

BUSINESS

Daya Materials sells 16.9% stake in subsidiary

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Daya Materials Bhd is disposing of a 16.9% stake in its 67%-owned subsidiary Daya OCI Sdn Bhd (DOCI) to Rancak Nikmat Sdn Bhd for RM9.2 million, to enhance the Bumiputera equity ownership in DOCI.



In a filing with Bursa Malaysia today, the integrated oil and gas company said the price was arrived at on a willing buyer-willing seller basis after taking into consideration the net assets of DOCI of RM28.17 million, based on the audited accounts for the financial period ended December 31, 2014.

The existing shareholders of DOCI are: Daya Materials (67% stake), Rancak Nikmat (24.9% stake) and Wiramas Baiduri Sdn Bhd (8.1% stake).

Following the disposal, Daya Materials's shareholdings in DOCI should fall to 50.1%, while Rancak Nikmat's stake will rise to 41.8%; Wiramas Baiduri's shareholdings will remain unchanged.

"In its ordinary course of business, Daya Materials requires certain licenses and permits to operate its business. The licenses issued enable the group to market our products and services and are subject to Bumiputera shareholding requirements and various employment and operating conditions.

"Therefore it is crucial and important for us to ensure that there is sufficient Bumiputera equity ownership in DOCI," it added.

On the proceeds raised from the disposal, Daya Materials said it will be utilised for its working capital, which include operating expenses as well as repayment of trade and other payables.

"At present, Daya Materials has not determined the exact breakdown of the proceeds in respect of the aforesaid working capital requirements," it said.

Daya Materials targets to complete the deal by the first quarter of 2016.

Shares in Daya Materials were unchanged at 11 sen as of 12.30pm midday break today, for a market capitalisation of RM181.7 million. – The Edge Markets, December 1, 2015.

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