

GFM buys remaining 51pct stake in Highbase



By [Asila Jalil](#) - November 3, 2023 @ 4:03pm

KUALA LUMPUR: GFM Services Bhd is buying the remaining 51 per cent-stake in oil and gas (O&G) company Highbase Strategic Sdn Bhd for RM18.2 million.

Highbase specialises in the provision of O&G facilities maintenance focusing on downstream operators.

Upon completion, GFM said it will fully consolidate Highbase's financial performance, substantially enhancing its earnings from financial year 2024 (FY24).

GFM group managing director Ruslan Nordin said the acquisition marks a key milestone for the company.

"When GFM first invested in the company back in December 2019, we recognised its synergistic potential although it was a distressed asset with operational and financial challenges.

"Since undergoing a successful restructuring to strengthen its financials, Highbase transformed into a profitable company in FY22 with improvements in cash flow, operational efficiency, and overall financial performance.

"Now, we stand ready to reap the benefits of the successful turnaround of Highbase," he said.

The acquisition will also position GFM to secure future prospects within the O&G sector and replenish its project pipeline.

"Highbase's operations are aligned with GFM's core competency in integrated facilities management services, unlocking synergistic benefits," said Ruslan.

Through a joint venture with Singapore-based O&G integrated solutions provider, Mun Siong Engineering Ltd, Highbase currently holds Petroliam Nasional Bhd's integrated turnaround main mechanical and maintenance mechanical static (TA4MS) contract to provide plant turnaround services at the Pengerang Integrated Complex (PIC) in Johor.

The contract is for a five years from March 2019 to 2024, with an option to extend until March 2029.

"Plant turnarounds are scheduled periodically and part of legislation compliance. According to Petronas Activity Outlook 2023-2025, plant turnaround activities are expected to remain steady, which bodes well for Highbase.

"Furthermore, the development of new plants at PIC also present growth avenues for Highbase," added Ruslan.

The acquisition is expected to be completed by year-end.