

Company Name : Alam Maritim Resources Berhad
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Alam Maritim Clinches RM6 Mil Contract From Petronas

KUALA LUMPUR (July 28): Alam Maritim Resources Bhd (Alam Maritim) (Financial Dashboard) has bagged a contract for the Provision of Splash Zone Structural Repair and Maintenance from Petronas Carigali Sdn Bhd, valued at RM6 million.

In a filing with Bursa Malaysia today, Alam Maritim (fundamental:1.6; valuation: 1.5) said its wholly-owned subsidiary Alam Maritim (M) Sdn Bhd has recently received a Letter of Award from Petronas Carigali for the contract.

"The contract is for a period of two years, effective from June 8, 2015 until June 7, 2017 with an extension option of one year, from June 8, 2017 to June 7, 2018," the sub-sea engineering and offshore oil and gas services provider said.

On financial impact, Alam Maritim expects the contract to contribute positively to its earnings and net tangible assets for the financial year ending Dec 31, 2015 and beyond.

For the first financial quarter ended March 31, 2015 (1QFY15), Alam Maritim's net profit was down by 45% to RM8.59 million against RM15.59 million a year ago, due to lower average utilisation rate of offshore support vessels (OSV) and lower revenue from the offshore installation and construction (OIC) segment.

It said profitability of the OSV segment was lower by 34.7%, primarily due to lower average utilisation rate of OSV.

Revenue for the quarter came in 6.88% lower at RM73.71 million, as compared to RM79.15 million last year.

Nevertheless, the group is confident the O&G sector should be able to withstand short term uncertainties and sustain with solid fundamentals in the long run.

At 12.30pm midday break, the counter fell 0.5 sen or 0.98% at 50.5 sen, bringing its market capitalisation to RM471.48 million.

(Note: The Edge Research's fundamental score reflects a company's profitability and balance sheet strength, calculated based on historical numbers. The valuation score determines if a stock is attractively valued or not, also based on historical numbers. A score of 3 suggests strong fundamentals and attractive valuations.)