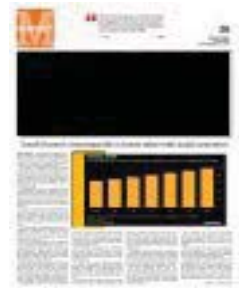


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# Daya Materials exits offshore subsea, aims for rail business

**KUALA LUMPUR** — Daya Materials Bhd said yesterday it has exited from the offshore subsea business after completing its US\$100 million (RM419 million) sale of Daya Global 1 Pte Ltd.

The group sold its subsea vessel *Siem Daya 1* via the disposal of its wholly-owned unit Daya Global 1 Pte Ltd to Siem OCV Pte Ltd.

The company said it is now aiming for rail-related jobs in its push into the infrastructure segment.

Chief executive officer (CEO) Datuk T.S. Lim said: "This is the beginning of our turnaround plan, and we are both optimistic and excited about the group's future. Our exit from the offshore subsea business will allow us to focus on our core and profitable businesses, and our financial results will

no longer be dragged down by this loss-making business.

"The move was strategic for it to strengthen our financial position. We are now channelling the group's resources into infrastructure, especially rail-related projects, and are in the midst of negotiating with relevant parties to secure contracts relating to rail engineering."

In a statement to Bursa Malaysia, Daya Materials yesterday said the disposal would reduce its debts by 62% or RM406.9 million, from RM660.0 million to RM253.1 million as at Dec 31, 2016.

Daya Materials expects its future earnings drivers to be coming from the infrastructure, construction and downstream oil and gas segments.

"We will be looking to further strengthen our position in the construction sector which has been a profitable segment of the group.

"We are also expecting our downstream oil and gas business to continue to perform well given its positive contribution to the group's profitability, on the back of our established performance track record and market presence," Lim said.

The CEO added that the group had inked a memorandum of understanding with a unit of Mimos Bhd to collaborate in the provision of a crowd management and passenger system for both rail or non-rail services systems on Sept 15.

(US\$1 = RM4.19)