

DAYANG ENTERPRISE HOLDINGS BHD
15TH ANNUAL GENERAL MEETING – 22 JUNE 2021

Questions received during AGM from shareholders were as follows:-

- 1. As per Key Audit Matter 1, it is stated that the revenue from the maintenance service is tracked manually. Why the Group prefer to track the revenue manually? Can it be tracked by using system or software?**

The Group is at an evaluation process to identify suitable system to automatically track the maintenance revenue.

- 2. (a) May I know, what is the company's future outlook?**

Based on current industry condition and continuous increase in demand for oil and gas products, the outlook of the Group for FY2021 would be better than FY2020.

- (b) How is the impact of FMCO to the company?**

We are contractor to Oil & Gas Companies, which is deemed an essential service and therefore, we still continue to operate during FMCO by taking precautionary measures and implementing government-set standard operating procedures.

- (c) How much is the cost saving for this virtual AGM as compared to the physical one?**

There has no cost saving on this virtual AGM. In fact, we have incurred more expenses compared to physical AGM in FY2019 by using Tricor's online platform service.

- 3. Key Audit Matter 2 - The Group recorded impairment loss on PPE of RM7.2 million but no impairment loss to goodwill. Isn't the impairment loss being allocated first to reduce the carrying amount of goodwill before allocated to other assets?**

In accordance with MFRS 136, para 98, Impairment of Assets, the Group tested the marine vessels for impairment first and recognised the impairment loss of RM7.259 million for the marine vessels before testing for impairment the cash-generating unit containing the goodwill, since there is indication of an impairment of the marine vessels.

- 4. What price for crude oil is most comfortable for the company?**

As a service provider to oil majors, the Group expect the higher the oil price be, the more activities would be undertaken by the oil majors. Based on historical records, the oil and gas activities would increase immensely upon oil price above USD65 per barrel.

- 5. (a) Our company reported a net loss of RM27.5mil in 1Q2021, can the board kindly enlighten us the outlook for rest of the year? Whether the job can be performed during next few quarters will be more or less than Q1?**

Based on current industry condition and continuous increase in demand for oil and gas products, the outlook of the Group for FY2021 would be better than FY2020.

At current operations, the Group expect to perform better in the coming quarters especially Quarter 2 and Quarter 3, compared to Quarter 1, 2021. However, with the extension of Movement Control Order (MCO) imposed by Government, it may impact the progress of work execution.

- (b) What is the outlook for Perdana OSV business going forward? Will the utilisation rate continue be low? What is the breakeven utilisation rate for Perdana? Does the board consider to divest Perdana stake?**

Based on Petronas Activity Outlook (PAO), the Group believe that the outlook for Perdana OSV will remain bright amid the challenging environment. Going forward, the Group expect to record better utilisation based on the forecast demand and secured work orders. At present, the breakeven utilisation rate remains around 60% to 65%.

Perdana Petroleum Berhad represents one of the main activities of the Group that provide vessels for offshore execution. Therefore, the Group have no intention to dispose its shareholdings in Perdana Petroleum Berhad. However, the Group will continuously undertake vessel replacement programme to replace aging vessels to meet market demand as well as rebalancing assets portfolio to fortify competitiveness.

- 6. How much will we spend on capex going forward?**

The Group expected to spend around RM30 million to purchase equipment and RM20 million on Bintulu yard construction.

- 7. Why the company revised down the order book value in the latest quarterly report?**

The Group did not revise down the order book value in the last quarter report. The order book value was computed based on the estimated balance of the order work value after deducting total secured work order from clients. For information, the Group have secured an umbrella contracts for a period between 2 years – 4 years of which the contract will be given based on call work orders by the clients.