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Dayang may divest stake in Perdana Petroleum



Petra Perdana Bhd's work and accommodation barge, Petra Challenger.

KUCHING: Integrated offshore service provider Dayang Enterprise Holdings Bhd may divest part of its holdings in 98%-owned Perdana Petroleum Bhd to pare down the group's large borrowings.

Any divestment will, however, still keep Dayang in control of Perdana, an offshore supply vessel (OSV) operator which owns 17 vessels, the company has assured shareholders.

The takeover of Perdana last year costed Dayang some RM800mil, including RM680mil in bank borrowings.

“Along with acquiring Perdana's young fleet of 17 vessels, we also absorbed their net loss of RM101mil into our books for 2015. This loss can be attributed to several internal and external factors but rest assured, we have immediately set out to rectify these issues in

order to align our new subsidiary with the overall group direction,” according to Dayang chairman Ali Adai and managing director Tengku Datuk Yusof Tengku Ahmad Shahrudin in their joint message to shareholders in the company 2015 annual report.

They said the company was now in the midst of refinancing some unhedged US dollar loans which caused Perdana to suffer forex (foreign exchange) losses last year.

“Up to US\$150mil of this loan will be converted into RM650mil of Islamic bonds via a sukuk muradahah programme. This loan restructuring process should be completed within the first half of 2016 and will bring about the dual benefits of reducing our exposure to the strengthening US dollar while making the loan syariah compliant.

“Another major contributor to Perdana’s losses last year was the necessary RM36.5mil down payment write-off for an accommodation work barge which was scheduled for delivery in February-2016. The write-off was a necessary measure as it would have been unwise for us to accept delivery of this vessel and incurring the added operational costs without any visibility of a firm charter,” they added.

Going forward, Dayang intends to pull Perdana out of the red by lowering its breakeven vessel utilisation rate, and the company is optimistic that this could be done as its subsidiary DESB Marine had been able to operate at a lower breakeven rate. “At the same time, we aim to improve Perdana’s average vessel utilisation rate by the end of 2016. Our options include redeploying Perdana vessels to Dayang contracts and intensifying our efforts in marketing both Perdana and DESB Marine fleets to the regional market.

“The group’s net gearing ratio for the year (2015) ended at 1.5 times which we envisage will be pared down progressively through better management of the group’s vessel portfolio and various synergistic strategies that have been put in action as well as through the divestment of our stake in Perdana.”