

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Extraordinary General Meeting ("EGM") of Daya Materials Berhad will be held at MTD Group Building, Ground Floor, No.1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan on Wednesday, 21 June 2017 at 11.00 a.m., or immediately upon the conclusion of the 14<sup>th</sup> Annual General Meeting of DMB to be held at the same venue on the same day at 10.00 a.m., whichever is later, for the purpose of considering and, if thought fit, passing the following resolutions with or without modifications:

**ORDINARY RESOLUTION 1**
**PROPOSED DISPOSAL OF 100% EQUITY INTEREST IN DAYA GLOBAL 1 PTE LTD ("DG1PL") TO SIEM OCV PTE LTD ("SIEM OCV") FOR A DISPOSAL CONSIDERATION OF USD100,000,000**

**"THAT**, subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities being obtained, the Board of Directors of Daya Materials Berhad ("**DMB**" or the "**Company**") ("**Board**") be and is hereby empowered and authorised to dispose 50,000 ordinary shares in DG1PL, a wholly-owned subsidiary of the Company, to Siem OCV, representing the entire issued share capital of DG1PL ("**Sale Shares**") for a disposal consideration of USD100,000,000 ("**Disposal Consideration**") ("**Proposed Disposal**") to be satisfied in the following manner:

- (a) cash consideration of USD82,744,550 (equivalent to RM366,186,006) (converted at the exchange rate of RM4.4255 to USD1.00, the middle rate at 5.00 p.m. on 24 March 2017 made available on Bank Negara Malaysia website) only or such sum as shall be advised by the existing first mortgagee of an offshore subsea construction vessel known as "Siem Daya 1" ("**SD1**") ("**Existing Financier**") being the redemption sum ("**Redemption Sum**") of the facility of up to USD84,000,000 granted by the Existing Financier to Daya Maritime Limited ("**DML**") a wholly-owned subsidiary of DMB ("**Existing Facility**"), payable to the Existing Financier within five (5) Business Days from the date on which the sale and purchase of the Sale Shares is completed in accordance with the terms of the sale and purchase agreement dated 30 March 2017 entered into between the Company and Siem OCV ("**SPA**") ("**Completion**") ("**Completion Date**"); and
- (b) the differential amount between the Disposal Consideration and the Redemption Sum shall be deemed paid pursuant to the terms of the debt settlement agreement dated 30 March 2017 executed by each of the Company, Daya Vessels Limited ("**DVL**"), DMB's wholly-owned subsidiary, Siem Offshore Rederi AS ("**SORA**") and Canyon Offshore Inc. ("**Canyon**").

The Disposal Consideration also comprises the discharge of all outstanding principal, interest and all fees, cost and expenses associated with any loan, facility, advance or other indebtedness granted by DMB and/or DML to DG1PL and which is payable or will become payable by DG1PL.

**THAT** the Board be and is hereby empowered and authorised to undertake the proposed debt settlement between DMB, DVL, SORA and Canyon to restructure the repayment of the debts owed by DMB and DVL, and to forgive or settle parts of the debts owing by DMB and DVL, to SORA and Canyon ("**Proposed Debt Settlement**").

**THAT** in connection with the Proposed Disposal, approval be and is hereby given to the Company to vary certain terms of the RM126,000,000 nominal value four (4) year redeemable convertible secured bonds ("**Bonds**"), such terms to include but are not limited to the following:

- (a) to discharge the third party second legal charge over SD1 which was executed by DG1PL in favour of TMF Trustees Malaysia Berhad as security trustee for and on behalf of the holders of the Bonds to secure the indebtedness of DMB to the holders of the Bonds arising under or in connection with the Bonds;
- (b) to amend the conversion price of the Bonds from RM0.15 to RM0.10 per ordinary share issued by DMB;
- (c) to release and discharge the obligations of the Company and DG1PL under the deed of priority dated 1 December 2015;
- (d) to rename the Bonds as "Redeemable Convertible Unsecured Bonds";
- (e) to remove the provisions on mandatory redemption relating to the sale or the total loss of SD1; and
- (f) to reflect changes to the applicable laws and regulations (including, without limitation, the Companies Act 2016)

(the "**Proposed Bonds Variation**").

**THAT** the proceeds of the Proposed Disposal are to be utilised for the purpose set out in the Circular to the shareholders of DMB dated 5 June 2017.

**AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company's Common Seal, where necessary), arrangements, deeds, undertakings, indemnities, transfers, extensions, assignments, confirmations, declarations, guarantees and/or other documents to or with any party or parties as the Board may consider necessary to give full effect to and complete the Proposed Disposal, the Proposed Debt Settlement and the Proposed Bonds Variation and with full power to assent to any conditions, modifications, variations and/or amendments including those ancillary or consequential to each of the Proposed Disposal, the Proposed Debt Settlement and the Proposed Bonds Variation, in any manner as may be required by the relevant authorities or as the Board may deem necessary or expedient in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Disposal, the Proposed Debt Settlement and the Proposed Bonds Variation."

**ORDINARY RESOLUTION 2**
**PROPOSED PUT OPTION TO BE GRANTED BY DMB TO DG1PL WHEREBY DMB WILL GRANT DG1PL THE RIGHT TO REQUIRE DMB TO PURCHASE AN OFFSHORE SUBSEA CONSTRUCTION VESSEL KNOWN AS "SIEM DAYA 1" ("SD1") FROM DG1PL ("PROPOSED PUT OPTION")**

**"THAT**, subject to the passing of Ordinary Resolution 1, the Company be and is hereby authorised to grant a put option to DG1PL whereby DG1PL shall have the right, during the period commencing from the effective date of the put option until the date falling seven (7) years after such effective date, to require DMB to purchase SD1 from DG1PL, upon the enforcement of the mortgage of SD1, for a sum equivalent to the then outstanding amount of the financing obtained by Siem OCV to finance the acquisition of DG1PL from DMB, which exercise of the put option may be subject to the approval of Securities Commission Malaysia or any other regulatory approval.

**AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company's Common Seal, where necessary), arrangements, deeds, undertakings, indemnities, transfers, extensions, assignments, confirmations, declarations, guarantees and/or other documents to or with any party or parties as the Board may consider necessary to give full effect to and complete the Proposed Put Option and with full power to assent to any conditions, modifications, variations and/or amendments including those ancillary or consequential to the Proposed Put Option, in any manner as may be required by the relevant authorities or as the Board may deem necessary or expedient in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Put Option."

**BY ORDER OF THE BOARD**
**CHEN BEE LING (MAICSA 7046517)**
**TAN LAI HONG (MAICSA 7057707)**
**Company Secretaries**
**Selangor Darul Ehsan**

5 June 2017

**Notes:**

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors as at 15 June 2017 shall be eligible to attend, speak and vote at the Meeting.
2. A member entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote at the EGM on his/her behalf. In the case of a corporation, a duly authorised representative to attend and vote in its stead. The proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation. A proxy/representative appointed to attend and vote at the EGM shall have the same rights as the member to speak at the EGM.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or if such appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 8, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than twenty-four (24) hours before the time for the EGM or any adjournment thereof.
6. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
7. Pursuant to Paragraph 8.29A of the Listing Requirements, the Ordinary Resolutions set out in this Notice will be put to vote by poll.