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Wednesday, 5 April 2017

# Daya Materials clarifies vessel disposal plan



PETALING JAYA: [Daya Materials Bhd](#) has clarified that the cash payment of US\$82.74mil for the proposed disposal of its offshore subsea construction vessel, Siem Daya 1 (SD1), is the full and final settlement of the facility of up to US\$84mil granted by the existing financier, Daya Maritime Ltd.

On Monday, Daya Materials has proposed to dispose of SD1 via the disposal of the group's wholly-owned unit, Daya Global 1 Ptd Ltd (DG1PL), to Siem OCV Ptd Ltd for US\$100mil (RM442mil).

The disposal consideration comprises US\$82.7mil in cash and US\$17.3mil to be settled via a debt forgiveness, cancellation and settlement arrangement between Siem Offshore Rederi AS and Canyon Offshore Inc, Daya Vessel Ltd and Daya Materials.

Daya Materials said the debt settlement amount consists of US\$9.7mil (RM42.91mil) worth of bonds, and US\$7.56mil as the amount to be forgiven. The conversion price of the bonds have also been amended from 15 sen to 10 sen per share.

On how the loss on disposal amount was derived, Daya Materials explained that the net value of the asset was adjusted to US\$123.37mil (RM545.98mil). Minusing off the disposal price of US\$100mil

deferred tax amounting to RM104,229, this results in a loss on disposal of about RM100.27mil.

As part of the terms of the financing obtained by Siem OCV to finance the proposed disposal (new facility), Daya Materials is required to write a put option to DG1PL.

Daya Materials said the new facility has a tenure of seven years, while SD1 is depreciated using the straight line method based on an estimated useful life of 21 years.

“Taking into consideration the repayment profile of the new facility as well as the annual depreciation charge of SD1 over its estimated useful life and management’s estimation of a residual value of US\$20mil at the end of the useful life, the amount outstanding at any time during the tenure of the new facility (hence the put option price) will be lower than the book value of SD1,” it said.

In a statement, Daya Materials had said that with the proposed disposal, its balance sheet position would be strengthened as the borrowings would be reduced by about RM406.9mil.

**TAGS / KEYWORDS:**

[Daya](#) , [Siem](#) , [subsea](#)

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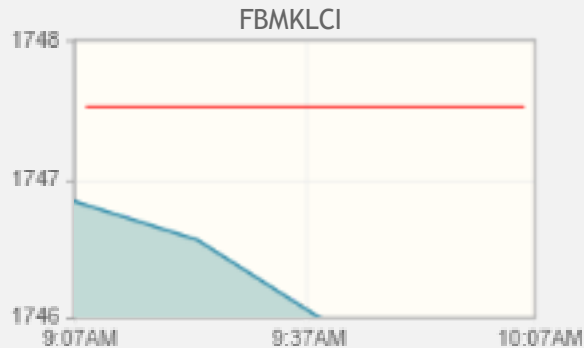
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## FBM KLCI

1745.6 -1.59 -0.09%

Vol ('00)

6,196,818



## Day's Range

Low 1744.91  
High 1747.01

## 52 Weeks Range

Low 1611.88  
High 1760

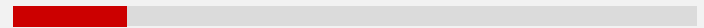
## Gainers

346



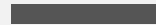
## Losers

207



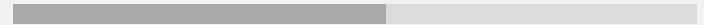
## Unchanged

299



## Untraded

857

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Active

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Symbol	Last	Chg	Vol ('00)
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<a href="#">BORNOIL-WC</a>	0.090	0.000	310,073
<a href="#">BORNOIL</a>	0.185	-0.005	303,184
<a href="#">BCMALL</a>	0.210	0.010	177,414
<a href="#">BKOON-WA</a>	0.300	0.035	162,036

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