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KUALA LUMPUR (Nov 27): RHB Research has maintained its Neutral rating on Freight Management Holdings Bhd at RM1.75 with a lower target price of RM1.64 (from RM1.76) and said the company's 1QFY15 (June) earnings came in weaker than expected due to restructuring of its air freight division, cessation of a major 3PL contract as well as subpar performance from the tug & barge wing.

In a note Nov 26, the research house said it was still positive on Freight Management's growth potential after the investment and restructuring are completed.

"We are lowering our earnings forecast for Freight Management by 5%/6% in FY15F/FY16F as the earnings may be slightly affected during the investment cum restructuring stage.

"Nonetheless, we believe the company will be able to overcome such challenges and continue to grow, backed by its solid financial position and prudent management," it said.

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