



Business News

[Home](#) > [Business](#) > [Business News](#)

Friday, 31 March 2017

Daya to sell offshore construction vessel for RM442mil

KUALA LUMPUR: [Daya Materials Bhd](#) (DMB) has proposed to dispose of its offshore subsea construction vessel, *Siem Daya 1* (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 DMB.

DMB said in a statement yesterday that with the proposed disposal, its balance sheet position would be strengthened as the borrowings would be reduced by about RM406.9mil.

"At the same time, the proposed disposal will relieve the group's interest expense of about RM19mil per annum as well as vessel-related operating expenses and depreciation that can be eliminated completely after the transaction is completed," it said.

DMB said the proposed deal would enable it to focus its resources on the existing profitable businesses and exit from the North Sea offshore oil and gas (O&G) sector.

Group chief executive officer Datuk T.S. Lim, said the disposal of SD1 and the company's exit from this business segment represented a significant and positive step for Daya's turnaround.

"Once the disposal is successfully completed, our gearing will be significantly reduced and our earnings will not be dragged down by this loss-making business," he said.

Moving forward, Lim said DMB growth drivers would be from its other profitable O&G businesses and construction outfit.

In the recent months, DMB has already secured new long-term contracts totalling RM330mil and the group will continue to replenish and rebuild their orderbook, Lim said. – Bernama

TAGS / KEYWORDS:

[Daya Materials](#)

Most people feel Excited. How do you feel?



Excited



Hopeful



Amused



Curious



Surprised



Neutral

More

Related Stories



[Daya Materials subsidiary to provide crowd/passenger systems solution](#)

[Daya Materials gets reprieve](#)



[Daya Materials gets RM224mil construction contract](#)



[Daya Materials secures three-year Saudi job](#)