Sdn Bhd (KPMD) for RM130 million.

The acquisition is expected to boost the Group's earnings over the long term as KPMD holds the concession awarded by Universiti Teknologi Mara (UiTM) and the Malaysian government for the construction and delivery of facilities management services for UiTM Mukah, Sarawak campus ending 2035.

SOURCE:

<https://www.nst.com.my/business/2018/04/352150/gfm-bags-rm51m-facilities-management-contract>