

GFM Services to fork out RM23m for land, approval for Penang highway RSA

Thursday, February 15th, 2024 at [Business](#) | [News](#)

Integrated facilities management service provider GFM Services Bhd plans to pay RM23 million for a company that has land and approval for a rest and service area (RSA) in Sungai Muda, Penang, situated along the north-south highway.

The ACE Market listed company today told the local stock exchange it planned to acquire 100%-stake in Era Gema Bina Sdn Bhd from its two shareholders/directors, Noorida Noor and Norhaslini Norzaid.

The acquisition will allow GFM to develop, operate and maintain the RSA on the northbound lane of the PLUS Malaysia Bhd's North-South Expressway (NSE).

The company, equally owned by the two directors, was incorporated in 2003 with its principal activity in development of building projects.

The Malaysian Highway Authority (LLM) had on July 14, 2008 awarded the rights to Era Gema to undertake the RSA project. On Nov 23, it had also obtained LLM's approval in relation to the detailed design of the project, according to GFM's exchange filing.

It said the project will be developed on four contiguous parcels of freehold land totalling 150,490.23 sq ft.

GFM said the project land is identified as one of the lay-bys known as R&R Sungai Muda, with the nearest R&R Gurun about 35km away, reachable within 30 minutes' drive from the project land.

GFM said the move paved the way for its expansion into the highway RSA business and to tap into the increasing demand for highway services in Malaysia.

"This venture aligns with GFM's vision to expand our portfolio and diversify income streams," said GFM group MD Ruslan Nordin in a separate statement.

GFM said the project, expected to start in 2025 and to be completed in two years, is estimated to cost RM78 million for both the land acquisition and development cost.

GFM share price today ended up up 0.5 sen to 23 sen, giving it a market capitalisation of RM156 million. –**TMR**