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Quek to take slice of Alam Maritim?

By **IZWAN IDRIS**
izwan@thestar.com.my

PETALING JAYA: Alam Maritim Resources Bhd is embarking on a new share sale exercise that could see savvy investors Tan Sri Quek Leng Chan and Paul Poh emerging as strategic investors, according to banking sources.

Alam Maritim yesterday requested for the trading of its shares to be suspended for two days to make way for a "material announcement" after the stock shot up 10 sen, or 6.4%, to RM1.65.

This is the highest level the stock has hit since December 2007. It had been trading between the RM1.30 and RM1.60 range for the last one year, with not much volume. Yesterday alone, close to 31 million shares crossed hands, which some dealers said was based on speculation of a new strategic shareholder emerging.

The company had earlier disclosed that it was looking to embark on a fund-raising exercise, possibly via a

new share sale.

Sources said that the placement exercise could entail a 15% stake to raise around RM160mil to pay for its expansion and paring down on debts.

However, sources added that there might be other interested bidders for the block.

They said while Quek and his associate Poh had teamed up to make an offer for the block, there was at least one other group of inves-

Target price of RM2.05 placed for Alam Maritim shares

tors competing to get the shares. This possibly explains why the company has suspended its shares for two days.

AmResearch, meanwhile, stated in its report yesterday that Alam Maritim was mulling an equity fund-raising exercise via a private placement of between 10% and 15% of its share capital to select investors. The research house has placed a target price of RM2.05 for Alam Maritim shares, pegging the valuation on a price earnings multiple of 16 times its financial year 2014 earnings.

Alam Maritim was looking to raise funds to pay for a diving support vessel that it intended to acquire, executive director and chief operating officer Shaharuddin Rahmad told *StarBiz* in a recent interview.

He had then said the company was in talks with potential investors for the exercise.

Alam Maritim has a capital base of 801 million shares. It will need to obtain shareholders approval to increase its share capital by 15% and place it out to pre-identified investors.

Consensus estimates put the company's earnings per share forecast at 12.6 sen a share.

Bankers familiar with the deal said the new share sale was being priced at around 10 times forward earnings, which works out to a price of around RM1.35 per share.

Analysts at RHB Research Institute have a target price of RM1.96 for the stock, while

CIMB Research values the company at RM2.00 a share.

A number of oilfield services providers have embarked on successful fund-raising exercises in recent months. These include Coastal Contracts Bhd and Perisai Petroleum Teknologi Bhd, which have benefited from investors' strong appetite for local oil and gas firms.

Hong Leong Group's Quek has been especially active in the market. In May last year, he emerged as a substantial shareholder in TH Heavy Engineering Bhd.

Last week, Quek took up 100 million shares in Singapore-listed Ezion Holdings Ltd, another offshore support vessel player.

It is unclear how the Alam Maritim deal will pan out.

Assuming that the placement is to be broken up, the deal could mirror what Quek and Poh had done at Scomi Energy Bhd in February, when they both along with Lembaga Tabung Haji and Norwegian fund Norges, bought 268.78 million shares in Scomi Energy that were sold by Standard Chartered Private Equity Ltd.

Poh, a former long-serving employee of the Hong Leong Group, acquired about 40% of the block of Scomi Energy shares via his private investment vehicle Caprice Capital.

Quek, who controls the Hong Leong Group, took up the second largest portion of 30% or 80 million shares.