

Headline	EPF cuts Eversendai stake		
MediaTitle	New Straits Times		
Date	15 Jan 2015	Color	Black/white
Section	Business Times	Circulation	149,000
Page No	B5	Readership	447,000
Language	English	ArticleSize	186 cm ²
Journalist	LIDIANA ROSLI	AdValue	RM 3,377
Frequency	Daily	PR Value	RM 10,130



EPF cuts Eversendai stake

REBALANCING: Disposal not reflection of trust in builder, says provident fund CEO

LIDIANA ROSLI

THE Employees Provident Fund (EPF) said it is trimming its stake in Eversendai Corporation Bhd as "part of a standard rebalancing of its portfolio".

The EPF began reducing its shareholding in engineering and construction firm Eversendai with the disposal of 1.835 million shares from December 24 to January 2, which at that point cut its shareholding to 56.85 million shares or 7.35 per cent.

A quick check on Bursa Malaysia revealed that EPF has been diligent with the disposal of Eversendai's shares and that as at the close of the bourse yesterday, it held 54.93 million shares, or 7.1 per cent.

Speaking to Business Times, EPF's chief executive officer Datuk Shahril Ridza Ridzuan said that EPF's disposal of the firm's stake is not a reflection of its trust in Eversendai.

"The selling of shares is not because we have lost confidence in Eversendai, but merely a standard rebalancing of our portfolio".

"If you look at our investment history, you would see that it is fairly standard for us to buy shares and later sell them. This is part of our strategic investment plan and it is nothing out of the ordinary."

However, analysts are quick to point out that there is more at stake here as Eversendai has not been performing financially since its initial public offering in 2011.

"The contracts that the firm has been booking have not been enough, attributing to the high start-up costs incurred, especially through its oil and gas division," said an analyst on the condition of anonymity.

Eversendai booked disappointing third quarter results

with RM241 million in revenue and RM3 million in net profits, which brings its cumulative net profit to RM22 million for the first nine months of last year.

"The fact is, Eversendai has not been performing financially even with all the contracts because of its high cost base," said the analyst.

The Employees Provident Fund used to hold an 8.84 per cent stake in the construction company, which has been trimmed to 7.1 per cent at present, Lembaga Tabung Haji has 5.21 per cent and Vahana Holdings Sdn Bhd has 71.76 per cent of Eversendai's shares.

In a text message to Business Times, Tan Sri A.K Nathan, the executive chairman and group managing director of Eversendai, said that its orderbook stood at RM1.4 billion as of end of last

year, putting it well on track to meet its RM2 billion target by 2017.

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Analyst

Headline	Harzani allays concerns about Tanjung Offshore		
MediaTitle	The Star		
Date	15 Jan 2015	Color	Full Color
Section	StarBiz	Circulation	288,916
Page No	4	Readership	866,748
Language	English	ArticleSize	374 cm ²
Journalist	GURMEET KAUR	AdValue	RM 18,822
Frequency	Daily	PR Value	RM 56,466

bles stood at RM31.45mil for that period. For the nine months ended Sept 30 last year, it reported a net profit of RM369,000 as opposed to RM6.39mil previously.

