

1. INTRODUCTION

The Board of Directors of Dayang Enterprise Holdings Bhd (“Dayang” or “the Company”) is pleased to announce that its wholly owned subsidiary, Dayang Enterprise Sdn Bhd, had on 12 March 2019 entered into a Memorandum of Understanding (“MOU”) with PKNM Energy Sdn Bhd (“PKNME”) and Main Velocity Sdn Bhd (“MVSb”) (collectively referred to as “the Parties”).

2. BACKGROUND INFORMATION

PKNME is a fully owned subsidiary of Perbadanan Kemajuan Negeri Melaka, a leading development state agency in Melaka particularly in industrial, property and entrepreneurs and intends to involve in the business of Oil and Gas, Asset Management, Engineering and Energy.

DESB is principally engaged in providing Offshore, Topside Maintenance, Engineering and Construction Services for the Oil and Gas industry.

MVSb is involved in pipeline installation, inspection, pre-commissioning, construction, maintenance in petrochemical industrial, fabrication, bolt and leak testing, vessels supply manpower supply as well as offshore catering services.

3. DETAILS OF THE MOU

3.1 Purpose and Objective of the MOU

The Parties wishes to establish a cooperation and collaboration in exploring, securing and operating any Projects in Melaka relating to Oil and Gas, Energy, Engineering and Civil Works, Construction and Development (referred to as Related Projects”).

The MOU is to record the mutual understanding and current intent of the Parties with respect to explore a working relationship and cooperation for the Related Projects and to set out the principal terms of arrangement between the Parties under which the Parties will further negotiate with each other and execute a more detailed and definitive relevant Agreement thereafter.

The Parties mutually agreed on the commitment to collaborate on the following:

- a) PKNME will assist in procuring local resources involved with the Related Projects and supervise and monitor the planning and progress of the proposal to the Related Projects to ensure its materialisation;
- b) Dayang shall be fully responsible for the business strategy and to obtain the approvals, licenses, permits and other matters pertaining to the Related Projects and
- c) MVSb shall undertake and be responsible as the business development strategist, business coordinator and for the deliverables of the Related Projects.

3.2 Duration of MOU

The MOU shall come into force on the date of signing the MOU and shall remain in force for a period of six (6) months or until the relevant Agreement is executed, whichever is earlier.

4. RELATIONSHIP BETWEEN THE PARTIES

The MOU shall not be construed as being a joint venture, partnership or business arrangement of any kind between the Parties as to constitute either Party the agent of the other.

5. EFFECTS OF THE MOU

The MOU is not binding against the Parties.

The MOU will not have any effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholdings of Dayang for the financial year ending 31 December 2019.

6. INTEREST OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the directors and/or major shareholders of Dayang and/or persons connected with them have any interest, whether direct or indirect, in the MOU.

7. APPROVAL REQUIRED

The MOU is not subject to the approval of the shareholders of Dayang or any regulatory authority.

8. DIRECTORS' RECOMMENDATION

The Board of Directors of Dayang, having considered all relevant factors in respect of the MOU, is of the opinion that the MOU is in the best interest of Dayang.

This announcement is dated 13 March 2019.