

PNB emerges as substantial shareholder in SapuraKencana

By Dinesh Immanuel
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National equity fund Permodalan Nasional Bhd (PNB) has emerged as a substantial shareholder in SapuraKencana Petroleum Bhd. PNB increased its stake in the oil and gas service provider to 5.69% on April 14. According to SapuraKencana's 2013 annual report, PNB held a 3.45% stake in the company in May which did not make it a substantial shareholder.

PNB's 5.69% stake or 341.12 million shares are worth RM1.45 bil based on the counter's closing price of RM4.25 on April 17. The Employees Provident Fund (EPF) too picked up some 73 million SapuraKencana shares, raising its direct stake to 12.9%. In time, PNB and EPF's investment in the counter may prove fruitful as analysts appear bullish on the company's prospects.

In a report on April 17, Alliance Research Sdn Bhd issued a 12-month target price of RM5.26 on the counter, a gain of about 24% above its current trading price. "SapuraKencana remains our top pick in the oil and gas sector given its solid order book of RM26 bil with long-term contracts [and an] estimated four-year (FY14-FY17) earnings per share compound growth of 6%," notes the report.

It is possible that PNB could have swept up some of the shares disposed by Norwegian offshore deepwater driller Seadrill. In an April 16 Bursa announcement indicated that Seadrill sold some 230 million shares in SapuraKencana, thus scaling its stake by 4% to 8.18%. Seadrill transacted the shares at RM4.30 each, thus pocketing some RM989 mil.

In its financial year ended Jan 31, SapuraKencana posted a revenue of RM8.38 bil with net profits at RM1.12 bil, almost double from a year earlier.

In the week, Tan Sri Lim Kang Yew emerged as a substantial shareholder in TSR Capital Bhd following his acquisition of a 31.9% interest in TSR's largest shareholder and holding company, Segi Satria Sdn Bhd. With the acquisition, Lim adds a 31.9% indirect interest in the company to the 1.77% direct stake he holds. On April 15, he was redesignated deputy executive

chairman in the property developer and builder. Previously, he was non-executive deputy chairman, a post he held since 2005.

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