

Company Name : Alam Maritim Resources Berhad  
Date : 23 November 2015  
Source : The Edge Weekly



**AMRESEARCH (NOV 17):** Malaysian Rating Corp Bhd (MARC) downgraded the rating of Alam's RM500 million Sukuk Ijarah Medium Term Notes to AIS from A+IS, while the outlook was revised to stable from negative. The rating downgrade was driven mainly by Alam's weakened business risk profile arising from a tough operating environment for offshore support vessel (OSV) providers, as the group's performance has been affected by a decline in contract order book and lower charter rates for its vessels.

MARC views Alam's established position in the OSV segment, with a long operating track record and sizeable fleet of 44 vessels, to be supportive of its ability to weather prevailing challenging conditions in the oil and gas sector. We expect the rating downgrade to have a minimal impact on the group given that the coupon rate for the RM115 million outstanding sukuk has already been predetermined.

We remain cautious about Alam's outlook in the near term given that the OSV market remains in a lull — contract awards have been slow and there is a slowdown in upstream activities.