

Headline	Banking magnate Quek to acquire Alam Maritim stake		
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## Banking magnate Quek to acquire Alam Maritim stake

**BANKING** magnate Tan Sri Quek Leng Chan (*picture*) and long-time associate Paul Poh Yang Hong have proposed to acquire a 15.35% stake in offshore supply vessels and services provider Alam Maritim Resources Bhd via a private placement exercise worth RM166.05 million or RM1.35 per share.

The Hong Leong Group supremo Quek will acquire 60 million shares via Associated Land Sdn Bhd while Poh will buy 63 million shares through his private investment vehicle, Caprice Capital International Ltd, thus subscribing

the entire 123 million new shares issued by Alam Maritim.

The issue price of RM1.35 per share represents a discount of approximately 11.09% to the one-month volume weighted average market price of Alam Maritim shares up to and including April 21 of RM1.52, being the last trading day prior to the suspension of the shares.

"The entry of Quek and Poh into Alam Maritim is positive although there is likely to be a dilution in earnings per share. Valuation-wise it's fair, the market has undervalued Alam Maritim for weaker earnings

compared to rivals. Hopefully the fresh capital could see a change in that," said an analyst from a local brokerage.

Alam Maritim intends to utilise the gross proceeds of the share sale to acquire new vessel and/or for general working capital. It has set aside RM67.17 million for that purpose, its exchange filing yesterday said.

About RM95.08 million would be used to repay bank borrowings, while the remaining RM3.8 million would be used to cover the expenses of the proposed share issuance.

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After the repayment of debt, the company's gearing would also come down to 0.67 times from the current 1.07 times.

Alam Maritim would have to convene an EGM and seek shareholders nod for the proposed subscription.

Alam Maritim had on Monday requested for the trading of its shares to be suspended for two days to make way for a "material announcement" after the stock jumped 10 sen or 6.4% to RM1.65.

The acquisition of Alam Maritim marks another major investment by Quek and Poh in the oil and gas sector in the country. The duo acquired a stake in Scomi Energy Bhd in February, along with Lembaga Tabung Haji and Norwegian fund Norges, who together bought 268.78 million shares in Scomi Energy 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 sold via Caprice, while Quek took up the second-largest portion of 30% or 80 million shares.

Last year, Quek emerged as a substantial stakeholder in TH Heavy Engineering Bhd, which is building its fabrication capability in the sector.

A week ago, Quek acquired 100 million shares in Singapore-listed offshore support vessel player, Ezion Holdings Ltd.

"The application to Bursa Malaysia Securities Bhd in relation to the proposed share issuance will be made within two weeks from this announcement," the entity added.

Affin Investment Bank Bhd has been appointed as the principal advisor and placement agent for the proposed share issuance, while UOB Kay Hian Securities (M) Sdn Bhd has been appointed as the lead placement agent. —

by P PREM KUMAR