

## **DAYANG ENTERPRISE HOLDINGS BHD**

### **ACQUISITION OF PERDANA PETROLEUM BERHAD'S SHARES FROM THE OPEN MARKET ("ACQUISITION")**

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#### **1.0 INTRODUCTION**

The Board of Directors of Dayang Enterprise Holdings Berhad ("Dayang" or "the Company") ("Board") wishes to inform that Dayang has from the period commencing 13 October 2014 to 04 November 2014 acquired from the open market an aggregate of 30,432,500 ordinary shares of RM0.50 in Perdana Petroleum Berhad ("Perdana") ("Perdana Shares") for a total purchase consideration of approximately RM50,886,296.00.

This announcement is made in addition to the relevant updated filings/announcements made in connection with the changes to Perdana's substantial shareholders' shareholdings.

#### **2.0 INFORMATION OF PERDANA**

Perdana was incorporated on 29 December 1995 under the name of Petra Perdana Bhd as a public limited company under the Companies Act 1965. It subsequently changed its status name on 7 July 2011 to Perdana Petroleum Berhad. Perdana was listed on the Second Board of Bursa Malaysia Securities Berhad in 2000 and subsequently transferred to the Main Market in 2003.

Perdana is principally an investment holding company and is also engaged in the provision of administrative and management services to its subsidiaries. The principal activities of the subsidiaries are mainly the provision of marine support services for the oil and gas industry.

Based on the audited accounts of Perdana for the financial year ended 31 December 2013, the profit after taxation and net assets of Perdana amounted to RM61.978 million and RM561.932 million respectively.

#### **3.0 PURCHASE CONSIDERATION FOR THE ACQUISITION / SOURCES OF FUNDING**

The purchase consideration for Perdana Shares was based on the prevailing market price of Perdana at the time of purchase. The purchase consideration has been funded via internally generated funds as well as proceeds from private placement earmarked for working capital and/or investments.

#### **4.0 RATIONALE**

The Acquisition is part of Dayang's continuous effort to expand and diversify its business to mitigate the shortfall of vessels. In addition, the Board believes that the Acquisition would provide the opportunity to participate in potentially high yielding contracts. The financial performance of Perdana is expected to improve significantly with higher vessel utilization, increase in the number of vessels and charter rates. With Dayang's current equity stake of approximately 28.6% in Perdana, Dayang expects to equity account a higher share of profits from Perdana in the current financial year onwards.

## **5.0 PROSPECTS OF PERDANA**

With the uptake in activities for the Malaysian oil and gas sector coupled with improving marine charter outlook, Perdana's focus in securing longer-term charters for its vessels has seen Perdana's vessels utilisation rate trending upwards for mid-size AHTS. In addition, the new-built workbarges and workboats will continue to provide the longer-term charter opportunities.

As disclosed in their interim financial report for the second quarter ended 30 June 2014, Perdana has secured fifteen (15) vessels under long term contracts, which represents 83% of Perdana's fleet. Perdana thus expects its offshore marine business to provide better results in the coming years.

## **6.0 RISKS**

### **6.1 Business risk**

Perdana is subject to certain risks inherent in the offshore support vessel industry. This may include changes in general economic conditions and political conditions, taxation, interest rates, foreign exchange and changes in business conditions such as but not limited to deterioration in prevailing market conditions, labour shortages, increase in costs of labour and materials.

### **6.2 Political, economic and regulatory risks**

Like all other business entities, changes in political economic and regulatory conditions in Malaysia, could materially and adversely affect the financial and business prospects of Perdana. Amongst the political, economic and regulatory uncertainties are the changes in political leadership, nationalisation, re-negotiation or nullification of existing contracts. While Perdana will seek to limit the impact of such risks to its business by focusing on its core competencies, there is no assurance that any change in the above factors will not have a material adverse effect on the business and operations of Perdana.

### **6.3 Competition**

Perdana may face competition from both new entrants and established players in the marine vessel industry. The competitiveness of Perdana will depend on its technical expertise, marketing strategy and the ability to provide the sustainable charter business to meet the needs of the target market.

Perdana will also emphasize on marketing and planning, constantly review its business development and marketing strategy to respond to the changes of economic conditions and market demands in the vessel chartering industry. Nonetheless, no assurance can be given that any change to these factors would not have any material adverse impact on Perdana.

### **6.4 Risks of investment**

Investment in quoted company like Perdana is exposed to share market volatility and it is difficult to determine the risks.

## **7. EFFECTS OF THE ACQUISITION**

### **7.1 Share capital and substantial shareholders' shareholdings**

The Acquisition would not have any effect on the share capital and substantial shareholders' shareholdings in Dayang as it does not involve any new issuance of shares in Dayang.

### **7.2 Net Assets ("NA"), NA per share and gearing**

The Acquisition would not have any material effect on the NA, NA per share and gearing of Dayang.

### **7.3 Earnings per share ("EPS")**

The Acquisition is not expected to have any material effect on the earnings and EPS of Dayang for the financial year ending 31 December 2014. Notwithstanding the above, with Dayang's current 28.6% equity stake in Perdana, the Company expects to continue equity account a share of profits from Perdana which should contribute positively to the future earnings of Dayang.

## **8. APPROVAL SOUGHT**

The Acquisition is not subject to the approval of the shareholders of the Company or from any relevant authorities.

## **9. PERCENTAGE RATIO**

Pursuant to Rule 10.02(g) of the Listing Requirements, the highest percentage ratio for the Acquisition computed based on the audited financial statement of Dayang as at 31 December 2013 is 7.64%.

## **10. INTEREST OF DIRECTORS, SUBSTANTIAL / MAJOR SHAREHOLDERS AND PERSONS CONNECTED**

Save as disclosed below, none of the directors and/or substantial / major shareholders of Dayang or persons connected to them have any interest, direct or indirect in the Acquisition.

Datuk Ling Suk Kiong is an Executive Director of Dayang and was appointed as a non executive director in Perdana but he does not hold any shares in Perdana other than via Dayang.

## **11. STATEMENT BY DIRECTORS**

The Board of Directors of Dayang is of the opinion that the Acquisition is in the best interest of the Company.

**This announcement is dated 07 November 2014.**