

Company Name : Alam Maritim Resources Berhad
Date : 22 October 2015
Source : The Edge Markets

Kenanga IB Research Downgrades Alam Maritim To Underperform

KUALA LUMPUR (Oct 22): Kenanga IB Research has downgraded Alam Maritim Resources Bhd to “Underperform” from Market Perform at 49 sen with an unchanged target price of 39 sen and said the downgrade was due to the share price surging from its low at end-August, rendering the risk-reward less favourable.

Alam Maritim had yesterday announced that its wholly-owned subsidiary, Alam Maritim (M) Sdn Bhd has secured a sub-contract from Petronas Floating LNG 1 (L) Ltd (PFLL) to perform floating liquefied natural gas (FLNG) offshore works relating to final positioning and mooring system hook-up. The work scope includes flexible riser installation, pre-commissioning and commissioning of pipeline, pipe-line ends terminal (PLET) and riser for Petronas Floating LNG-1 Project

It said the contract value is worth RM53.5 million with duration of 10.5 months, effective from 15 June 2015 to 30 April 2016.

“The contract award is positive to Alam as its Underwater division continues to secure jobs which allow them to strengthen their profile as an underwater services provider.

“We should see some improvement in its Underwater division’s earnings performance in 2H15 should the jobs secured this year are executed according to schedule,” said the research house.