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Daya acquires vessels for RM906m

by FARAH ADILLA

DAYA Materials Bhd (DMB) is acquiring two vessels from Siem Offshore Rederi AS (SORA) for RM905.6 million in cash.

In an exchange filing last Friday, DMB said it will be acquiring a dynamic positioning class 2 (DP2) offshore subsea construction vessel known as Siem Daya 1 (SD1) for RM444.1 million and a second DP2 offshore subsea construction vessel known as Siem Daya 2, also for RM444.1 million.

The purchase of Siem Daya 2 includes an additional RM7.3 million for a 50 metric tonnes active heave compensation 3,000m crane and RM10.1 million for spare parts.

"The proposed acquisitions will enable the DMB Group to own and operate the vessels instead of chartering the vessels from SORA.

"The proposed acquisitions will further enhance the operating cost structure of the vessels, which is expected to contribute positively to the future profitability of the DMB group."

DMB said the acquisitions are also in line with its business strategy to own operating assets to expand its range of subsea services and enhance its subsea capabilities in offshore oil and gas operations.

DMB said SD1 and SD2 are currently chartered by SORA to a subsidiary of DMB. Subse-

quently, the said subsidiary chartered SD1 and SD2 on a long-term basis to Technip Norge AS in the North Sea and North Atlantic regions.

"Upon completion of the proposed acquisitions, the charters shall be terminated. However, the charter party contract would still be undertaken by DMB and its group of companies," it said.

DMB said it intends to fund the total cash consideration through a combination of proceeds from a proposed fundraising exercise and borrowings from financial institutions.

It said the company plans to undertake a placement of up to 25% of the issued and paid-up share capital of the company.

Assuming the proposed placement is implemented prior to the proposed rights issue, the maximum number of new DMB shares to be issued under the proposed placement would be up to 347.2 million placement shares.

"The placement shares shall be placed to third party investors to be identified at a later date," it said.

DMB is also proposing to undertake a proposed rights issue to raise gross proceeds of up to RM230 million. It also proposed a bonds issue which will involve the issuance of up to RM120 million.

The proposed fundraising exercise will raise up to RM457.6 million, it said.