

GFM Services invests in oil and gas company

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KUALA LUMPUR: GFM Services Bhd has acquired a 49% stake in a loss-making oil and gas contractor as the integrated facilities management service company seeks to broaden its revenue base.

Under the deal, GFM will subscribe to 2.88 million new shares in Highbase Strategic Sdn Bhd (HSSB) for RM1.

The HSSB shares subscription price was arrived at on a willing-buyer and willing-seller basis, after taking into consideration HSSB's net loss of RM4.4mil as at Dec 31, 2018, the company said in a filing with Bursa Malaysia today.

It has also agreed to subscribe up to RM20mil of the redeemable convertible preference shares by HSSB.

"This acquisition enlarges our scope of works and competencies and gives us access to a new customer segment; the O&G sector," managing director Ruslan Nordin said in a statement today.

We believe it is an opportune time to enter the O&G industry as optimism and activities for service providers are expected to pick up." Founded in 2003, HSSB is involved in the provision of engineering services for the oil and gas industry, including cleaning, repair and maintenance services of storage tanks, pressure vessels and heat exchangers.

GFM said the company has a track record of serving major clients in the oil and gas sector and has an estimated outstanding project value of RM261.4mil.

HSSB's 51%-owned joint venture with Singapore-based Mun Siong Engineering Ltd has a RM247.5mil five-year contract to provide plant turnaround services for the Pengerang Integrated Complex (PIC) in Johor from Petroliam Nasional Bhd.

Source:

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