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## Daya Material to acquire subsea construction vessel

**KUALA LUMPUR** — Daya Material Bhd (DMB) has gained shareholders' approval for the purchase of a dynamic positioning class 2 offshore subsea construction vessel, known as "Siem Daya 1", for US\$120 million (RM453.5 million).

The vessel would be acquired from Siem Offshore Rederi AS, said the oil and gas player in a statement.

The purchase consideration would be paid via cash (US\$90 million) and the issuance of ringgit-denominated bonds equivalent to US\$30 million in nominal value to Siem Offshore, it added.

Daya Material secured US\$80 million in borrowings from a

financial institution to fund most of the cash portion of the purchase and the balance would be paid via internally generated funds.

Group chief executive officer Datuk T.S. Lim said the proposed acquisition of Siem Daya 1 would enhance the operating cost structure of the vessel and contribute positively to the group's earnings.

He explained that there would be two levels of savings with this purchase.

"Firstly, we renegotiated the acquisition cost from US\$140 million down to US\$120 million.

"Secondly, by purchasing this vessel, we are actually saving

roughly US\$9.8 million per year in operating costs, which will be of direct benefit to our bottom-line," he said.

The acquisition was in line with the group's strategy to own operating assets in order to expand its range of subsea services and capabilities in offshore oil & gas operations.

The group had previously intended to acquire both Siem Daya 1 and Siem Daya 2 for US\$140 million each.

However, due to the recent economic climate and the uncertainties in the oil prices, the group felt it was prudent to acquire only one vessel.

— Bernama