All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your Dayang Shares, you should at once hand this Abridged Prospectus, together with the NPA and the RSF (collectively, the "**Documents**") to the agent or broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue of Shares should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue of Shares or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issue of Shares. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our shareholders for the Rights Issue of Shares was obtained at our EGM held on 1 October 2019. The approval from Bursa Securities has also been obtained vide its letter dated 27 August 2019 for the listing of and quotation for the Rights Shares arising from the Rights Issue of Shares on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue of Shares, and shall not be taken as an indication of the merits of the Rights Issue of Shares. Bursa Securities does not take any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus. The listing of and quotation for all the Rights Shares arising from the Rights Issue of Shares on the Main Market of Bursa Securities will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of our successful Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) have been duly credited and notices of allotment have been despatched to them.

The Documents are only despatched to our Entitled Shareholders whose names appear in our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on Thursday, 21 November 2019. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of Shares complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/ or other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares would result in a contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) should note the additional terms and restrictions as set out in Section 10.12 of this Abridged Prospectus. Neither we, Kenanga IB nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation (as the case may be) of the entitlements to the Rights Shares made by the Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

The SC is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

FOR INFORMATION CONCERNING RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.

DAYANG ENTERPRISE HOLDINGS BHD

(Company No. 712243-U)
(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF 96,480,983 NEW ORDINARY SHARES IN DAYANG ENTERPRISE HOLDINGS BHD ("DAYANG SHARES") ("RIGHTS SHARES") ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 10 EXISTING DAYANG SHARES HELD AS AT 5.00 P.M. ON THURSDAY, 21 NOVEMBER 2019 AT AN ISSUE PRICE OF RM0.92 PER RIGHTS SHARE

Principal Adviser and Underwriter

Kenanga Investment Bank Berhad
Company No. 15678-H
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DAYS, DATES AND TIMES:-

Entitlement Date	:	Thursday, 21 November 2019 at 5.00 p.m.
Last day, date and time for:-		
Sale of Provisional Rights Shares	:	Thursday, 28 November 2019 at 5.00 p.m.
Transfer of Provisional Rights Shares	:	Monday, 2 December 2019 at 4.30 p.m.
Acceptance and payment	:	Friday, 6 December 2019 at 5.00 p.m.
Excess application and payment	:	Friday, 6 December 2019 at 5.00 p.m.

This Abridged Prospectus is dated 21 November 2019

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

OUR DIRECTORS HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE OF SHARES. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, OUR DIRECTORS CONFIRM THAT THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENTS IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

KENANGA IB, BEING THE PRINCIPAL ADVISER AND UNDERWRITER FOR THE RIGHTS ISSUE OF SHARES, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE OF SHARES.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENTS IN THE RIGHTS ISSUE OF SHARES AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE OF SHARES FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA IS RESPONSIBLE.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE OF SHARES UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions and abbreviations apply throughout this Abridged Prospectus:-

"Abridged Prospectus"	:	This Abridged Prospectus dated 21 November 2019 in relation to the Rights Issue of Shares
"Act"	:	Companies Act, 2016
"AHTS"	:	Anchor handling tug and supply vessel
"AWB"	:	Accommodation work barge
"BNM"	:	Bank Negara Malaysia
"Board"	:	Board of Directors of our Company
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CDS"	:	Central Depository System
"CDS Account"	:	A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits and for dealings in such securities by the depositor
"Closing Date"	:	Friday, 6 December 2019 at 5.00 p.m., being the last day, date and time for the acceptance of and payment for the Provisional Rights Shares and the Excess Rights Shares
"CMSA"	:	Capital Markets and Services Act, 2007
"Datin Wong"	:	Datin Wong Siew Hong, an indirect major shareholder of our Company
"Datuk Amar"	:	Datuk Amar Abdul Hamed Bin Sepawi, an indirect major shareholder of our Company
"Datuk Hasmi"	:	Datuk Hasmi Bin Hasnan, a Director and an indirect major shareholder of our Company
"Datuk Ling"	:	Datuk Ling Suk Kiong, a Director and an indirect major shareholder of our Company
"Dayang" or the "Company"	:	Dayang Enterprise Holdings Bhd
"Dayang Group" or the "Group"	:	Dayang and its subsidiary companies, collectively
"Dayang Shares" or "Shares"	:	Ordinary shares in Dayang
"Director"	:	A natural person who holds directorship in our Company and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA

DEFINITIONS (CONT'D)

"Documents"	:	This Abridged Prospectus, together with the NPA and RSF, collectively
"e-NPA"	:	Electronic NPA
"e-RSF"	:	Electronic RSF
"e-Subscription"	:	Electronic Subscription
"Electronic Subscription"	:	Subscribe for Provisional Rights Shares and/ or Excess Rights Shares through TIIH Online
"EGM"	:	Extraordinary General Meeting
"Entitled Shareholders"	:	Our shareholders who are registered as members and whose names appear in the Record of Depositors of our Company on the Entitlement Date
"Entitlement Date"	:	At 5.00 p.m. on Thursday, 21 November 2019, being the time, day and date on which our Entitled Shareholders must be registered as members and whose names appear in our Record of Depositors in order to participate in the Rights Issue of Shares
"EPS"	:	Earnings per Share
"Excess Application"	:	Application for Excess Rights Shares as set out in Section 10.9 of this Abridged Prospectus
"Excess Rights Shares"	:	Provisional Rights Shares which are not taken up or not validly taken up by our Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) by the Closing Date, prior to the Excess Application
"Foreign Entitled Shareholders"	:	Entitled Shareholders who have not provided us with a registered address in Malaysia
"FPE"	:	Financial period ended
"FYE"	:	Financial year ended or ending, as the case may be
"HUC"	:	Hook-up and commissioning services
"Joe Ling"	:	Joe Ling Siew Loung @ Lin Shou Long, a Director and an indirect major shareholder of our Company
"Kenanga IB" or "Principal Adviser" or "Underwriter"	:	Kenanga Investment Bank Berhad
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	23 October 2019, being the latest practicable date prior to the registration of this Abridged Prospectus by the SC
"Market Day"	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for trading of securities

DEFINITIONS (CONT'D)

"MCM"	:	Maintenance, construction and modification
"NA"	:	Net assets attributable to ordinary equity holders of the company
"Naim Holdings"	:	Naim Holdings Berhad, a direct major shareholder of our Company
"NPA"	:	Notice of provisional allotment of Rights Shares pursuant to the Rights Issue of Shares
"O & G"	:	Oil and gas
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities
"PETRONAS"	:	Petroliam Nasional Berhad
"PETRONAS Carigali"	:	PETRONAS Carigali Sdn Bhd, a wholly-owned subsidiary of PETRONAS
"PPB"	:	Perdana Petroleum Berhad, a 60.48%-owned subsidiary of our Company
"PPB Group"	:	PPB and its subsidiary companies, collectively
"Provisional Rights Shares"	:	Rights Shares provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue of Shares
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"Registered Entitled Shareholders"	:	Entitled Shareholders who are the registered user of TIIH Online
"Rights Issue of Shares"	:	Renounceable rights issue of 96,480,983 Rights Shares on the basis of 1 Rights Share for every 10 existing Dayang Shares held on the Entitlement Date at an issue price of RM0.92 per Rights Share
"Rights Shares"	:	96,480,983 new Dayang Shares to be issued pursuant to the Rights Issue of Shares
"RSF"	:	Rights Subscription Form in relation to the Rights Issue of Shares
"Rules of Bursa Depository"	:	The rules of Bursa Depository as issued pursuant to the SICDA
"SC"	:	Securities Commission Malaysia
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991
"Sukuk Programme"	:	Issuance of an unrated islamic medium term notes under a sukuk murabahah programme of RM682.5 million in nominal value based on the Shariah principle of murabahah (via a Tawarruq arrangement) undertaken by our Company and subscribed by licensed financial institutions for a tenure of up to 8 years from the date of first issuance pursuant to the group-wide debt restructuring exercise undertaken by our Group currently. The unrated islamic medium term notes under the Sukuk Programme has been fully issued on 15 November 2019

DEFINITIONS (CONT'D)

"Tengku Dato' Yusof"	:	YM Tengku Dato' Yusof Bin Tengku Ahmad Shahruddin, a Director and a direct substantial shareholder of our Company
"TIIH Online"	:	Tricor's propriety owned application to facilitate Entitled Shareholders to subscribe for the Rights Shares provisionally allotted and to apply for Excess Rights Shares electronically
"Tricor" or "Share Registrar"	:	Tricor Investor & Issuing House Services Sdn Bhd
"Undertakings"	:	Unconditional and irrevocable written undertaking letters dated 17 May 2019 provided by the Undertaking Shareholders that they will not dispose of any of their Dayang Shares following the announcement in relation to the Rights Issue of Shares dated 17 May 2019 up to the Entitlement Date and that they will subscribe in full for their respective entitlements based on their shareholdings on the Entitlement Date pursuant to the Rights Issue of Shares
"Undertaking Shareholders"	:	Certain substantial shareholders of our Company, namely Naim Holdings, Datuk Ling, Joe Ling, Datin Wong, Vogue Empire, Datuk Hasmi and Tengku Dato' Yusof who have provided the Undertakings to collectively subscribe for a minimum of 49,778,038 Rights Shares, representing approximately 51.59% of the total Rights Shares available for subscription pursuant to the Rights Issue of Shares
"Underwriting"	:	Underwriting arrangement for the Underwritten Shares
"Underwriting Agreement"	:	Underwriting agreement dated 7 November 2019 entered into between our Company and the Underwriter for the underwriting of 46,702,945 Rights Shares
"Underwritten Shares"	:	46,702,945 Rights Shares, representing approximately 48.41% of the total Rights Shares available for subscription for which no written irrevocable undertaking for subscription have been obtained pursuant to the Rights Issue of Shares
"Vogue Empire"	:	Vogue Empire Sdn Bhd, a direct substantial shareholder of our Company
"VWAMP"	:	Volume weighted average market price
"WB"	:	Work boat

CURRENCIES

"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"USD"	:	United States Dollar

DEFINITIONS (CONT'D)

All references to "our Company" or "Dayang" in this Abridged Prospectus are to Dayang Enterprise Holdings Bhd, and references to "our Group" or "Dayang Group" are to our Company and our subsidiary companies. All references to "we", "us", "our" and "ourselves" are to our Company, or where the context otherwise requires, our Group or any of our subsidiary companies.

All references to "you" and "your" in this Abridged Prospectus are to the Entitled Shareholders and/ or, where the context otherwise requires, their renouncees and/ or transferees (if applicable).

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any references to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any legislation, statute, guidelines, rules or regulations is a reference to that legislation, statute, guidelines, rules or regulations as for the time being amended or re-enacted. Any reference to time of day or date in this Abridged Prospectus shall be a reference to Malaysian time of day and date respectively, unless otherwise specified.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

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TABLE OF CONTENTS

TABLE OF CONTENTS (CONT'D)

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ADVISERS' DIRECTORY

COMPANY SECRETARIES	:	Bailey Kho Chung Siang (LS0000578) Bong Siu Lian (MAICSA7002221) Sublot 5-10, Lot 46, Block 10 Jalan Taman Raja, MCLD 98000 Miri Sarawak Tel. No.: 085-420 185 Fax. No.: 085-421 654
PRINCIPAL ADVISER AND UNDERWRITER	:	Kenanga Investment Bank Berhad Level 17, Kenanga Tower 237, Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03-2172 2888 Fax. No.: 03-2172 2999
DUE DILIGENCE SOLICITORS	:	Jeff Leong, Poon & Wong B-11-8, Level 11 Megan Avenue II Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel. No.: 03-2203 3388 Fax. No.: 03-2203 3390
SHARE REGISTRAR	:	Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel. No.: 03-2783 9299 Fax. No.: 03-2783 9222
FINANCIAL ADVISER (IN RELATION TO OUR GROUP-WIDE DEBT RESTRUCTURING EXERCISE)	:	Sage 3 Capital Sdn Bhd No. 2 and 4, 2^{nd} Floor Jalan Medan Setia 2 Plaza Damansara Bukit Damansara 50490 Kuala Lumpur Tel. No.: 03-2011 8268 Fax. No.: 03-2011 8273
STOCK EXCHANGE LISTING	:	Main Market of Bursa Securities

SUMMARY OF THE RIGHTS ISSUE OF SHARES

THIS SUMMARY OF THE RIGHTS ISSUE OF SHARES ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE ABRIDGED PROSPECTUS.

i. Number of Rights Shares to be issued and basis of allotment

The Rights Issue of Shares entails the issuance of 96,480,983 Rights Shares on a renounceable basis of 1 Rights Share for every 10 existing Dayang Shares held by the Entitled Shareholders on the Entitlement Date.

Please refer to Section 2.1 of the Abridged Prospectus for further information.

ii. Issue price of the Rights Shares

Our Board has fixed the issue price of the Rights Shares at RM0.92 per Rights Share.

Please refer to Section 2.2 of this Abridged Prospectus for further information.

iii. Substantial shareholders' undertakings and underwriting arrangement

Our Board has determined to undertake the Rights Issue of Shares on a full subscription level basis via the issuance of 96,480,983 Rights Shares. As such, our Company has procured the Undertakings and has entered into the Underwriting Agreement as set out below:-

Undertaking Shareholders	Shareholdings as at the LPD No. of Shares	%*1	Rights Shares entitled and undertaken to be subscribed/ underwritten No. of Shares	%*2	Shareholdings after the Undertakings/ Underwriting No. of Shares	%*3	Funding required*4 RM
Naim Holdings	254,921,952	26.42	25,492,195	26.42	280,414,147	26.42	23,452,819
Datuk Ling	73,254,330	7.59	7,325,433	7.59	80,579,763	7.59	6,739,398
Tengku Dato' Yusof	65,916,675	6.83	6,591,667	6.83	72,508,342	6.83	6,064,334
Vogue Empire	61,218,187	6.35	6,121,818	6.35	67,340,005	6.35	5,632,073
Joe Ling	41,463,825	4.30	4,146,382	4.30	45,610,207	4.30	3,814,671
Datuk Hasmi	960,937	0.10	96,093	0.10	1,057,030	0.10	88,406
Datin Wong	44,500	-*	4,450	-*	48,950	-*	4,094
Total Undertakings	**497,780,406**	**51.59**	**49,778,038**	**51.59**	**547,558,444**	**51.59**	**45,795,795**
Underwriter							
Kenanga IB	-	-	46,702,945	48.41	46,702,945	4.40	42,966,709
Total	**497,780,406**	**51.59**	**96,480,983**	**100.00**	**594,261,389**	**55.99**	**88,762,504**

Notes:-

* Negligible

*1 Calculated based on the total number of issued Shares as at the LPD of 964,809,835 Shares

*2 Calculated based on 96,480,983 Rights Shares to be issued under the Rights Issue of Shares

*3 Calculated based on the enlarged total number of issued Shares of our Company after the Rights Issue of Shares of 1,061,290,818 Shares

*4 Calculated based on the issue price of the Rights Shares of RM0.92 per Rights Share

Please refer to Section 3 of this Abridged Prospectus for further information.

SUMMARY OF THE RIGHTS ISSUE OF SHARES (CONT'D)

iv. Utilisation of proceeds

The total gross proceeds of approximately RM88.8 million to be raised from the Rights Issue of Shares will be utilised in the following manner:-

Description of utilisation	Amount		Expected time frame for utilisation of proceeds
	RM'000	%	
Partial repayment of bank borrowing arising from the acquisition of ordinary shares in PPB and warrants in PPB not already owned by our Company in 2015	70,000	78.9	Within 3 months
Working capital requirements	16,263	18.3	Within 12 months
Estimated expenses for the Rights Issue of Shares	2,500	2.8	Immediately
Total gross proceeds	**88,763**	**100.0**	

Please refer to Section 4 of this Abridged Prospectus for further information.

v. Rationale for the Rights Issue of Shares

Our Group is currently embarking on a group-wide debt restructuring exercise which comprises the following:-

a) the Rights Issue of Shares, Sukuk Programme, Subscription (as defined herein), Private Placement (as defined herein) involving our Company; and

b) debt restructuring of the PPB Group and the PPB Rights Issue of RCPS (as defined herein) involving the PPB Group.

Please refer to Section 5 of this Abridged Prospectus for further information.

vi. Risk factors

You should carefully consider, amongst other, the following risk factors before subscribing for or investing in the Rights Issue of Shares:-

a) **Fulfilling debt obligations in the event of a delay or non-completion of our group-wide debt restructuring exercise.** In the event the completion of our group-wide debt restructuring exercise is delayed or is not completed within the expected timeframe, and assuming our lenders have not approved the deferment of part of the borrowings due, we may not be able to generate sufficient cash flows or obtain alternative sources of funding to meet our repayment obligations due; and

b) **Priority of shareholders in the event of liquidation and/ or winding up of our Company**. As the unrated islamic medium term notes issued under the Sukuk Programme will rank above the Dayang Shares in the ranking of securities of our Company, the said sukukholders will be paid ahead of our shareholders in the event of liquidation and/ or winding up of our Company. In such circumstances, the amount recovered by our shareholders may not be sufficient to compensate their initial cost of investment.

Please refer to Section 6 of this Abridged Prospectus for further information.

vii. Procedures for application for the Rights Shares and Excess Rights Shares

Acceptance of and payment for the Provisional Rights Shares allotted to you and application for the Excess Rights Shares must be made by way of the RSF enclosed together with this Abridged Prospectus and must be completed in accordance with the notes and instructions of the RSF or by way of e-Subscription and must conform to the terms and conditions of TIIH Online contained therein.

The last day, date and time for acceptance of and payment for the Provisional Rights Shares and the Excess Rights Shares is on **Friday, 6 December 2019 at 5.00 p.m.**

Please refer to Section 10 of this Abridged Prospectus for further information.

DAYANG ENTERPRISE HOLDINGS BHD
(Company No. 712243-U)
(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

Registered Office

Sublot 5-10, Lot 46, Block 10
Jalan Taman Raja, MLCD
98000 Miri
Sarawak

21 November 2019

Board of Directors

Datuk Hasmi Bin Hasnan *(Executive Chairman)*
Datuk Ling Suk Kiong *(Executive Deputy Chairman)*
YM Tengku Dato' Yusof Bin Tengku Ahmad Shahruddin *(Managing Director)*
Joe Ling Siew Loung @ Lin Shou Long *(Deputy Managing Director)*
Jeanita Anak Gamang (*Executive Director*)
Wong Ping Eng *(Non-Independent Non-Executive Director)*
Ali Bin Adai *(Independent Non-Executive Director)*
Gordon Kab @ Gudan Bin Kab *(Independent Non-Executive Director)*
Koh Ek Chong *(Independent Non-Executive Director)*
Azlan Shah Bin Jaffril *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF 96,480,983 RIGHTS SHARES ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 10 EXISTING DAYANG SHARES HELD AS AT 5.00 P.M. ON THURSDAY, 21 NOVEMBER 2019 AT AN ISSUE PRICE OF RM0.92 PER RIGHTS SHARE

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1. INTRODUCTION

On 17 May 2019, Kenanga IB had, on behalf of our Board, announced that our Company had proposed to undertake, amongst others, the Rights Issue of Shares.

On 28 August 2019, Kenanga IB had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 27 August 2019, resolved to approve the listing of and quotation for 96,480,983 Rights Shares and up to 96,480,983 new Dayang Shares to be issued pursuant to the Private Placement (as defined herein) on the Main Market of Bursa Securities.

The approval from Bursa Securities is subject to the conditions as set out below:-

No.	Conditions	Status of compliance
i.	Our Company and Kenanga IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of Shares and the Private Placement	To be complied
ii.	Our Company or Kenanga IB to furnish Bursa Securities with a certified true copy of the resolution passed by our shareholders in general meeting approving the Rights Issue of Shares prior to the listing and quotation of the new Dayang Shares to be issued pursuant to the Rights Issue of Shares	Complied. The certified true copy of the resolution passed by our shareholders has been furnished to Bursa Securities on 6 November 2019
iii.	Our Company and Kenanga IB to inform Bursa Securities upon completion of the Rights Issue of Shares and the Private Placement	To be complied
iv.	Our Company and Kenanga IB to furnish Bursa Securities with a written confirmation of their compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of Shares and the Private Placement are completed	To be complied

On 1 October 2019, our shareholders had approved, amongst others, the Rights Issue of Shares at our EGM.

On 7 November 2019, Kenanga IB had, on behalf of our Board, announced the following:-

i. the issue price of the Rights Shares has been fixed at RM0.92 per Rights Share;

ii. our Company has entered into the Underwriting Agreement with the Underwriter; and

iii. the entitlement date has been fixed on Thursday, 21 November 2019 at 5.00 p.m. together with the other relevant dates pertaining to the Rights Issue of Shares.

For information purposes, our Board had appointed Sage 3 Capital Sdn Bhd as the Financial Adviser for our group-wide debt restructuring exercise to conceptualise, advise and implement an appropriate group-wide debt restructuring exercise to restructure and refinance our Group's existing debt facilities.

The listing of and quotation for the Rights Shares will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue of Shares and if given or made, such information or representation must not be relied upon as having been authorised by our Company or Kenanga IB.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE OF SHARES

2.1 Rights Issue of Shares

The Rights Issue of Shares entails the issuance of 96,480,983 Rights Shares at an issue price of RM0.92 per Rights Share on a renounceable basis of 1 Rights Share for every 10 existing Dayang Share held by the Entitled Shareholders on the Entitlement Date.

The Rights Issue of Shares is to be undertaken on a full subscription level basis as detailed in Section 3 of this Abridged Prospectus.

As at the LPD, our Company has an issued share capital of RM672,988,001 comprising 964,809,835 Dayang Shares. Upon completion of the Rights Issue of Shares, the resultant issued share capital of our Company will increase to RM761,750,505 comprising 1,061,290,818 Dayang Shares, based on the issue price of RM0.92 per Rights Share.

The Rights Issue of Shares is renounceable in full or in part. Accordingly, the Entitled Shareholders may subscribe for and/ or renounce their respective entitlements under the Rights Issue of Shares in full or in part. Any unsubscribed Rights Shares will be made available to other Entitled Shareholders and/ or their renouncees and/ or transferees, if applicable, via the Excess Application. Fractional entitlements of the Rights Shares arising from the Rights Issue of Shares, if any, shall be disregarded and dealt with in such manner as our Board, in their absolute discretion deems fit, expedient, and to be in the best interest of our Company. It is the intention of our Board to allocate the Excess Rights Shares, if any, in a fair and equitable manner, and on a basis as set out in Section 10.9 of this Abridged Prospectus.

As the Rights Shares are prescribed securities, your CDS Account will be duly credited with the number of Provisional Rights Shares which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of Shares. You will find enclosed in this Abridged Prospectus, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for the Provisional Rights Shares as well as to apply for the Excess Rights Shares if you choose to do so.

An electronic notification on the Rights Issue of Shares will also be sent to all Registered Entitled Shareholders on the date of despatch of the Abridged Prospectus, NPA and RSF. However, only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF and the electronic notification.

Any dealings in our securities will be subject to, inter-alia, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares will be credited directly into the respective CDS Accounts of the successful applicants. However, no physical share certificates will be issued.

We will allot and issue the Rights Shares and despatch the notices of allotment to the successful applicants within 8 Market Days from the last date for acceptance of and payment for the Rights Shares or such other period as may be prescribed by Bursa Securities. The listing of and quotation for the Rights Shares will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

2.2 Basis of determining and justification for the issue price of the Rights Shares

On 7 November 2019, Kenanga IB had, on behalf of our Board, announced that our Board has fixed the issue price of the Rights Shares at RM0.92 per Rights Share. This represents a discount of RM0.91 or approximately 49.73% to the theoretical ex-rights price of Dayang Shares of RM1.83, calculated based on the 5-day VWAMP of Dayang Shares up to and including 6 November 2019, being the last Market Day immediately preceding the price-fixing date, of RM1.92 per Dayang Share.

The issue price of the Rights Shares was determined and fixed by our Board after taking into consideration the following:-

i. the amount to be raised from the Rights Issue of Shares for the partial repayment of our bank borrowing arising from the acquisition of ordinary shares in PPB and warrants in PPB not already owned by our Company in 2015 and our working capital requirements, details of which are set out in Section 4 of this Abridged Prospectus; and

ii. the issue price of the Rights Shares shall be deemed sufficiently attractive to encourage the subscription of the Rights Shares by the Entitled Shareholders and/ or their renouncees and/ or transferees, if applicable. Our Board has also taken into consideration the prevailing market conditions and market prices of Dayang Shares at the price-fixing date and the maximum allowable discount of not more than 50% to the theoretical ex-rights price of Dayang Shares based on the 5-day VWAMP of Dayang Shares up to and including 6 November 2019, being the last Market Day immediately preceding the price-fixing date.

2.3 Ranking of the Rights Shares

The Rights Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Dayang Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other form of distributions where the entitlement date of such dividends, rights, allotments and/ or any other form of distributions precedes the relevant date of allotment and issuance of the Rights Shares.

2.4 Details of other corporate exercises

Our Group is currently embarking on a group-wide debt restructuring which comprises, amongst others, the Rights Issue of Shares as well as the following:-

a) Sukuk Programme

On 17 May 2019, our Company had announced that it proposed to establish the Sukuk Programme.

Proceeds raised from the Sukuk Programme are intended to be utilised for the partial repayment of our Group's existing borrowings (excluding PPB Group) and as advances to PPB for the early redemption of a rated Islamic medium term notes, namely sukuk murabahah of RM635.0 million in nominal value, which was issued by PPB on 28 April 2016 and is constituted by a trust deed dated 8 April 2016 entered into between PPB and the trustee for the holders of the said sukuk murabahah ("PPB Sukuk Murabahah"), details of which are set out below:-

Type of facility	Purpose of facility	Tenure Years	Outstanding amount as at the LPD RM'000	Utilisation of proceeds RM'000
Dayang Group (excluding the PPB Group)				
Commodity Murabahah Term Financing-*i*	For the acquisition of ordinary shares in PPB and warrants in PPB not already owned by our Company in 2015	7 (mature in August 2022)	160,491	77,500*1
Islamic short-term revolving credit-*i* facility	For working capital requirements	Upon demand	150,000	150,000
Short term loan facility	For the 3rd tranche repayment of the PPB Sukuk Murabahah	1 (mature in December 2019)	90,000	90,000
PPB				
PPB Sukuk Murabahah	To refinance the PPB Group's borrowings denominated in USD	5 (mature in April 2021)	365,000*2	365,000
Total				**682,500**

Notes:-

*1 The remaining balance shall be repaid via the proceeds raised from the Rights Issue of Shares as well as our Group's internally generated funds

*2 Being the outstanding nominal value of the PPB Sukuk Murabahah prior to the issuance of the Sukuk Programme

On 22 October 2019, our Company had announced that it had made a lodgement with the SC pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in relation to the establishment of the Sukuk Programme and the issuance of unrated islamic medium term notes under the Sukuk Programme thereafter.

On 15 November 2019, our Company had announced that it had completed the issuance of RM682.5 million in nominal value of the unrated islamic medium term notes under the Sukuk Programme. On even date, the PPB Sukuk Murabahah had been fully redeemed.

b) Subscription of new redeemable convertible preference shares ("RCPS") in PPB by our Company ("Subscription")

As at the LPD, our Company is a major shareholder of PPB holding 470,786,650 ordinary shares in PPB, representing 60.48% equity interest in PPB.

On 17 May 2019, PPB had announced that it proposed to undertake the renounceable rights issue of new RCPS of up to RM506,006,117 in value in PPB to the entitled shareholders of PPB at an entitlement basis and an issue price to be determined and announced later by PPB ("PPB Rights Issue of RCPS"). On even date, our Company had announced that it proposed to subscribe for new RCPS of up to RM455,000,000 in value in PPB pursuant to the PPB Rights Issue of RCPS. In connection therewith, our Company had provided its written and irrevocable undertakings ("RCPS Undertakings") to PPB for the following:-

1. Our Company's subscription for the RCPS in full for its entitlement of up to RM306,011,322 in value based on our shareholdings in PPB on the entitlement date; and

2. Our Company's subscription for additional RCPS that are not validly taken up by other entitled shareholders and/ or their renouncees and/ or transferees, if applicable, of up to RM148,988,678 in value by way of excess application.

The Subscription will allow our Company to restructure the total advances owing by PPB to our Company by partially capitalising such advances of up to RM455.0 million into RCPS. The Subscription will also enable the PPB Group to preserve its cash for its working capital requirements for future business expansion.

On 1 October 2019, our shareholders had approved the Subscription at our EGM. On 17 October 2019, PPB's shareholders had approved, amongst others, the PPB Rights Issue of RCPS at PPB's EGM. The PPB Rights Issue of RCPS has not been implemented as at the date of this Abridged Prospectus.

The Subscription is intended to be effected after the completion of the Rights Issue of Shares.

c) Private placement

On 17 May 2019, our Company had announced that it proposed to undertake a private placement of up to 96,480,983, new Dayang Shares, representing approximately 10% of the total number of issued Dayang Shares as at the LPD ("Private Placement"). The Private Placement is undertaken pursuant to Sections 75 and 76 of the Act which was obtained from our shareholders in our Company's 13th Annual General Meeting convened on 22 May 2019, whereby our Board had been authorised to allot and issue new Dayang Shares not exceeding 10% of the total number of issued shares in our Company for the time being and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of our Company. Bursa Securities had, on 27 August 2019, approved the listing of and quotation for up to 96,480,983 new Dayang Shares to be issued pursuant to the Private Placement on the Main Market of Bursa Securities.

The Private Placement will enable our Company to raise additional funds to partially repay the Sukuk Programme as well as to fund our capital expenditure and working capital requirements.

The Private Placement is intended to be implemented after the completion of the Rights Issue of Shares.

3. SUBSTANTIAL SHAREHOLDERS' UNDERTAKINGS AND UNDERWRITING ARRANGEMENT

Our Board has determined to undertake the Rights Issue of Shares on a full subscription level basis via the issuance of 96,480,983 Rights Shares. The full subscription level basis has been determined by our Board after taking into consideration the level of funds our Company intends to raise from the Rights Issue of Shares which will be channelled towards the intended utilisation of proceeds as set out in Section 4 of this Abridged Prospectus. In this regard, our Board intends to raise gross proceeds of approximately RM88.8 million from the Rights Issue of Shares based on the issue price of RM0.92 per Rights Share.

3.1 Substantial shareholders' undertakings

The Undertaking Shareholders had, vide their unconditional and irrevocable written undertaking letters dated 17 May 2019, provided the Undertakings to subscribe in full for their entitlements based on their shareholdings on the Entitlement Date pursuant to the Rights Issue of Shares. The Undertaking Shareholders will collectively subscribe for a minimum of 49,778,038 Rights Shares based on the Undertakings or approximately 51.59% of the total Rights Shares available for subscription pursuant to the Rights Issue of Shares.

A summary of the Undertakings is set out below:-

Undertaking Shareholders	Shareholdings as at the LPD		Rights Shares entitled and undertaken to be subscribed		Shareholdings after the Undertakings		Funding required*4
	No. of Shares	%*1	No. of Shares	%*2	No. of Shares	%*3	RM
Naim Holdings	254,921,952	26.42	25,492,195	26.42	280,414,147	26.42	23,452,819
Datuk Ling	73,254,330	7.59	7,325,433	7.59	80,579,763	7.59	6,739,398
Tengku Dato' Yusof	65,916,675	6.83	6,591,667	6.83	72,508,342	6.83	6,064,334
Vogue Empire	61,218,187	6.35	6,121,818	6.35	67,340,005	6.35	5,632,073
Joe Ling	41,463,825	4.30	4,146,382	4.30	45,610,207	4.30	3,814,671
Datuk Hasmi	960,937	0.10	96,093	0.10	1,057,030	0.10	88,406
Datin Wong	44,500	-*	4,450	-*	48,950	-*	4,094
Total Undertakings	**497,780,406**	**51.59**	**49,778,038**	**51.59**	**547,558,444**	**51.59**	**45,795,795**

Notes:-

* Negligible

*1 Calculated based on the total number of issued shares of our Company as at the LPD of 964,809,835 Dayang Shares

*2 Calculated based on 96,480,983 Rights Shares to be issued under the Rights Issue of Shares

*3 Calculated based on the enlarged total number of issued shares of our Company after the Rights Issue of 1,061,290,818 Shares

*4 Calculated based on the issue price of the Rights Shares of RM0.92 per Rights Share

The abovementioned Undertaking Shareholders have also given the Undertakings to subscribe in full for any additional entitlement of the Rights Issue of Shares in the event that they increase their shareholdings in our Company prior to the Entitlement Date. The Undertakings provided by the Undertaking Shareholders reflect their commitment and confidence in growing our Company's business and driving our performance further.

Accordingly, the Undertaking Shareholders had provided confirmation that they have sufficient financial resources to subscribe in full for their respective entitlements based on their shareholdings on the Entitlement Date. The said confirmations have been verified by Kenanga IB, being the Principal Adviser and Underwriter for the Rights Issue of Shares.

3.2 Underwriting arrangement

As the Rights Issue of Shares is undertaken on a full subscription level basis, our Company had on 7 November 2019 entered into the Underwriting Agreement whereby the Underwriter will underwrite 46,702,945 Rights Shares or approximately 48.41% of the total Rights Shares available for subscription for which no unconditional and irrevocable written undertaking to subscribe for the Rights Shares has been obtained, details of which are as set out below:-

	Shareholdings as at the LPD		Rights Shares to be underwritten		Shareholdings after the Underwriting		Funding required*3
Underwriter	**No. of Shares**	**%**	**No. of Shares**	**%*1**	**No. of Shares**	**%*2**	**RM**
Kenanga IB	-	-	46,702,945	48.41	46,702,945	4.40	42,966,709

Notes:-

*1 Calculated based on 96,480,983 Rights Shares to be issued under the Rights Issue of Shares

*2 Calculated based on the enlarged total number of issued shares of our Company after the Rights Issue of Shares of 1,061,290,818 Dayang Shares

*3 Calculated based on the issue price of the Rights Shares of RM0.92 per Rights Share

Only in the event of shortfall in the number of Rights Shares subscribed (including the Entitled Shareholders and/ or their renouncees' and/ or transferees', if applicable, respective entitlements and any Excess Rights Shares applied for) as compared to the number of Rights Shares to be issued of 96,480,983 Rights Shares at the Closing Date of the receipt of applications, the Underwriting shall then crystalise whereby the Underwriter shall apply via the Excess Application (to fulfill its obligation under the Underwriting), to subscribe for all remaining Rights Shares not subscribed by other Entitled Shareholders and/ or their renouncees and/ or transferees, if applicable.

For avoidance of doubt, the Entitled Shareholders and/ or their renouncees and/ or transferees, if applicable (excluding the Underwriter), shall be given priority and shall first be allocated with all the Excess Rights Shares applied for, if any. Upon completion of the allocation of such Excess Rights Shares to the Entitled Shareholders and/ or their renouncees and/ or transferees, if applicable (excluding the Underwriter), the Underwriter shall then apply and be allocated for the remaining number of unsubscribed Rights Shares, if any. In other words, in the event of an under-subscription pursuant to the Rights Issue of Shares, all Rights Shares and any Excess Rights Shares applied by the Entitled Shareholders and/ or their renouncees and/ or transferees, if applicable, shall be allocated in full based on their respective application. Therefore, the Underwriter shall be allocated the balance number of undersubscribed Rights Shares, if any, pursuant to the Underwriting Agreement.

However, in the event of an over-subscription pursuant to the Rights Issue of Shares (i.e. the number of Rights Shares and Excess Rights Shares, if any, applied for is more than the number of 96,480,983 Rights Shares available for application), the Underwriter will not be allocated any Rights Shares. In such circumstances, our Board will allot the Excess Rights Shares, if any, in a fair and equitable manner and in the priority as set out in Section 10.9 of this Abridged Prospectus.

The underwriting commission payable by our Company is 2.0% of the issue price for each of the Underwritten Shares. The underwriting commission is subject to the terms and conditions of the Underwriting Agreement. The underwriting commission and all related costs in relation to the underwriting arrangement will be fully borne by our Company from the proceeds of the Rights Issue of Shares.
The Underwriter may, by notice in writing to our Company given at any time before the Closing Date, terminate, cancel and withdraw its commitment to underwrite the Underwritten Shares on any of the following grounds:-

i. in the reasonable opinion of the Underwriter, the following circumstances have occurred:-

    a) any breach by our Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement (which, if capable of remedy, is remedied within such reasonable number of days as stated in the notice of such breach shall have been given to our Company by the Underwriter, or by the Closing Date, whichever is the earlier);

    b) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market in Malaysia, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing which is likely to have a material adverse effect on the stock market in Malaysia. For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("Index") is at the close of normal trading on Bursa Securities, on any Market Day:-

        1. on or after the date of the Underwriting Agreement; and

        2. prior to the Closing Date,

    lower than 85% of the Index level at the close of normal trading on the Market Day immediately prior to the date of the Underwriting Agreement and remain at or below that level for 3 or more consecutive Market Days, it shall be deemed a material adverse change in the stock market condition in Malaysia;

c) the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities for 3 or more consecutive Market Days;

d) any matter which had arisen immediately before the date of this Abridged Prospectus and not having been disclosed in this Abridged Prospectus which would have constituted a material omission in the context of the Rights Issue of Shares;

e) there is withholding of information of a material nature from the Underwriter by our Company, which, if capable of remedy, is not remedied within such reasonable number of days as stipulated in the notice of such breach given to our Company by the Underwriter;

f) any new law, regulation, directives, policy of ruling, or any material change in the existing law, regulation, directives, policy or ruling or any change in the interpretation or application thereof by any court or other competent authority of any relevant jurisdiction which may have any material adverse effect on our Group or would prohibit or impede the obligations of the Underwriter;

g) an occurrence as a result of act or acts of God;

h) any natural disorder, outbreak of war, embargo, riot, looting or other labour disputes, unavailability of transportation or severe economic dislocation, outbreak of disease or the declaration of a state of national emergency;

i) a change or development involving a prospective change, in taxation of Malaysia;

j) any formal investigation, proceeding or inquiry by or before any court or governmental or regulatory authority against our Group, which has been disclosed to the public, announced in the media or otherwise appears in the media, for which our Company has not been able to provide an explanation to the satisfaction of the Underwriter; or

k) any material and adverse change to the business or financial condition of our Group;

ii. if Bursa Securities suspends the trading of our Shares or removes our Company from the Official List of the Main Market of Bursa Securities, for any reason whatsoever;

iii. if our Company requests for a voluntary suspension of the trading of our Shares for any reason whatsoever, for a duration of more than 1 Market Day without the prior approval of the Underwriter;

iv. a petition is presented or an order is made or a resolution is passed for the winding up of our Company or an administrator or receiver or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of our Company;

v. our Company becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors;

vi. our Company ceases or threatens to cease to carry on the whole or any substantial part of its business;

vii. any failure on the part of our Company to perform any of its obligations in the Underwriting Agreement; or

viii. the withdrawal of the approval-in-principle of Bursa Securities for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

As the Rights Issue of Shares is undertaken on full subscription level basis whereby the underwriting arrangement has been procured by our Company, the subscription of the Rights Shares by the Undertaking Shareholders or the Underwriter will not give rise to any mandatory general offer obligation pursuant to the Malaysian Code on Take-Overs and Mergers, 2016 and the Rules on Take-Overs, Mergers and Compulsory Acquisitions.

In addition, the public shareholding spread of our Company will still in compliance with the minimum public shareholding spread of 25% pursuant to Paragraph 8.02(1) of the Listing Requirements upon completion of the Rights Issue of Shares. For information purposes, the current public shareholding spread of our Company is 40.5% as at the LPD.

Assuming none of the other Entitled Shareholders and/ or their renouncees and/ or transferees, if applicable, applied for the Excess Rights Shares and the Underwriting crystalises, whereby the Underwriter shall subscribe for the remaining portion of 46,702,945 Rights Shares not subscribed by other Entitled Shareholders and/ or their renouncees and/ or transferees, if applicable, the resultant public shareholding spread of our Company shall remain unchanged at 40.5% upon the completion of the Rights Issue of Shares.

4. UTILISATION OF PROCEEDS

Based on the issue price of RM0.92 for each Rights Share, the Rights Issue of Shares is expected to raise total gross proceeds of approximately RM88.8 million, which are intended to be utilised in the following manner:-

Description of utilisation	Amount RM'000	%	Expected time frame for utilisation of proceeds (from the date of listing of the Rights Shares)
Partial repayment of bank borrowing arising from the acquisition of ordinary shares in PPB and warrants in PPB not already owned by our Company in 2015[*1]	70,000	78.9	Within 3 months
Working capital requirements[*2]	16,263	18.3	Within 12 months
Estimated expenses for the Rights Issue of Shares[*3]	2,500	2.8	Immediately
Total gross proceeds	**88,763**	**100.0**	

Notes:-

*1 As at the LPD, the total borrowings of our Group (excluding the PPB Group of approximately RM489.4 million), which comprised term loans and revolving credits, stood at approximately RM426.8 million, details of which are set out in Section 9.2 of this Abridged Prospectus. Dayang intends to utilise RM70.0 million to partially repay our Group's (excluding the PPB Group) existing bank borrowing as set out below:-

Type of facility	Purpose of the facility	Interest rate per annum %	Tenure (years)	Outstanding amount as at the LPD RM'000
Commodity Murabahah Term Financing-*i* (Long term loan)	For the acquisition of ordinary shares in PPB and warrants in PPB not already owned by our Company in 2015	6.15	7 (Commenced in July 2015 and mature in August 2022)	160,491

The partial repayment of the abovementioned bank borrowing is expected to result in gross interest savings of approximately RM4.3 million per annum based on the interest rate for the abovementioned borrowing of 6.15% per annum as at the LPD. The remaining outstanding amount of approximately RM90.5 million will be repaid via the combination of the proceeds raised from the Sukuk Programme and our Group's internally-generated funds.

The above repayment is part of the group-wide debt restructuring exercise currently undertaken by our Group to review and restructure its existing borrowings with its licensed financial institutions.

*2 Our Company intends to utilise approximately RM16.3 million of the proceeds for the working capital requirements of our Group's (excluding the PPB Group) day-to-day operations in the manner set out below:-

	RM'000
Staff related cost (i.e. wages for vessel crew, salaries for support staff as well as key management personnel and Executive Directors, contributions to the Employees Provident Fund and others)	11,500
Rental of premises[*a]	1,500
Administrative expenses (i.e. utilities, printing and stationery, as well as office expenses such as general upkeep of office)	3,263
Total	**16,263**

Note:-

*a Details of the premises are as set out below:-

Purpose	Location	Aggregate size Square feet	Rental per annum RM'000
Head office	Sublot 5-10, Lot 46, Block 10 Jalan Taman Raja, MLCD 98000, Miri, Sarawak	9,408	745
Branch office	Lot 2-15-01, 2-15-02 2-16-01 and 2-16-02 Block 2, VSQ @ PJCC Jalan Utara, 46200 Petaling Jaya, Selangor	16,576	796
Total			**1,541**

*3 The proceeds earmarked for the estimated expenses in relation to the Rights Issue of Shares shall be utilised as set out below:-

	RM'000
Professional fees (i.e. adviser, reporting accountant, underwriter (including underwriting commission) and due diligence solicitors)	2,115
Regulatory fees (i.e. Bursa Securities, the SC and the Registrar of Companies Malaysia)	75
Other incidental expenses in relation to the Rights Issue of Shares such as printing and advertising costs and miscellaneous expenses	310
Total	**2,500**

In the event that the actual amount varies from the above estimated expenses, the excess or deficit, as the case may be, will be adjusted to or from the amount earmarked for working capital requirements purposes.

Pending utilisation of the proceeds from the Rights Issue of Shares for the above purposes, the proceeds are intended to be placed in deposits with licensed financial institutions or short-term money market instruments as our Board may deem fit. The interest derived from the deposits with licensed financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital requirements of our Group (excluding the PPB Group), of which the breakdown for utilisation cannot be determined at this juncture.

5. RATIONALE FOR THE RIGHTS ISSUE OF SHARES

Our Group is currently embarking on a group-wide debt restructuring exercise which comprises the following:-

a) the Rights Issue of Shares, Sukuk Programme, Subscription, Private Placement involving our Company; and

b) debt restructuring of the PPB Group and the PPB Rights Issue of RCPS involving the PPB Group.

The group-wide debt restructuring exercise of our Group aims to restructure its loans and debt to strengthen the financial position of our Group and put in place an efficient and optimal capital structure amid the recovery in the O & G industry. With an efficient capital structure, our Company will have the flexibility to tap into the capital market for future fund raising for its future expansion.

The Rights Issue of Shares, which forms part of the group-wide debt restructuring exercise of our Group, is undertaken to raise proceeds to be utilised in the manner as set out in Section 4 of this Abridged Prospectus. After due consideration of the various options available to our Company, our Board is of the opinion that the Rights Issue of Shares is an appropriate option as it will provide the Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares.

6. RISK FACTORS

In addition to other information contained elsewhere in this Abridged Prospectus, you and/ or your renouncees and/ or transferees (if applicable) should carefully consider the following risk factors which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue of Shares.

6.1 Risks relating to our group-wide debt restructuring exercise

6.1.1 Fulfilling debt obligations in the event of a delay or non-completion of our group-wide debt restructuring exercise

Our group-wide debt restructuring exercise is expected to be completed in the 1st quarter of 2020.

In the event the completion of our group-wide debt restructuring exercise is delayed or is not completed within the expected timeframe, and assuming the lenders of our Group have not approved the deferment of part of the borrowings due, our Group may not be able to generate sufficient cash flows or obtain alternative sources of funding to meet its repayment obligations as and when they are due. In such an event, there is a risk that our lenders may impose penalties, additional interests and/ or fees on the borrowings, or call an event of default, which may lead to acceleration or termination of such financing facilities and borrowings and cross defaults under other indebtedness, all of which could adversely affect our Group's business, operating results and financial condition.

Notwithstanding the above, we will use our best endeavour to take all reasonable and necessary steps to ensure completion of our group-wide debt restructuring exercise. However, there is no assurance that our group-wide debt restructuring exercise can be completed within the expected timeframe.

6.1.2 Priority of shareholders in the event of liquidation and/ or winding up of our Company

The unrated Islamic medium term notes issued under the Sukuk Programme constitute direct, unconditional, secured and unsubordinated obligations of our Company, ranking *pari passu* without any discrimination, preference or priority among themselves, and *pari passu* with all other present and future unconditional, secured and unsubordinated obligations of our Company and save as otherwise provided under any applicable laws or regulations.

Thus, in the event of liquidation and/ or winding up of our Company, the sukukholders for the Sukuk Programme will be paid ahead of our Company's shareholders and the amount recovered by our shareholders may not be sufficient to compensate their initial cost of investment.

Notwithstanding the above, our Board will take all reasonable steps to ensure that our Company will continue as a going concern and will not be wound up and/ or liquidated.

6.1.3 Non-compliance with public shareholding spread of PPB

The public shareholding spread of PPB will still be in compliance with the minimum public shareholding spread of 25% pursuant to Paragraph 8.02(1) of the Listing Requirements upon completion of the PPB Rights Issue of RCPS.

However, the conversion of the RCPS by our Company into new ordinary shares in PPB ("PPB Shares") under a minimum subscription level basis whereby the PPB Rights Issue of RCPS is only subscribed by our Company pursuant to the RCPS Undertakings ("RCPS Minimum Scenario") may result in our shareholdings exceeding 75% of the enlarged number of PPB Shares in issue, in which case, PPB would not be in compliance with the minimum public shareholding spread of 25% pursuant to Paragraph 8.02(1) of the Listing Requirements. For information purposes, the public shareholding spread of PPB is 29.6% as at the LPD and may reduce to 9.1% upon full conversion of the RCPS by our Company under the RCPS Minimum Scenario.

Notwithstanding the above, the RCPS to be issued to our Company pursuant to the RCPS Undertakings will form part of the collateral against the Sukuk Programme upon its issuance under the PPB Rights Issue of RCPS. As such, our Company may not be able to deal or convert the said RCPS into new ordinary shares of PPB during the tenure of the Sukuk Programme and may only deal with the said RCPS upon the full redemption or maturity of the Sukuk Programme.

However, our Company is mindful of the public spread requirement and in this respect, we endeavour to monitor and ensure that our dealing in the conversion of the RCPS into new PPB Shares, if any, and as and when, during the tenure of the RCPS would not result in PPB being in breach of the public spread requirement.

6.1.4 Potential dilution of our existing shareholdings in PPB and possible loss of control over PPB

As mentioned in Section 6.1.3 of this Abridged Prospectus, the RCPS to be issued to our Company pursuant to the RCPS Undertakings will form part of the collateral against the Sukuk Programme upon its issuance under the PPB Rights Issue of RCPS.

Subsequent to the completion of our group-wide debt restructuring exercise, in the event we are not able to meet our annual repayment obligations pursuant to the Sukuk Programme, there is a potential risk that our sukukholders may exercise their rights to dispose of the RCPS in the open market and/ or convert the RCPS into new PPB Shares and subsequently dispose of the new PPB Shares to repay any outstanding amount due. In such event, our shareholdings in PPB may potentially be diluted from 60.5% as at the LPD to less than 50%, in which case, PPB would cease to be our subsidiary company and we will lose control over PPB and unable to consolidate the financial performance of the PPB Group in future.

Notwithstanding the above, our Group had registered profit after taxation attributable to owners of our Company in the past 5 financial years up to the FYE 31 December 2018 (save for the FYE 31 December 2017) and the 6-month FPE 30 June 2019 as well as had generated net cash from operating activities for the FYE 31 December 2018 and the 6-month FPE 30 June 2019. In addition, we had not defaulted on payments of either interest and/ or principal sums in respect of any borrowings for the past 5 financial years up to the FYE 31 December 2018 and the subsequent financial period up to the LPD.

6.2 Risks relating to the O & G industry

6.2.1 Fluctuation in crude oil prices

Fluctuation in crude oil prices has an indirect impact on the business of our Group as oil majors may vary their activities relating to the development and production of offshore O & G fields. This will, in turn, creates uncertainty in the number of contracts available for tenders.

Crude oil prices have historically been volatile and may continue to be volatile in the future. Crude oil prices have a direct bearing on the levels of activity in the O & G industry, including HUC and MCM activities as well as vessels chartering activities. Prices for crude oil fluctuate in response to a variety of factors including, but not limited to:-

i. the level of demand for crude oil, which closely correlates with global economic growth;

ii. costs pertaining to the exploration, development, production and delivery of crude oil;

iii. technological advances in exploration, development and production;

iv. output level of crude oil by non-OPEC[*a] countries, the ability of OPEC countries to set and maintain oil production levels and crude oil prices and the level of crude inventories and the availability of excess production capacity;

Note:-

*a Organisation of the Petroleum Exporting Countries, which has a total of 14 member countries comprising The Republic of Algeria, The Republic of Angola, The Republic of Congo, Ecuador, The Republic of Equatorial Guinea, The Republic of Gabon, The Islamic Republic of Iran, The Islamic Republic of Iraq, Kuwait, Libya, Nigeria, The Kingdom of Saudi Arabia, United Arab Emirates and The Bolivarian Republic of Venezuela as at the LPD ("OPEC")

v. competition from alternative fossil fuels, including but not limited to shale O & G, oil sands and gas to liquids;

vi. government policies, including those related to the exploration, development and production of their oil and natural gas reserves and policies relating to energy security and environmental regulations;

vii. adverse global weather conditions and natural disasters;

viii. global political and economic conditions;

ix. shifts in end-client preferences toward fuel efficiency;

x. progress in development of alternative energy, including but not limited to renewable energy; and

xi. continuous discovery of hydrocarbon reserves globally.

A drop in global crude oil prices below a certain level may lead to O & G companies reducing capital expenditure until such time global crude oil prices increase and stabilise. Significant and continuous cuts in capital expenditure by oil majors may have an impact on our Group's revenue and financial position. Further, a drop in the level of capital expenditure in the market would have an impact on our business as the number of activities leading to contracting would correspondingly reduce. Nevertheless, our Company will continue to replenish its work orders and secure additional long-term contracts.

6.2.2 Dependency on the level of activities in the offshore O & G industry

As our Group's overall business focus strategy is to provide offshore platform services, our services are dependent on the level of activities in the offshore O & G industry which are affected by, amongst others, the level of exploration, development and production (including maintenance) activities and the corresponding level of expenditure on such activities which, in turn, is influenced by crude oil prices. Prolonged low crude oil prices may reduce the level of activities in the offshore O & G industry as spending on exploration, development and production activities would be scaled back which may result in a reduced demand for our services.

Our Group will endeavour to secure long-term contracts, maintain close working relationship with clients, explore new and additional tender opportunities and adopt effective cost optimisation measures. However, no assurance can be given that any volatility in crude oil prices will not have a materially adverse effect on our Group's business.

6.2.3 Political, socio-political, economic and regulatory conditions

Our Group's business, prospects, operating results and financial condition may be adversely affected by any unfavourable developments or change in the political or socio-political landscape and economic uncertainties in Malaysia.

Political, socio-political or regulatory changes such as introduction of new laws and regulations, imposition of capital or foreign exchange controls and changes in interest rates or taxes will impact our business, operating results, financial condition and prospects. Other adverse political and economic situations include the risks of war, global economic downturn, terrorism and expropriation which may also affect the performance of our Group.

Further, pursuant to the Petroleum Development Act 1974, PETRONAS is vested with exclusive ownership to Malaysian O & G reserves. Companies may only undertake the exploration and extraction of crude O & G in Malaysia via a Production Sharing Contract ("PSC") with PETRONAS.

Any new terms that may have an adverse impact to the regular terms of a PSC such as reduction of profit sharing of contractors under the PSC may affect the production activities as contractors will be less motivated to carry out crude oil exploration and extraction activities in Malaysia as well as preclude investors from future ventures. This reduction in level of crude oil exploration and extraction will lower the demand for products and services provided by O & G support companies such as our Group.

Our Group will continue to review our business strategies in response to the changes in the political, socio-political, economic and regulatory condition in Malaysia. However, there can be no assurance that any changes in the political, socio-political, economic and regulatory condition in Malaysia will not have a materially adverse effect on our Group's business.

6.3 Business risks relating to our Group

6.3.1 Dependency on licenses and registrations

Our Group's qualification to tender for and secure various O & G projects in Malaysia is dependent on various licenses and registration issued by various authorities such as PETRONAS. All these licences and registrations are valid for certain periods of time with the renewal based on the compliance with those requirements imposed by the relevant authorities. Non-compliance with such requirements may result in fines, penalties and vessel seizure, confiscation, detention or termination or non-renewal of licenses, all of which may result in adverse effects to our operations, performance and financial condition.

PETRONAS is the main licensor governing our Group's operations in the Malaysian O & G industry. The licences issued by PETRONAS enable our Group to provide certain maintenance and marine vessel services and are subject to conditions on our shareholding structure and various employment and operating conditions. In the future, fundamental changes may occur to PETRONAS's policy with regards to the regulation of the O & G industry. These changes may have an adverse or favourable impact the operations of our Group either by restricting or liberalising the regulations governing the O & G industry.

We will continue to ensure that we always comply with the relevant requirements to obtain the necessary renewals. However, there is no assurance that the licenses and registrations of our Group will be renewed when they expire.

6.3.2 Operating in a strict environmental regime

Our Group is subject to increasingly stringent laws and regulations relating to environmental protection in conducting the majority of our operations, such as in the generation, storage, handling, treatment and disposal of waste materials. We incur and expect to continue to incur capital and operating costs to comply with environmental laws and regulations as our business involves working around and with volatile, toxic and hazardous substances and other highly regulated materials.

Although our Group has not contravened any environmental regulations to-date, we are subject to potential material liabilities relating to claims alleging personal injury or property damage as a result of exposures to, or releases of hazardous substances or as a result of accidents or other incidents resulting from our operations, all of which could have a material adverse effect on our financial conditions and results of operations.

6.3.3 Competition

Our Group's work contracts are awarded based on open tenders that are highly competitive in nature given the numerous local and foreign service providers in the O & G industry. Generally, track record, reputation, experience, prompt delivery or completion, sufficient technical capacity, personnel and pricing are major factors in most tender awards. If our Group is not able to compete with other companies, this may lead to us not being able to secure new contracts, which may have a material adverse effect on our business, operating results and financial condition.

Whilst our Group faces competition from the other existing local and foreign service providers in the O & G industry, the threat of new entrants is mitigated to a certain extent by the barriers to entry in terms of initial capital investment and working capital resources, technical expertise, skilled workforce and the requirements for licences and registrations with, amongst others, PETRONAS and the Ministry of Finance Malaysia. However, there is no guarantee that we are insulated from competition from newly appointed licensed service providers.

Notwithstanding the above, our Group is constantly keeping itself abreast with the latest technologies to remain competitive in the O & G industry. However, there can be no assurance that competitive pricing by competitors would not materially affect our Group's business, operating results and financial condition.

6.3.4 Dependency on major customer

Our Group derives a significant amount of revenue from our O & G customers, including PETRONAS and international oil majors. Any termination (with or without cause) of existing contracts with them may significantly affect our operations, performance and profitability.

For the FYEs 31 December 2016 to 2018, PETRONAS Carigali has been the largest customer of our Group, contributing 57%, 54% and 59% to our Group's revenue for the respective financial years. As PETRONAS Carigali is a major PSC contractor in Malaysia, dependency is a common feature amongst other larger operators in the O & G industry in Malaysia, especially those servicing the upstream O & G sector. Therefore, it is inevitable that PETRONAS Carigali would constitute a major source of revenue for service providers like us. Our Group has been a provider of a wide range of offshore platform services to PETRONAS Carigali for approximately 28 years.

Our Group has established long standing business relationships with our major customer. However, there is no guarantee that our Group can continuously secure new contracts from our major customer. The discontinuation of any one or more contracts awarded by our major customer, if not replaced, would result in potential loss of significant sources of revenue to our Group. Further, there can be no assurance that the loss of any one or more of our Group's major customer would not have a material adverse effect on our Group's business, operating results and financial condition in the future.

6.3.5 Dependency on award of new contracts

Our Group's revenue is largely derived from medium-term (i.e., work orders of more than 6 months but below 1 year) to long-term contracts (i.e., work orders of more than 1 year). It is generally difficult to predict whether and when we will be awarded with such contracts as the bidding and selection process is often lengthy and complex. Our business, operating results and financial condition may be adversely affected if we are unable to secure new contracts on a continuous basis.

Nonetheless, our Group believes that our established track record which is associated with quality, reliability, technical expertise and service excellence, good health, safety and environment record as well as our long-standing relationships with our major customer will provide our Group a key advantage when submitting our tenders for new contracts. This is evident via the awarding of several contracts to our Group by major O & G players as set out in Section 7.3 of this Abridged Prospectus. However, there can be no assurance that failure to secure new contracts would not adversely affect our Group's future financial performance.

6.3.6 Foreign exchange and interest rates fluctuation

Our Group's consolidated financial statements are denominated in RM, being the presentation and functional currency of our Group's business. Our Group has transactional currency exposure arising mainly from costs and borrowings that are denominated in a currency other than the respective functional currencies of our operating entities, primarily RM and USD. As such, fluctuation in exchange rates between RM, USD and other currencies could have an adverse impact on our Group's financial condition, including as a result of translation when converting other currency amounts to RM for consolidated financial statement purposes.

In addition, as some of our Group's materials are purchased in currencies other than the RM, any fluctuation in exchange rates between RM and other currencies may cause our Group to incur higher purchasing cost for the said materials which in turn may have an impact on the revenue and earnings of our Group.

Our Group is also exposed to fluctuations in interest in due to our Group's floating rate borrowings. Interest rates may vary or fluctuate over time based on, amongst others, the base rates quoted by our Group's lenders. A higher base rate quoted by our Group's lenders will translate to an increase in interest expenses and consequently the repayment obligations of our Group.

We cannot assure you that the fluctuation in prices of the materials and cost of borrowings in relation to the foreign currency fluctuations as well as the fluctuation in interest rates arising from our Group's floating rate borrowings will not affect the financial condition and profitability of our Group.

6.3.7 Operational, health, safety and environmental risks

Our Group may be exposed to major operational, health, safety and environmental risks inherent in the O & G industry such as accidents, uncontrolled fire-breakouts and explosions which may occur on the offshore platforms and/ or pollution and other damage to environment as a result of spillage of chemicals used in our operations. These risks may result in substantial losses due to injury and loss of life, severe damage to property, equipment and the environment as well as suspension of operations, termination of contracts and potential legal proceedings.

Our Group has implemented risk management practices such as emphasising health and safety throughout all levels of operations as well as compliance with customers' various manuals, undertaking continuous health and safety training for our employees, developing and implementing emergency response plans to cater for any accidents at any of its offices or operational facilities, ensuring that our marine vessels meet all the safety requirements set out in various licenses and placing significant emphasis on quality and adherence to stringent quality standards.

There can be no assurance that the above measures taken will be adequate in the event of an emergency and that it will not have adverse effects on our Group's business, prospects or profitability.

6.3.8 Repair and maintenance of our Group's key assets, equipment and facilities

Our Group's operations are dependent on the operating efficiency and reliability of our key assets, equipment and facilities through scheduled and unscheduled repair and maintenance. Our Group's repair and maintenance programme is an important part of our business operations and involves substantial expenditure and results in loss of opportunity from downtime of its equipment and facilities. Repair and maintenance performed after any breakdown of its key assets, equipment and facilities can be costly and time-consuming and, in certain cases, can be more costly and time consuming than anticipated, any or both of which could result in significant tangible and intangible losses to our Group.

Unexpected breakdowns, non-performance or loss of key assets, equipment and facilities are by their nature unpredictable. In the event of downtime or loss of its key assets, equipment and facilities, it may incur additional costs and losses arising from the disruption of its workflow and scheduled activities. Rectification of breakdown or non-performance of this type, depending on its severity, may also require replacement or repair of key components, the procurement of which may entail long lead-times. Rectification on the affected key assets, equipment and facilities may require it to incur substantial expenditures, which may result in the affected key assets, equipment and facilities being out of service and unable to generate revenue for extended periods of time.

The occurrence of any of the above developments may potentially disrupt the operation of our Group's affected key assets, equipment or facilities and may result in us being unable to meet our contractual obligations with our customers or may otherwise have a material adverse effect on our business, results of operations and cash flows. The loss of such key assets, equipment or facilities may have a material adverse effect on our Group's business, results of operations and cash flows.

We will continue to undertake the repair and maintenance programme for our key assets, equipment and facilities to ensure the smooth operation of the key assets, equipment and facilities. Our Group also undertakes to reduce its downtime in an effort to reduce the cost and time consumed as a result of any unexpected breakdowns of its key assets, equipment and facilities.

6.3.9 Dependence on key management and skilled personnel

Our Group's continued success depends largely on the abilities and continued efforts of our existing Directors and key management. A change in our Board and/ or key management may adversely affect our future business operations and/ or financial performance.

To that end, our Group presently has in place human resource strategies which include providing competitive performance-based remuneration, adopting succession planning for key positions and providing employees with a variety of on-going training programmes to upgrade their knowledge and capabilities.

However, there is no assurance that the above measures will be successful in attracting and retaining key personnel or ensuring a smooth transition should changes occur.

6.3.10 Adequacy of insurance coverage

The operation of our Group's facilities involves inherent risks and occupational hazards. If we incur substantial liability from uninsurable or uninsured risks or insufficient insurance coverage, it could have a material adverse effect on our Group's operations and financial performance.

In this regard, our Group has purchased insurances covering its equipment, general third parties' liabilities (such as injury, loss or property damage) and other liabilities relating to its business which it deems are adequate to protect it against liability for such events. Our Group will endeavour to ensure that an adequate level of insurance coverage is maintained. However, there can be no assurance that the insurance coverage of our Group will be adequate to cover all losses and liabilities which might occur in the future.

6.3.11 Existing and potential litigation, arbitration, tax claims and regulatory proceedings

As disclosed in Section 9 of Appendix I of this Abridged Prospectus, our Group is currently engaged in a material litigation and there can be no certainty that the outcome of said litigation would be decided in our Group's favour.

In addition, further to the conclusion of a tax audit conducted for year of assessment ("YA") 2007 to YA 2010, the Inland Revenue Board ("IRB") has requested the PPB Group to revise its tax computations for YA 2011 and subsequent years. In October 2015, the PPB Group engaged a tax consultant to assist in the matter and assess the tax impacts thereof. In February 2017, the PPB Group responded to the IRB that it disagrees with applying the same computation method used for the earlier tax audit exercise based on reasonable technical grounds. PPB Group may need to provide for additional tax payable, if any, arising from any revision of the tax computations for YA 2011 and subsequent years, the outcome of which cannot be ascertained at this present stage. As at the LPD, the PPB Group has not received any response from the IRB to its reply on February 2017. There is no assurance that the PPB Group will not incur additional tax payable in relation to the above.

There is no assurance that our Group will not be involved in litigation, arbitration, tax claims or regulatory proceedings in the future, and in such event, there is no assurance that such litigation, arbitration, claim or proceedings would be decided in our Group's favour.

6.4 Risks relating to the Rights Issue of Shares

6.4.1 Investment and capital market risk

The market price of Dayang Shares as traded on Bursa Securities is subject to fluctuation and will be influenced by, amongst others, the prevailing market sentiments, the liquidity of Dayang Shares, the volatility of the equity markets, the outlook of the O & G industry as well as the corporate developments and future financial performance of our Group.

In addition, the performance of the local equity market (where Dayang Shares are listed) is dependent on the economic and political conditions in Malaysia as well as external factors such as the performance of the world bourses and the investments by the foreigners in Malaysia.

In view of this, there can be no assurance that the market prices of our Rights Shares will be at a level that meets the investment objectives or targets of the subscribers of the Rights Shares.

6.4.2 Failure or delay in the completion of the Rights Issue of Shares

The Rights Issue of Shares is exposed to the risk that it may be terminated or delayed on the occurrence of any material adverse change of events or circumstances (such as force majeure events including without limitation, acts of Government, natural disasters including without limitation the occurrence of a tsunami and/ or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of our Company and Kenanga IB, arising prior to the completion of the Rights Issue of Shares.

Our Company has procured the Undertakings from the Undertaking Shareholders to subscribe in full for their respective entitlements. The successful implementation of the Rights Issue of Shares is dependent on the fulfilment by the Undertaking Shareholders of their obligations under the Undertakings.

In addition, we have entered into the Underwriting Agreement with the Underwriter for the Underwritten Shares to meet the full subscription level. The successful implementation of the Rights Issue of Shares is dependent upon the fulfilment by the Underwriter of its obligations under the Underwriting Agreement. Nevertheless, the Underwriter is entitled to exercise its rights to terminate, cancel and/ or withdraw the Underwriting at its discretion if any of the events set out in Section 3.2 of this Abridged Prospectus occurs.

However, there can be no assurance that the above-mentioned events will not occur and cause a failure or delay in the completion of the Rights Issue of Shares.

Where prior to the issuance and allotment of the Rights Shares to the successful Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable):-

i. in the event of failure in the completion of the Rights Issue of Shares where the SC issues a stop order pursuant to Section 245(1) of the CMSA, all applications shall be deemed to be withdrawn and cancelled and our Company shall be liable to repay without interest all monies received in respect of the accepted application for the subscription of the Rights Shares pursuant to the Rights Issue of Shares and if such monies are not repaid within 14 days from the date of the stop order, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 245(7)(a) of the CMSA; or

ii. in the event of failure in the completion of the Rights Issue of Shares (other than pursuant to Section 245(1) of the CMSA), all application monies received pursuant to the Rights Issue of Shares will be refunded to the Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) who have subscribed for the Rights Shares without interest.

In the event that the Rights Issue of Shares is aborted or terminated, and the Rights Shares have been allotted to the successful Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) and:-

i. the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our Rights Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if such monies are not repaid within 14 days from the date of the stop order, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 245(7)(b) of the CMSA; or

ii. the Rights Issue of Shares is subsequently cancelled or terminated for reasons other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, a return of monies to all holders of the Rights Shares could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time or at all in such circumstances.

6.4.3 Potential dilution

Entitled Shareholders who do not or are unable to subscribe for their entitlements under the Rights Issue of Shares will have their proportionate percentage of shareholdings and voting interests in our Company reduced in the enlarged issued share capital of our Company following the completion of the Rights Issue of Shares. Consequently, their proportionate entitlements to any future distribution, rights and/ or allotment that our Company may declare, make or pay after completion of the Rights Issue of Shares will correspondingly be diluted.

7. INDUSTRY OVERVIEW AND PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded at a more moderate pace of 4.7% in 2018 (2017: 5.9%). Despite a positive start to 2018, the economy subsequently was confronted with several external and domestic challenges. Major policy and political shifts, arising partly from the global trade tensions and the historic change of Government in Malaysia, became sources of uncertainty for the economy. Unanticipated supply disruptions in the mining and agriculture sectors, as well as commodity exports adversely affected Malaysia's economic performance, resulting in a larger-than-expected moderation in growth.

(Source: Annual Report 2018, BNM)

Gross domestic product registered a higher growth of 4.9% in the 2nd quarter of 2019 (1st quarter of 2019: 4.5%), supported by continued expansion in domestic demand. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 1.0% (1st quarter of 2019: 1.1%).

(Source: Economic and Financial Developments in the Malaysian Economy in the 2nd Quarter of 2019, BNM)

The prospect of the Malaysian economy remains robust amid increasing uncertainties in the external environment. Real gross domestic product is expected to grow by 4.7% in 2019 and 4.8% in 2020. The growth is underpinned by resilient domestic demand, particularly household spending following stable labour market and low inflation. Meanwhile, private investment is expected to grow at a slower pace in 2019 and gain traction in 2020 following the resumption of infrastructure projects coupled with ongoing capital spending in the services and manufacturing sectors. Favourable private sector expenditure activity will offset the impact of lower public expenditure in 2019. However, economic growth is expected to rebound in 2020 with improvement in public corporations' capital outlays.

(Source: Economic Outlook 2020, Ministry of Finance Malaysia)

7.2 Overview and outlook of the O & G industry in Malaysia

In the mining sector, growth contracted by 1.5% in 2018, attributable mainly to the decline in natural gas production as operations in East Malaysia were affected by pipeline repairs and unplanned maintenance shutdown. Growth in the mining sector is projected to register a turnaround in 2019. The recovery in natural gas production in East Malaysia will support growth in the mining sector. This will more than offset the decline in crude oil output due to production constraints and extension of voluntary supply adjustments by PETRONAS.

(Source: Annual Report 2018, BNM)

Growth in the mining sector rebounded to 2.9% (1st quarter of 2019: -2.1%), the first positive growth since the 3rd quarter of 2017. The turnaround was supported mainly by the recovery in natural gas output following the pipeline disruptions in 2018. This had more than offset the continued drag to growth posed by lower oil production amid the planned facility shutdowns in East Malaysia.

(Source: Economic and Financial Developments in the Malaysian Economy in the 2nd Quarter of 2019, BNM)

The mining sector rebounded during the first 6 months of 2019 on account of higher output of natural gas. For the year, the output of the sector is projected to turn around 0.6%, driven by higher production of natural gas, offsetting lower output of crude oil (including condensates). Among the natural gas fields that are expected to increase production include Anjung, Bakong and Larak in Sarawak. On the contrary, production of crude oil is affected by temporary planned and unplanned shutdowns of several fields such as Dulang (Peninsular Malaysia), Gumusut-Kakap (Sabah) and Baronia (Sarawak).

In 2020, the mining sector is forecast to record a marginal growth of 0.3%, support by stable gas production following stronger domestic demand from the petrochemical industry as well as rising exports of liquefied natural gas (LNG), particularly to China, Japan and Republic of Korea. The subsector is expected to benefit from the commencement of the North Malay Basin Full Field Development (FFD – Phase 2) in Peninsular Malaysia as well as Gorek, Integrated Bokor (Phase 3) and Betty redevelopment projects in Sarawak. Production of crude oil is projected to increase moderately supported by projects such as Anggerik FFD and Zetung FFD in Peninsular Malaysia as well as Bayan Oilfield (Phase 2B and 2C) in Sarawak. Moving forward, uncertainties in the global growth; production cut by OPEC and non-OPEC; oil production by the United States of America ("US"); the US-China trade tension; and geopolitical risks, particularly in Iran, Iraq, Libya and Venezuela will be among the factors affecting the movement of crude oil prices.

(Source: Economic Outlook 2020, Ministry of Finance Malaysia)

7.3 Prospects of our Group

Our Company is an investment holding company and through its subsidiaries, provides offshore topside maintenance services, minor fabrication works, offshore HUC services for O & G companies, and chartering of marine vessels.

Despite the challenging operating environment in the O & G industry due to volatile crude oil prices as well as external macro headwinds due to the US-China trade tension, our Group continues to focus on delivering the work orders from the contracts secured and pursue better operational excellence in delivering HUC and MCM services. We have also over the years embarked on an effort to streamline its business via various cost optimisation measures. These cost optimisation measures coupled with a pickup in business activities has improved our financial performance in the FYE 31 December 2018. Our Group recorded profit attributable to owners of our Company of RM160.2 million in the FYE 31 December 2018 compared to loss attributable to owners of our Company of RM144.9 million in the FYE 31 December 2017.

Moving forward, our Group will remain focused on its core businesses. We will continue to carry out cash flow management as well as cost optimisation measure to further strengthen the efficiency level within our Group. As at the LPD, the key contracts secured by our Group (excluding PPB Group) are as set out below:-

Awarded by	**Scope of work**	**Commen-cement date**	**Expiry date**	**Option to extend for a period of 1 year**
PETRONAS Carigali	Provision of HUC and topside major maintenance services - Peninsular (not an Angsi platform and onshore gas terminal, onshore slug catcher and Terengganu gas terminal related works)	August 2019	November 2020	-
Gujurly Inzener	Provision of facilities maintenance support in Turkmenistan operated by Petronas Carigali (Turkmenistan) Sdn Bhd	January 2019	December 2021	Yes
PETRONAS Carigali	Provision of MCM Services Package A (Offshore) – Sarawak Oil	September 2017	September 2022	Yes
Repsol Oil & Gas Malaysia Limited	Provision of Pan Malaysia MCM	July 2018	June 2023	Yes
PTTEP Sarawak Oil Limited *(formerly known as Murphy Sarawak Oil Co. Ltd)* and PTTEP Sabah Oil Limited *(formerly known as Murphy Sabah Oil Co. Ltd)*	Provision of Pan Malaysia MCM	July 2018	July 2023	Yes
Kebabangan Petroleum Operating Company Sdn Bhd	Provision of Pan Malaysia MCM	July 2018	July 2023	Yes
JX Nippon Oil & Gas Exploration (Malaysia) Limited	Provision of Pan Malaysia MCM	July 2018	July 2023	Yes
SEA Hibiscus Sdn Bhd	Provision of Pan Malaysia MCM	November 2018	July 2023	Yes

Awarded by	Scope of work	Commen-cement date	Expiry date	Option to extend for a period of 1 year
ROC Oil (Sarawak) Sdn Bhd	Provision of procurement, construction, installation, HUC services for Roc Oil Siprod/ Infill Drilling Campaign	May 2019	July 2023	Yes

The actual value of the contracts above is not available as these contracts are based on work orders issued by the contractors throughout the contract duration. However, the contracts are expected to last between 2020 and 2023. As such, the management believes that our Group will continue to deliver a positive performance in 2019.

The synergies tie-up with PPB has ensured our Group with access to adequate and reliable vessel supply to position itself to take on engineering and construction projects as the combined expertise of our Company and PPB will further enhance our Group's competitive advantage. This could also help to set the platform for our Group's future strategic venture into engineering projects, offering integrated offshore services to its valued customers.

PPB Group expects to improve its financial performance in 2019 arising from an improvement to their vessel utilisation rate as compared to 2018. Both our Company and PPB have established synergistic tie-up since our Company became the controlling shareholder of PPB in 2015. A number of the PPB Group's vessels have been earmarked for our offshore maintenance and hook-up contracts with various oil majors, whilst increase in drilling activities for more wells is expected to increase vessel utilisation for the AHTS segment. PPB Group expects the crude oil price recovery to boost the general sentiment for the oil majors and lead to more overall offshore support vessel chartering opportunities for PPB.

PPB Group have been continuously replenishing its work orders and had secured a total of 7 key work orders with tenure above 180 days for the past 2 years up to the LPD as set out below:-

Awarded by	Scope of work	Commencement date[*1]	Tenure of work orders Initial[*1]	Option to extend[*1]
ROC Oil (Sarawak) Sdn Bhd	Provision of 1 AHTS	September 2018	380 days	30 days
Dayang Enterprise Sdn Bhd[*2]	Provision of 2 AWBs	1st AWB March 2019	1st AWB 120 days	1st AWB Subject to negotiation
		2nd AWB April 2019	2nd AWB 200 days	2nd AWB Up to 30 days
DESB Marine Services Sdn Bhd[*2]	Provision of 1 WB	April 2019	180 days	Up to 150 days
PETRONAS Carigali	Provision of 1 AHTS	March 2019	184 days	Up to 182 days
PETRONAS Carigali	Provision of 2 AHTS	May 2019	180 days	Up to 180 days
PETRONAS Carigali	Provision of 2 AWBs	1st AWB July 2019	1st AWB 183 days	1st AWB Up to 100 days
		2nd AWB July 2019	2nd AWB 155 days	2nd AWB Up to 100 days
PETRONAS Carigali	Provision of 1 AHTS	August 2019	365 days	365 days

Notes:-

*1 Based on work orders awarded

*2 Wholly-owned subsidiaries of our Company

The average utilisation rate of the PPB Group's vessels for the FYEs 31 December 2016, 2017, 2018 and as at the LPD is 58%, 52%, 64% and 69% respectively.

In addition to the business and industry prospects, PPB is presently undertaking a comprehensive debt restructuring exercise under the auspices of the Corporate Debt Restructuring Committee of BNM ("CDRC"), with its licensed financial institutions. The admission by PPB into the CDRC is consistent with PPB's strategy to streamline its operations and optimise its financial resources and formed part of the group-wide debt restructuring exercise undertaken by our Group currently.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE OF SHARES

8.1 Issued share capital

The pro forma effects of the Rights Issue of Shares on the issued share capital of our Company are set out below:-

	No. of Dayang Shares	RM
Issued share capital as at the LPD	964,809,835	672,988,001
Issuance of the Rights Shares	96,480,983	88,762,504
Enlarged issued share capital	**1,061,290,818**	**761,750,505**

Note:-

*1 Calculated based on the number of Rights Shares multiplied by the issue price of RM0.92 per Rights Share

8.2 NA per Share and gearing

The pro forma effects of the Rights Issue of Shares on the NA and gearing of our Group based on our latest unaudited consolidated financial statements for the 6-month FPE 30 June 2019 are set out below:-

	Unaudited as at 30 June 2019 RM'000	(I) After subsequent events up to and including 15 November 2019*1 RM'000	(II) After (I) and the Rights Issue of Shares RM'000
Share capital	672,988	672,988	761,751*4
Retained earnings	444,110	451,572*2	449,072*2
Other reserves	57,813	59,142	59,142
Shareholders' funds/ NA	**1,174,911**	**1,183,702**	**1,269,965**
No. of Dayang Shares in issue ('000)	964,810	964,810	1,061,291
NA per Dayang Share (RM)	1.22	1.23	1.20
Total borrowings (RM'000)	922,278	821,859*3	751,859*3
Gearing (times)	0.78	0.69	0.59

Notes:-

1. After taking into account the acquisition of Mount Santubong Ltd ("MSL") by Perdana Jupiter Limited ("PJL") (a wholly-owned subsidiary of PPB) which was completed on 5 July 2019 ("Acquisition of MSL") and the issuance of an unrated islamic medium term notes of RM682.5 million in nominal value under the Sukuk Programme which has been fully issued on 15 November 2019

*2 After taking into account the following:-

i. the increase in retained earnings by RM19.9 million arising from the Acquisition of MSL and the estimated expenses in relation to the Sukuk Programme of approximately RM12.4 million under pro forma (I); and

ii. the estimated expenses in relation to the Rights Issue of Shares amounting to RM2.5 million under pro forma (II)

*3 After taking into account the following:-

i. the decrease in total borrowings by RM63.2 million arising from the Acquisition of MSL and the partial repayment of our bank borrowing of approximately RM37.2 million via our Group's internally generated funds under pro forma (I); and

ii. the partial repayment of our bank borrowing amounting to RM70.0 million from the utilisation of proceeds as set out in Section 4 of this Abridged Prospectus under pro forma (II)

*4 Computed based on 96,480,983 Rights Shares issued at an issue price of RM0.92 per Rights Share

8.3 Earnings and EPS

The Rights Issue of Shares is not expected to have a material effect on the earnings of our Group for the FYEs 31 December 2019 and 2020. However, the EPS of our Group may be diluted as a result of the increase in the number of Rights Shares to be issued upon completion of the Rights Issue of Shares.

8.4 Convertible securities

As at the LPD, our Company does not have any convertible securities.

9. WORKING CAPITAL AND SOURCES OF LIQUIDITY, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS

9.1 Working capital and sources of liquidity

Our Group's working capital requirements have been funded by a combination of internal and external sources of funds. Our internal sources of funds are generated from our operating activities as well as our existing cash and bank balances, whereas our external sources of funds are derived from credit extended by suppliers and credit facilities from licensed financial institutions. The credit term granted to us by our suppliers is between 30 and 60 days.

As at the LPD, our Group held cash and bank balances of approximately RM270.4 million. We also have unutilised bank overdrafts of approximately RM22.0 million.

Our Board is of the opinion that, after taking into consideration the funds generated from our operations, existing cash and bank balances, and the banking facilities available to us as well as the proceeds to be raised from the Rights Issue of Shares, we will have sufficient working capital for a period of 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM916.2 million (including outstanding borrowings of approximately RM489.4 million from the PPB Group). All our borrowings are interest-bearing and denominated in both local and foreign currency, details of which are set in the following page:-

9.2.1 Local currency

As at the LPD, our Group has approximately RM801.0 million in borrowings denominated in local currency, representing 87.4% of our total borrowings, which comprise the following:-

	Purpose of facility	Interest rate %	RM'000
Long term borrowings:-			
Term loans	To part finance the construction of vessels and the acquisition of ordinary shares in PPB and warrants in PPB not already owned by our Company in 2015	5.28 – 5.95	123,718
Islamic facility	To refinance the PPB Group's borrowing denominated in USD	2.02	14,143
Short term borrowings:-			
PPB Sukuk Murabahah	To refinance the PPB Group's borrowings denominated in USD	4.75 – 4.90	355,754
Term loans	To part finance the construction of vessels and the acquisition of ordinary shares in PPB and warrants in PPB not already owned by our Company in 2015	5.28 – 5.95	153,120
Islamic facility	To refinance the PPB Group's borrowing denominated in USD	2.02	2,357
Revolving credits	For working capital requirements	4.43 – 5.77	151,916
Total borrowings			**801,008**

9.2.2 Foreign currency

As at the LPD, our Group has approximately RM115.2 million in borrowings denominated in foreign currency, representing 12.6% of our total borrowings, which comprise the following:-

	Purpose of facility	Interest rate %	USD'000	RM'000*1
Long term borrowings:-				
Term loans	To part finance the purchase of vessels	3.85 – 4.13	17,786	74,479
Short term borrowings:-				
Term loans	To part finance the purchase of vessels	3.85 – 6.01	9,718	40,694
Total borrowings			**27,504**	**115,173**

Note:-

*1 Based on the exchange rate of USD1: RM4.1875, being the middle rate as quoted by BNM as at 5.00 p.m. on the LPD

Further, upon issuance of the Sukuk Programme on 15 November 2019, our Group is expected to have approximately RM797.3 million in borrowings denominated in local currency, which comprise the following:-

	Purpose of facility	Interest rate %	RM'000
Long term borrowings:-			
Sukuk Programme	To redeem the PPB Sukuk Murabahah and repay our Group's (excluding PPB Group) existing borrowings	6.39 – 6.76	600,600
Term loans	To part finance the construction of vessels	5.28 – 5.38	14,827
Islamic facility	To refinance the PPB Group's borrowing denominated in USD	2.02	14,143
Short term borrowings:-			
Sukuk Programme	To redeem the PPB Sukuk Murabahah and repay our Group's (excluding PPB Group) existing borrowings	-	81,900
Term loans	To part finance the construction of vessels and the acquisition of ordinary shares in PPB and warrants in PPB not already owned by our Company in 2015	5.28 – 5.95	81,520
Islamic facility	To refinance the PPB Group's borrowing denominated in USD	2.02	2,357
Revolving credits	For working capital requirements	4.43	1,916
Total borrowings			**797,263**

For the avoidance of doubt, the issuance of the Sukuk Programme does not have any effect on our Group's borrowings denominated in foreign currency as the proceeds are purely utilised for the redemption of the PPB Sukuk Murabahah and the repayment of our Group's (excluding the PPB Group) borrowings denominated in local currency.

As at the LPD, our Group does not have any non-interest bearing borrowings from local and foreign financial institutions.

Our Group has not defaulted on payments of either interest and/ or principal sums in respect of any borrowings during the FYE 31 December 2018 and the subsequent financial period up to the LPD.

For information purposes, as disclosed in Note 18 of the latest audited consolidated financial statements for the FYE 31 December 2018 of our Company, our Group is subject to the following significant loan covenants on loans and borrowings:-

i. book equity not less than USD40 million;

ii. debt service coverage ratio of at least 1.25 times;

iii. debt to net worth ratio of not greater than 3 times;

iv. tangible net worth equal to or more than RM500 million; and

v. unencumbered cash not less than USD7 million or the equivalent in any currency.

Our Group has breached certain covenants for 3 term loans, has not complied with certain terms of the PPB Sukuk Murabahah and received notices of default from a lender of a term loan, the details of which are set out below:-

Borrowings	**During the FYE 31 December 2018 and the subsequent financial period up to the LPD**	**Status**
<u>Dayang</u>		
Term loan 1	Our Company has breached a covenant as at 31 December 2018. As a result, the non-current portion of the term loan has been reclassified to current liabilities as at 31 December 2018.	The outstanding amount of this term loan stood at RM160.5 million as at the LPD, of which RM70.0 million will be repaid via proceeds to be raised from the Rights Issue of Shares whilst the remaining balance of RM90.5 million will be repaid via the combination of proceeds raised from the Sukuk Programme and our Group's internally-generated funds. Please refer to Section 4 of this Abridged Prospectus for further details.

Borrowings	During the FYE 31 December 2018 and the subsequent financial period up to the LPD	Status
PPB Group		
Term loan 2	A subsidiary of PPB has breached several covenants as at 31 December 2018 for a term loan denominated in USD. As a result, the non-current portion of the term loan has been reclassified to current liabilities as at 31 December 2018. The said term loan of USD6.0 million as at 31 December 2018 was due for full repayment in October 2019.	The outstanding amount of this term loan stood at USD6.0 million as at the LPD. The tenure of this term loan is expected to be extended for a maximum period of 48 months at reduced interest rate effective from the finalisation of the restructured terms with the lender in the 4th quarter of 2019.
Term loan 3	A subsidiary of PPB has breached a covenant as at 31 December 2018 for a term loan denominated in USD. As a result, the non-current portion of the term loan has been reclassified to current liabilities as at 31 December 2018. In addition, the said subsidiary had received notices of default from the lender of the term loan during the FYE 31 December 2018 whereby the balance owing to the lender was RM16.8 million as at 31 December 2018 and has been classified as current liabilities in view that the balance owing is also due for full repayment in November 2018.	The outstanding amount of this term loan of RM16.8 million as at 31 December 2018 has been fully settled and refinanced into a new Islamic facility denominated in RM of RM16.5 million over a tenure of 7 years in August 2019.
PPB Sukuk Murabahah	The non-current portion of the PPB Sukuk Murabahah of RM365.0 million has been reclassified to current liabilities due to non-compliance of certain terms under an Al-Kafalah facility agreement dated 13 April 2016.	The outstanding nominal value of the PPB Sukuk Murabahah of RM365.0 million has been fully redeemed on 15 November 2019 via proceeds raised from the Sukuk Programme.

We wish to highlight that the above forms part of the group-wide debt restructuring exercise undertaken by our Group currently.

9.3 Contingent liabilities

Save as disclosed below, as at the LPD, our Board confirmed that there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results or position of our Group:-

	RM'000
Corporate guarantee given to a licensed financial institution for a short-term loan facility obtained by Dayang*1	90,000
Corporate guarantee given to licensed institutions regulated by BNM for the Sukuk Programme	682,500
Corporate guarantees given to licensed financial institutions for credit facilities granted to subsidiaries	190,503
	963,003

Note:-

*1 Our Company had, in April 2019, secured a short term loan facility from a licensed financial institution to bridge the 3rd tranche repayment for the PPB Sukuk Murabahah. The short term loan facility has been repaid from the proceeds raised from the Sukuk Programme on 15 November 2019. As such, the corporate guarantee shall be cancelled after the issuance of the Sukuk Programme on 15 November 2019

9.4 Material commitments

As at the LPD, our Board confirmed that there are no material commitments for capital expenditure incurred or known to be incurred by our Group that have been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

9.5 Material transactions

Save as disclosed below, our Board confirmed that there are no other transactions which may have a material effect on our Group's operations, financial position and results since the last audited consolidated financial statements of our Group for the FYE 31 December 2018:-

i. acquisition of the entire issued and paid-up share capital of MSL by PJL (a wholly-owned subsidiary of PPB) from NFC Shipping Fund C LLC for a total cash consideration of USD1.00 (as announced on 23 May 2019 and was subsequently completed on 5 July 2019).

10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES

10.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares which you are entitled to subscribe for in full or in part in accordance with the terms and conditions of the Rights Issue of Shares. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS Account and the RSF to enable you to subscribe for such Rights Shares provisionally allotted to you, as well as to apply for the Excess Rights Shares, if you choose to do so.

We shall make an announcement on the outcome of the Rights Issue of Shares after the Closing Date.

10.2 NPA

The Provisional Rights Shares are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in such Provisional Rights Shares will be by way of book entries through CDS Accounts and will be governed by the SICDA, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository. You and/ or your renouncees and/ or transferees (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

10.3 Last day, date and time for acceptance and payment

The last time, day and date for acceptance of and payment for the Provisional Rights Shares and the Excess Rights Shares is at **5.00 p.m. on Friday, 6 December 2019**.

10.4 Methods of acceptance and application

You may subscribe for the Provisional Rights Shares as well as apply for the Excess Rights Shares, if you choose to do so, using either of the following methods:-

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-Subscription	All individual Entitled Shareholders

10.5 Procedures for acceptance and payment

10.5.1 By way of RSF

If you and/ or renouncees and/ or transferees (if applicable) wish to accept your or their entitlement to the Provisional Rights Shares, the acceptance of and payment for the Provisional Rights Shares must be made on the respective RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, the NPA or the RSF or the notes and instructions contained in the Documents or which are illegible may not be accepted at the absolute discretion of our Board.

Renouncees and/ or transferees (if applicable) who wish to accept the Provisional Rights Shares must obtain a copy of the RSF from our Share Registrar or at our Registered Office or from the Bursa Securities' website at (www.bursamalaysia.com) and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedures for acceptance and payment applicable to our Entitled Shareholders also apply to renouncees and/ or transferees (if applicable) who wish to accept the Provisional Rights Shares.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU AND/ OR YOUR RENOUNCEES AND/ OR TRANSFEREES (IF APPLICABLE) AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR PROVISIONAL RIGHTS SHARES ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU AND/ OR YOUR RENOUNCEES AND/ OR TRANSFEREES (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY. IN ACCORDANCE WITH THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

You and/ or renouncees and/ or transferees (if applicable) who wish to accept your or their entitlement to the Provisional Rights Shares, either in full or in part, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed RSF together with the relevant payment must be and despatched **BY ORDINARY POST, BY COURIER** or **DELIVERED BY HAND** (at your own risk) to our Share Registrar at the following address:-

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan

or

Tricor Customer Service Centre
Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan

Tel. No.: +603-2783 9299
Fax. No.: +603-2783 9222

so as to arrive **not later than 5.00 p.m. on Friday, 6 December 2019**, being the last time, day and date for acceptance of and payment for the Rights Shares.

1 RSF can only be used for acceptance of Provisional Rights Shares standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Rights Shares standing to the credit of more than 1 CDS Account. The Rights Shares subscribed by you in accordance with the procedures set out in the RSF will be credited into the respective CDS Accounts where the Provisional Rights Shares are standing to the credit.

A reply envelope is enclosed with this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

You and/ or your renouncees and/ or transferees (if applicable) should take note that a trading board lot for the Rights Shares comprises 100 Rights Shares. The minimum number of securities that can be subscribed for or accepted is 1 Rights Share for every 10 existing Shares held on the Entitlement Date. Fractions of Rights Shares, if any, shall be disregarded, and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Rights Shares are not received by our Share Registrar by **5.00 p.m.** on **Friday, 6 December 2019**, being the last time, day and date for acceptance and payment, you will be deemed to have declined the Provisional Rights Shares allotted to you and it will be cancelled. Such Rights Shares not taken up will be allotted to the applicants applying for Excess Rights Shares in the manner as set out in Section 10.9 of this Abridged Prospectus. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. Our Board reserves the right not to accept any application or to accept any application in part only without providing any reason.

If you and/ or your renouncees and/ or transferees (if applicable) lose, misplace or for any other reasons require another copy of this Abridged Prospectus and/ or the RSF, you may obtain additional copies from your stockbrokers, our Share Registrar at the address stated above or at our Registered Office or the website of Bursa Securities' (www.bursamalaysia.com).

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

ALL RIGHTS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF SHARES WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/ OR THEIR RENOUNCEES AND/ OR TRANSFEREES (IF APPLICABLE) WHERE THE PROVISIONAL RIGHTS SHARES ARE STANDING TO THE CREDIT. NO PHYSICAL SHARE CERTIFICATE WILL BE ISSUED.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE MADE IN RM FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE PROVISIONAL RIGHTS SHARES ACCEPTED, IN THE FORM OF BANKER'S DRAFT, CASHIER'S ORDER, MONEY ORDER OR POSTAL ORDER DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MADE PAYABLE TO "DAYANG RIGHTS ISSUE ACCOUNT", CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME, ADDRESS AND CDS ACCOUNT NUMBER OF THE APPLICANT IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE OF SHARES. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED WITH THEIR RIGHTS SHARES, AND NOTICES OF ALLOTMENT WILL BE DESPATCHED AND FORWARDED BY ORDINARY POST TO THE SUCCESSFUL APPLICANTS TO THE ADDRESS LAST SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES. APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES MUST BE MADE IN ACCORDANCE WITH THE RSF ENCLOSED WITH THIS ABRIDGED PROSPECTUS AND MUST BE COMPLETED STRICTLY IN ACCORDANCE WITH THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. ACCEPTANCES AND/ OR PAYMENTS WHICH DO NOT CONFORM WITH THE TERMS AND CONDITIONS OF THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. OUR SHARE REGISTRAR WILL NOT CONTACT YOU AND/ OR YOUR RENOUNCEES AND/ OR TRANSFEREES (IF APPLICABLE) FOR SUCH ACCEPTANCES.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/ DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY THE REFUND WILL BE MADE BY WAY OF ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS LAST SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANT'S OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

10.5.2 By way of e-Subscription

Subsequent to the Entitlement Date, our Company will, at its discretion, authorise our Share Registrar to send an electronic notification to the Registered Entitled Shareholders. If you are a Registered Entitled Shareholder, you will be notified on the availability of e-Subscription for the Rights Issue of Shares on TIIH Online website.

The e-NPA and the e-RSF are available to you upon your login to TIIH Online. You are advised to read the instructions as well as the terms and conditions of the e-Subscription.

The e-Subscription is only available to Entitled Shareholders who are individuals. Corporation or institutional Entitled Shareholders will have to complete the RSF for the application for the Rights Issue of Shares as set out in Section 10.5.1 of this Abridged Prospectus.

Individual Registered Entitled Shareholders who wish to subscribe for the Provisional Rights Shares and apply for the Excess Rights Shares by way of e-Subscription shall take note of the following:-

i. any e-Subscription received by our Share Registrar after the Closing Date for Acceptance, Excess Application and Payment shall be regarded as null and void and of no legal effect unless our Board in its absolute discretion determines otherwise. Any e-Subscription, once received by our Share Registrar from you, is irrevocable and shall be binding on you;

ii. you will receive notification to login to TIIH Online in respect of your shareholding in your CDS Accounts. Accordingly, for each CDS Account, you can choose to subscribe the Provisional Rights Shares which you are entitled to in whole or part thereof as stipulated in this Abridged Prospectus;

iii. the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using TIIH Online, the terms and conditions of e-Subscription, this Abridged Prospectus and the e-RSF. Any e-Subscription submitted that does not conform to the terms and conditions of TIIH Online, Abridged Prospectus and the e-RSF may not be accepted at the sole discretion of our Company. Our Company reserves the right at its absolute discretion to reject any e-Subscription which are incomplete or incorrectly completed;

iv. the number of Provisional Rights Shares you are entitled to under the Rights Issue of Shares is set out in the e-RSF. You are required to indicate the number of Provisional Rights Shares you wish to accept and number of Excess Rights Shares you wish to apply in the e-RSF;

v. the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway;

vi. a handling fee of **RM5.00 per e-RSF** is payable should you make e-Subscription. You will also need to pay a stamp duty of RM10.00 for each e-RSF; and

vii. the new Shares arising from the Provisional Rights Shares accepted and Excess Rights Shares applied (if successful pursuant to Procedure for Excess Application as stated in Section 10.9 of this Abridged Prospectus) will be issued and credited into your CDS Account as stated in the Record of Depositors as at the last date for transfer of Provisional Rights Shares.

All Entitled Shareholders who wish to opt for e-Subscription, either in full or in part of your Provisional Rights Shares, please read and follow the procedures set below:-

i. Sign up as a user of TIIH Online

a) Access TIIH Online at https://tiih.online.

b) Sign up as a user of TIIH Online under "e-Services". You may refer to the tutorial guide posted on the homepage for assistance.

c) Registration will be approved within one Market Day by email.

d) Proceed to activate your account by re-setting your password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If you are already a user of TIIH Online, you are not required to sign up again.

ii. Procedures to make e-Subscription

a) Login to TIIH Online at https://tiih.online with your user name (i.e. your registered e-mail address) and password.

b) Select the corporate exercise name: Dayang Rights Issue of Shares.

c) Read and agree to the Terms & Conditions and confirm the Declaration.

d) Preview your CDS Account details and your Provisional Rights Shares.

e) Select the relevant CDS Account and insert the number of Provisional Rights Shares to subscribe and the number of Excess Rights Shares to apply (if applicable) in the e-RSF.

f) Review and confirm the number of Provisional Rights Shares which you are subscribing and the number of Excess Rights Shares you are applying (if applicable) and the total amount payable for the Provisional Rights Shares and Excess Rights Shares (if applicable).

g) Payment of stamp duty at RM10.00 for each e-RSF and handling fee of RM5.00 for each e-RSF will be included in the total amount payable.

h) Proceed for payment via online payment gateway either through Maybank2U or any Financial Process Exchange (FPX) participating bank which you have an internet banking account.

i) As soon as the online payment is completed, a confirmation message with details of your subscription and payment from TIIH Online and the relevant payment gateway will be sent to your registered e-mail address.

j) Print the payment receipt and your e-RSF for your reference and record.

iii. Terms and conditions for e-Subscription

The e-Subscription of Provisional Rights Shares and Excess Rights Shares (if successful) shall be made on and subject to the terms and conditions appearing herein:-

a) After login to TIIH Online, you are required to confirm and declare the following information give are true and correct:-

1. you have attained 18 years of age as at the last day for subscription payment;

2. you have, prior to making the e-Subscription, received a printed copy of this Abridged Prospectus and/ or have had access to this Abridged Prospectus from Bursa Securities' website at www.bursamalaysia.com, the contents of which you have read and understood; and

3. you agree to all the terms and conditions for the e-Subscription as set out in this Abridged Prospectus and have carefully considered the risk factors as set out in Section 6 of this Abridged Prospectus, in addition to all other information contained in this Abridged Prospectus, before making the e-Subscription application;

you agree and undertake to subscribe for and to accept the number of Provisional Rights Shares and Excess Rights Shares applied for (if applicable) as stated in the e-RSF. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of Rights Shares that may be allotted to you.

b) by making and completing your e-Subscription, you, if successful, request and authorise our Share Registrar or our Company to credit the Rights Shares allotted to you into your CDS Account.

c) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company or our Share Registrar and irrevocably agree that if:-

1. our Company or our Share Registrar does not receive your e-Subscription; or

2. data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Share Registrar,

you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against our Company or our Share Registrar for the Provisional Rights Shares accepted and/ or Excess Rights Shares applied for or for any compensation, loss or damage relation to the e-Subscription.

d) you will ensure that your personal particulars recorded with TIIH Online and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected; you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository.

e) by making and completing an e-Subscription, you agree that:-

1. in consideration of our Company agreeing to allow and accept your e-Subscription for the Provisional Rights Shares accepted and the Excess Rights Shares applied for (if applicable), your e-Subscription is irrevocable and cannot be subsequently withdrawn; and

2. our Share Registrar will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control

f) our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

g) notification on the outcome of your e-Subscription for the Provisional Rights Shares and the Excess Rights Shares will be despatched to you by ordinary post to address as shown in the Record of Depositors of our Company at your own risk within the timeline as follows:-

1. successful application – a notice of allotment will be despatched within 8 Market Days from the Closing Date; or

2. unsuccessful/ partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

The refund will be credited directly into your bank account if you have registered such bank account information to Bursa Depository for the purposes of cash dividend/ distribution. If you have not registered such bank account information with Bursa Depository, the refund will be made by way of issuance of cheque and sent by ordinary post to the address last shown in the Record of Depositors provided by Bursa Depository at your own risk.

10.6 Procedures for part acceptance

You are entitled to accept part of your Provisional Rights Shares provided that the minimum number of Rights Shares that can be subscribed for or accepted is 1 Rights Share. Fractional of Rights Shares shall be disregarded and dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interest of our Company.

You must complete both Parts I(A) and II of the RSF by specifying the number of Provisional Rights Shares which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar. Please refer to Sections 10.5.1 and 10.5.2 of this Abridged Prospectus for the procedures for acceptance and payment by way of RSF and e-Subscription.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED HEREIN.

The portion of the Provisional Rights Shares that have not been accepted will be made available to applicants for Excess Applications.

10.7 Procedures for sale or transfer of Provisional Rights Shares

As the Provisional Rights Shares are renounceable securities, you may sell or transfer all or part of your entitlement to the Provisional Rights Shares or transfer all or part of your entitlement to 1 or more persons, you may do so through your stockbrokers without first having to request for a split of the Provisional Rights Shares standing to the credit in your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Rights Shares, you may sell such entitlement on Bursa Securities or transfer to such persons as may be allowed pursuant to the Rules of Bursa Depository, both for the period up to the last day, date and time for the sale and transfer of the Provisional Rights Shares.

If you have sold or transferred only part of the Provisional Rights Shares, you may still accept the balance of the Provisional Rights Shares by completing Parts I(A) and II of the RSF. Please refer to Sections 10.5.1 and 10.5.2 of this Abridged Prospectus for the procedures for acceptance and payment by way of RSF and e-Subscription.

In selling/ transferring all or part of your Provisional Rights Shares, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional Rights Shares standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

10.8 Procedure for acceptance by renouncees and/ or transferees

Renouncees and/ or transferees (if applicable) who wish to accept the Provisional Rights Shares by way of RSF must obtain a copy of the RSF from their stockbrokers, our Share Registrar, our Registered Office or the website of Bursa Securities (http://www.bursamalaysia.com), complete the RSF and submit the same together with the remittance to our Share Registrar at the above-stated address in accordance with the notes and instructions printed therein.

Alternatively, you may login to https://tiih.online to subscribe for the Provisional Rights Shares by way of e-Subscription.

The procedures for acceptance and payment applicable to the Entitled Shareholders as set out in Sections 10.5.1 and 10.5.2 of this Abridged Prospectus also apply to renouncees and/ or transferees (if applicable) who wish to accept the Provisional Rights Shares.

10.9 Procedures for application for Excess Rights Shares

10.9.1 By way of RSF

If you are an Entitled Shareholder and/ or a renouncee and/ or transferee (if applicable), you may apply for the Excess Rights Shares in addition to your Provisional Rights Shares. If you wish to do so, please complete Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance** made in RM for the **FULL** and **EXACT** amount payable in respect of the Excess Rights Shares applied for) using the envelope provided. Each completed RSF together with the relevant payment must be despatched **BY ORDINARY POST**, **COURIER** or **DELIVERED BY HAND** (at your own risk) to our Share Registrar at the address as set out in Section 10.5.1 of this Abridged Prospectus, so as to arrive by the Closing Date.

PAYMENT FOR THE EXCESS RIGHTS SHARES APPLIED SHOULD BE MADE IN THE SAME MANNER DESCRIBED IN SECTION 10.5.1 OF THIS ABRIDGED PROSPECTUS, EXCEPT THAT THE BANKER'S DRAFT OR CASHIER'S ORDER OR MONEY ORDER OR POSTAL ORDER DRAWN ON A BANK OR POST OFFICE IN MALAYSIA BE MADE PAYABLE TO "DAYANG EXCESS RIGHTS ISSUE ACCOUNT", CROSSED "ACCOUNT PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME, ADDRESS AND CDS ACCOUNT NUMBER OF THE APPLICANT IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE. THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES APPLIED FOR. ANY EXCESS OR INSUFFICIENT PAYMENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. CHEQUES OR OTHER MODES OF PAYMENT NOT PRESCRIBED HEREIN ARE UNACCEPTABLE.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE OF SHARES.

10.9.2 By way of e-Subscription

If you are an Entitled Shareholder and/ or renouncee and/ or transferee (if applicable) who is an individual, you may apply for the Excess Rights Shares via e-Subscription in addition to your Provisional Rights Shares. If you wish to do so, you may apply for the Excess Rights Shares by following the same steps as set out in Section 10.5.2 of this Abridged Prospectus.

The e-Subscription for Excess Rights Shares will be made on, and subject to, the same terms and conditions appearing in Section 10.5.2 of this Abridged Prospectus.

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to the Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) who have applied for the Excess Rights Shares in the following priority:-

i. firstly, to minimise the incidence of odd lots;

ii. secondly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares under the Excess Application, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;

iii. thirdly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares under the Excess Application, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares applied for; and

iv. finally, for allocation to renouncees and/ or transferees (if applicable) who have applied for Excess Rights Shares under the Excess Application, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares applied for.

In the event there is any remaining balance of Excess Rights Shares applied for by the Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable), who have applied for the Excess Rights Shares after carrying out steps (i) to (iv) as set out above, steps (ii) to (iv) will be repeated again in the same sequence to allocate the remaining balance of the Excess Rights Shares to the Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) who have applied for the Excess Rights Shares until such balance is fully allocated.

Nonetheless, our Board reserves the right to allot the Excess Rights Shares applied for by the Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) in such manner as our Board deems fit, expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable manner and that the intention of the Board as set out in (i) to (iv) above is achieved. Our Board also reserves the rights at its absolute discretion to accept in full or in part any application for Excess Rights Shares without assigning any reason thereof.

The final basis of allocation of the Excess Rights Shares will be announced on Bursa Securities together with the result of the total valid acceptances and excess applications after the Closing Date.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/ DISTRIBUTION. IF YOU HAVE NOT REGISTERED SUCH BANK ACCOUNT WITH BURSA DEPOSITORY, THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN 15 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS LAST SHOWN IN BURSA DEPOSITORY'S RECORD OF DEPOSITORS AT THE APPLICANTS' OWN RISK.

10.10 Notice of allotment

Upon issuance and allotment of the Rights Shares in respect of your acceptance and/ or your renouncee and/ or transferee acceptance (if applicable) and Excess Application (if any), the Rights Shares shall be credited directly into the respective CDS Account where the Provisional Rights Shares were credited. No physical certificates will be issued in respect of the Rights Shares. However, a notice of allotment will be despatched to you and/ or your renouncee and/ or transferee (if applicable), by ordinary post within 8 Market Days from Closing Date, or such other period as may be prescribed or allowed by Bursa Securities, at the address last shown in the Record of Depositors at your own risk.

Where any application for the Rights Shares is not accepted due to non-compliance with the terms of the Rights Shares or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you 15 Market Days from the Closing Date. The refund will be credited into your bank account registered with Bursa Depository for the purpose of cash dividend/ distribution. If you have not registered such bank account with Bursa Depository, the refund will be made by issuance of cheque and shall be despatched to you within 15 Market Days from the Closing Date by ordinary post to the address last shown in the Record of Depositors at your own risk.

Please note that a completed RSF or e-RSF and the payment thereof once lodged with our Share Registrar cannot be withdrawn subsequently.

10.11 Form of issuance

Bursa Securities has already prescribed the Rights Shares to be listed on the Main Market of Bursa Securities and to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, all dealings in the Rights Shares will be subject to SICDA, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical certificates will be issued in respect of the Rights Shares. A notice of allotment will be despatched to the respective Entitled Shareholders and/ or their renouncees and/ or transferees (as the case may be) by ordinary post to the address last shown in the Record of Depositors provided by Bursa Depository at their own risk within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

Where the Rights Shares are provisionally allotted to Entitled Shareholders in respect of their existing Dayang Shares standing to the credit in their CDS Account as the Entitlement Date, the acceptance by Entitled Shareholders of the Provisional Rights Shares shall mean that they consent to receive such Provisional Rights Shares as prescribed or deposited securities which will be credited directly into their CDS Account.

Any person who has purchased the Provisional Rights Shares or to whom the Provisional Rights Shares has been transferred and intends to subscribe for the Rights Shares must state his or her CDS Account number in the space provided in the RSF or e-RSF. The Rights Shares will be credited directly as prescribed or deposited securities into his or her CDS Account upon allotment and issuance.

The Excess Rights Shares, if allotted to the successful applicant who applies for Excess Rights Shares, will be credited directly as prescribed securities into his or her CDS Account. The allocation will be made on a fair and equitable basis in such manner as our Board in its absolute discretion deems fit and expedient and in the best interest of our Company, as disclosed in Section 10.9 of this Abridged Prospectus.

10.12 Laws of foreign jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any jurisdiction other than Malaysia. The Rights Issue of Shares to which the Documents relate is only available to Entitled Shareholders receiving the Documents electronically or otherwise within Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed in any country or jurisdiction other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of Shares complies with the laws of any countries or jurisdictions other than the laws of Malaysia.

Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of Shares only to the extent that it would be lawful to do so.

Our Principal Adviser and Underwriter, our Company and our Directors, our officers and other professional advisers (collectively, the "Parties") would not, in connection with the Rights Issue of Shares, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) are or may be subject. Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) are solely responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject. The Parties do not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable), is or will become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, the Documents have not been (and will not be) sent to the Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) may collect the Documents from our Share Registrar, in which event our Share Registrar will be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid Documents.

The Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we will be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. The Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable), will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue of Shares. Such Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of Shares.

By signing any of the forms in the Documents, the Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) the Parties that:-

i. the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue of Shares, be in breach of the laws of any jurisdiction to which those Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) are or may be subject to;

ii. Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Rights Shares;

iii. Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) are not nominees or agents of any person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Rights Shares, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

iv. Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) are aware that the Provisional Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

v. Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) have obtained a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares; and

vi. Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Persons receiving the Documents (including, without limitation, custodians, nominees and trustees) must not, in connection with the offer, distribute or send the Documents into any foreign jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If the Documents are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection therewith.

Any person who does forward the Documents to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and our Company reserves the right to reject a purported acceptance of the Rights Shares from any such application by Foreign Entitled Shareholders and/ or their renouncees and/ or transferees (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Rights Shares relating to any acceptance which is treated as invalid will be included in the pool of Excess Rights Shares available for Excess Application by the other Entitled Shareholders. You and/ or your renouncees and/ or transferees (if applicable) will also have no claims whatsoever against the Parties in respect of your, and/ or your renouncees' and/ or transferees' (if applicable) entitlements under the Rights Issue of Shares or to any net proceeds thereof.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares pursuant to the Rights Issue of Shares is governed by the terms and conditions as set out in the Documents enclosed herewith.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of our Board
DAYANG ENTERPRISE HOLDINGS BHD

KOH EK CHONG
Independent Non-Executive Director

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia under the Companies Act, 1965 on 10 October 2005 as a public limited company and is deemed registered under the Act. On 24 April 2008, our Company was listed on the Main Board (now known as Main Market) of Bursa Securities.

Our Company is an investment holding company and through its subsidiaries, provides offshore topside maintenance services, minor fabrication works, offshore HUC services for O & G companies, and chartering of marine vessels.

2. SHARE CAPITAL

Our Company's issued share capital as at the LPD is RM672,988,001 comprising 964,809,835 Shares.

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Assuming only the Undertaking Shareholders subscribe for their respective entitlements in full pursuant to the Rights Issue of Shares whilst the remaining Rights Shares are fully underwritten, the pro forma effects of the Rights Issue of Shares on the substantial shareholders' shareholdings as at the LPD are as follows:-

	Shareholdings as at the LPD				After the Rights Issue of Shares			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Naim Holdings	254,921,952	26.42	-	-	280,414,147	26.42	-	-
Datuk Ling	73,254,330	7.59	102,726,512*1	10.65	80,579,763	7.59	112,999,162*1	10.65
Urusharta Jamaah Sdn Bhd	76,367,600	7.92	-	-	76,367,600	7.20	-	-
Tengku Dato' Yusof	65,916,675	6.83	-	-	72,508,342	6.83	-	-
Vogue Empire	61,218,187	6.35	-	-	67,340,005	6.35	-	-
Joe Ling	41,463,825	4.30	134,517,017*2	13.94	45,610,207	4.30	147,968,718*2	13.94
Datuk Hasmi	960,937	0.10	254,921,952*3	26.42	1,057,030	0.10	280,414,147*3	26.42
Datuk Amar	-	-	254,921,952*3	26.42	-	-	280,414,147*3	26.42
Datin Wong	44,500	-*	175,936,342*4	18.24	48,950	-*	193,529,975*4	18.24

Notes:-

* Negligible

*1 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Vogue Empire and Shares held by his spouse, Datin Wong, and his son, Joe Ling

*2 Deemed interested pursuant to Section 8 of the Act by virtue of Shares held by Vogue Empire and his parents, Datuk Ling and Datin Wong

*3 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Naim Holdings

*4 Deemed interested pursuant to Section 8 of the Act by virtue of her substantial shareholdings in Vogue Empire and Shares held by her spouse, Datuk Ling, and her son, Joe Ling

4. BOARD OF DIRECTORS

The details of our Board as at the LPD are set out below:-

Name	Age	Address	Nationality
Datuk Hasmi Bin Hasnan *(Executive Chairman)*	66	Lot 5747, Block 10, Desa Pujut Bandar Baru Permyjaya 98000 Miri Sarawak	Malaysian
Datuk Ling Suk Kiong *(Executive Deputy Chairman)*	73	Lot No. 2908, Jalan Limau 2/2 Pujut 5 98000 Miri Sarawak	Malaysian
YM Tengku Dato' Yusof Bin Tengku Ahmad Shahruddin *(Managing Director)*	56	Unit G, No 51, Enclave Bangsar Jalan Medang Tanduk 59100 Kuala Lumpur	Malaysian
Joe Ling Siew Loung @ Lin Shou Long *(Deputy Managing Director)*	46	Lot 94, Jalan Permyjaya Utama Taman Prima Villa Tudan 98000 Miri Sarawak	Malaysian
Jeanita Anak Gamang *(Executive Director)*	46	Lot 9598, Jalan Betong Taman Jelita 98000 Miri Sarawak	Malaysian
Wong Ping Eng *(Non-Independent Non-Executive Director)*	46	No. 17, Taman Hui Sing 5A3 Jalan Sherif Masahor 93350 Kuching Sarawak	Malaysian
Ali Bin Adai *(Independent Non-Executive Director)*	63	No. 118, Lorong 2A2 Tabuan Laru 93350 Kuching Sarawak	Malaysian
Gordon Kab @ Gudan Bin Kab *(Independent Non-Executive Director)*	63	Lot 1977, Sublot 873 Jalan Pujut 8B 98000 Miri Sarawak	Malaysian
Koh Ek Chong *(Independent Non-Executive Director)*	58	Lot 1131, Miri Waterfront Commercial Centre 98000 Miri Sarawak	Malaysian
Azlan Shah Bin Jaffril *(Independent Non-Executive Director)*	48	No. 7, Lorong Raja Uda 2 Kg Baru 50300 Kuala Lumpur	Malaysian

Save for those disclosed below, none of the other Directors have any direct and/ or indirect shareholding in our Company as at the LPD. The pro forma effect of the Rights Issue of Shares (assuming only the Undertaking Shareholders who are also a Director, subscribe for their respective entitlements in full pursuant to the Rights Issue of Shares whilst the remaining Rights Shares are fully underwritten) on the shareholdings of our Company as at the LPD are set out below:-

	Shareholdings as at the LPD				After the Rights Issue of Shares			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Hasmi	960,937	0.10	254,921,952*1	26.42	1,057,030	0.10	280,414,147*1	26.42
Datuk Ling	73,254,330	7.59	102,726,512*2	10.65	80,579,763	7.59	112,999,162*2	10.65
Tengku Dato' Yusof	65,916,675	6.83	-	-	72,508,342	6.83	-	-
Joe Ling	41,463,825	4.30	134,517,017*3	13.94	45,610,207	4.30	147,968,718*3	13.94
Ali bin Adai	1,000	-*	-	-	1,000	-*	-	-
Gordon Kab @ Gudan Bin Kab	7,500	-*	-	-	7,500	-*	-	-

Notes:-

* Negligible

*1 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Naim Holdings

*2 Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Vogue Empire and Shares held by his spouse, Datin Wong, and his son, Joe Ling

*3 Deemed interested pursuant to Section 8 of the Act by virtue of Shares held by Vogue Empire and his parents, Datuk Ling and Datin Wong

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5. HISTORICAL FINANCIAL INFORMATION

The following table sets out a summary of our Group's key financial information based on our audited consolidated statements of comprehensive income, statements of financial position and statements of cash flows for the financial years/ period under review:-

i. Historical financial performance:-

	Audited			Unaudited
	FYE 31 December 2016	FYE 31 December 2017	FYE 31 December 2018	6-month FPE 30 June 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	708,238	694,989	938,758	403,587
Cost of services	(452,692)	(482,607)	(556,277)	(263,179)
Gross profit	**255,546**	**212,382**	**382,481**	**140,408**
Other income	79,560	1,404	22,464	2,987
Administrative expenses	(121,088)	(95,482)	(99,217)	(50,014)
Other expenses	(36,043)	(100,481)	(20,867)	(366)
Result from operating activities	**177,975**	**17,823**	**284,861**	**93,015**
Other non-operating income	27	-	-	-
Finance income	8,210	8,377	4,917	3,097
Finance costs	(107,528)	(92,702)	(77,640)	(32,188)
Net finance costs	(99,318)	(84,325)	(72,723)	(29,091)
Profit/ (loss) before taxation	**78,684**	**(66,502)**	**212,138**	**63,924**
Taxation	(24,704)	(86,680)	(68,155)	(28,137)
Profit/ (loss) after taxation	**53,980**	**(153,182)**	**143,983**	**35,787**
Profit/ (loss) attributable to:-				
Owners of our Company	54,543	(144,891)	160,150	50,955
Non-controlling interest	(563)	(8,291)	(16,167)	(15,168)
	53,980	**(153,182)**	**143,983**	**35,787**
Gross profit margin (%)	36.1	30.6	40.7	34.8
Profit/ (loss) after taxation margin (%)	7.6	(22.0)	15.3	8.9
Number of Shares in issue ('000)	877,100	964,810	964,810	964,810
Weighted average number of Shares in issue ('000)	877,100	936,935	964,810	964,810
Basic/ Diluted EPS/ (Loss per Share) (sen)	6.2	15.5	16.6	5.3
Dividend paid (RM)	-	1.55[*1]	-	-

Note:-

*1 On 1 November 2017, our Company declared a dividend-in-specie to distribute 292,229,202 ordinary shares in PPB, representing approximately 37.5% equity interest in PPB for RM1.55 each, which amounted to approximately RM453.0 million to the owners of our Company. The dividend-in-specie was completed on 24 November 2017 and an additional distribution of dividend shares pursuant to the dividend-in-specie was completed on 8 December 2017

ii. Historical financial position:-

	← Audited		→	Unaudited
	FYE 31 December 2016	FYE 31 December 2017	FYE 31 December 2018	6-month FPE 30 June 2019
	RM'000	RM'000	RM'000	RM'000
Total non-current assets	2,555,343	2,255,290	2,176,789	2,089,962
Total current assets	567,675	449,330	520,353	494,960
Total assets	**3,123,018**	**2,704,620**	**2,697,142**	**2,584,922**
Share capital	438,550	672,988	672,988	672,988
Share premium	146,686	-	-	-
Retained earnings	570,924	233,005	393,155	444,110
Other reserve	114,270	53,847	57,415	57,813
Total equity attributable to owners of our Company	**1,270,430**	**959,840**	**1,123,558**	**1,174,911**
Non-controlling interest	7,763	190,087	176,251	161,339
Total equity	**1,278,193**	**1,149,927**	**1,299,809**	**1,336,250**
Total non-current liabilities	1,309,122	220,409	98,204	92,443
Total current liabilities	535,703	1,334,284	1,299,129	1,156,229
Total liabilities and equity	**3,123,018**	**2,704,620**	**2,697,142**	**2,584,922**
NA per Share (RM)	1.45	0.99	1.16	1.22

iii. Historical cash flows:-

	← Audited		→	Unaudited
	FYE 31 December 2016	FYE 31 December 2017	FYE 31 December 2018	6-month FPE 30 June 2019
	RM'000	RM'000	RM'000	RM'000
Net cash from operating activities	328,789	221,441	310,079	101,738 *1
Net cash from/ (used in) investing activities	(24,130)	860	22,854	(10,699)
Net cash used in financing activities	(265,450)	(337,668)	(299,253)	(182,239) *1
Net increase/ (decrease) in cash and cash equivalents	**39,209**	**(115,367)**	**33,680**	**(91,200)**
Effect of exchange rate movements	(23,079)	45,824	(3,975)	(775)
Cash and cash equivalent at beginning of financial years/ period	218,315	234,445	164,902	195,649
Cash and cash equivalents at the end of financial years/ period	**234,445**	**164,902**	**194,607**	**103,674**

Note:-

*1 Adjusted pursuant to a misclassification of cash flow arising from the repayment of the PPB Sukuk Murabahah of RM90.0 million in the 2nd quarter of 2019, which would have an impact on net cash from operating activities and net cash used in financing activities for the 6-month FPE 30 June 2019. The said misclassification will be rectified in the unaudited quarterly report of our Group for the 9-month FPE 30 September 2019 which will be released to Bursa Securities by the end of November 2019

Commentary on past performance

i. FYE 31 December 2018

Our segmental revenue contribution for the FYE 31 December 2018 as compared to the preceding financial year are as set out below:-

	FYE 31 December 2017	FYE 31 December 2018
	RM'000	RM'000
Revenue	694,989	938,758
Segmental breakdown		
- Topside maintenance services	597,454	819,567
- Marine offshore support services	97,535	119,191

For the FYE 31 December 2018, our Group recorded revenue of RM938.8 million, which represents an increase of RM243.8 million or 35.1% as compared to the preceding financial year of RM695.0 million, mainly due to revenue contribution from our topside maintenance services segment followed by our marine offshore support services segment. Our revenue contribution from topside maintenance services segment was mainly attributable to higher work orders awarded and performed, particularly for the provision of MCM services to PETRONAS Carigali. Meanwhile, our revenue contribution from marine offshore support services segment was mainly attributable to higher average charter rates which increased by approximately 15% and improved vessel utilisation rate at 64% (FYE 31 December 2017: 52%) as compared to the preceding financial year.

Our Group recorded gross profit of RM382.5 million for the FYE 31 December 2018, which represents an increase of RM170.1 million or 80.1% as compared to the preceding year of RM212.4 million. The increase in gross profit was mainly due to higher revenue as explained above and improved economies of scale as a result of our Group's cost optimisation efforts during the FYE 31 December 2018.

Our other income for the FYE 31 December 2018 was RM22.5 million, which represents an increase of RM21.1 million or 1,507.1% as compared to the preceding year of RM1.4 million. The increase was mainly due to the realised gain on foreign exchange of RM17.3 million (FYE 31 December 2017: RM0.1 million) mainly due to strengthening of RM against other foreign currencies as part of our purchases and borrowings are denominated in foreign currencies.

Our administrative expenses for the FYE 31 December 2018 were RM99.2 million, which represent an increase of RM3.7 million or 3.9% as compared to the preceding year of RM95.5 million. The marginally higher administrative expenses were mainly due to higher personnel expenses from mobilisation for work orders awarded.

Our other expenses for the FYE 31 December 2018 were RM20.9 million, which represent a decrease of RM79.6 million or 79.2% as compared to the preceding year of RM100.5 million. The decrease was mainly due to lower unrealised loss on foreign exchange of RM5.8 million (FYE 31 December 2017: RM51.9 million) arising from the strengthening of RM against payables denominated in foreign currencies on reporting date and lower impairment loss on property, plant and equipment of RM1.7 million (FYE 31 December 2017: RM33.0 million) following the strengthening demand for our Group's vessels.

Our net finance cost for the FYE 31 December 2018 was RM72.7 million, which represents a decrease of RM11.6 million or 13.8% as compared to the preceding year of RM84.3 million as our Group pared down its borrowings by RM191.6 million as a result of the higher cash flows generated from operating activities during the FYE 31 December 2018.

Our Group recorded profit before taxation of RM212.1 million for the FYE 31 December 2018 as compared to loss before taxation of RM66.5 million in the preceding financial year mainly due to higher gross profit and other income recorded as well as lower other expenses and net finance costs incurred.

The cash and cash equivalents of our Group for the FYE 31 December 2018 stood at RM194.6 million, which represents an increase of RM29.7 million or 18.0% as compared to the preceding year of RM164.9 million. The higher cash and cash equivalents were mainly due to:-

1. higher cash from operating activities by RM88.6 million mainly attributable to operating profit of RM420.2 million as compared to the preceding year of RM244.1 million;

2. higher cash from investing activities by RM22.0 million mainly attributable to the net upliftment of pledged fixed deposit of RM49.6 million to repay the 2nd tranche principal repayment of the PPB Sukuk Murabahah of RM90.0 million which was due on 27 April 2018 as well as profit payment in relation to the PPB Sukuk Murabahah during the FYE 31 December 2018; and

3. lower cash used in financing activities by RM38.4 million mainly attributable to the absence of early partial repayment of our Group's bank borrowings amounting to RM150.0 million via proceeds raised from private placement of new Dayang Shares and our Group's internally-generated funds. For information purposes, our Company had completed a private placement of 87,709,900 new Dayang Shares on 27 April 2017 which raised RM89.1 million, of which RM87.8 million were utilised to partially repay our Group's bank borrowings in the FYE 31 December 2017.

ii. 6-month FPE 30 June 2019

Our segmental revenue contribution for the 6-month FPE 30 June 2019 as compared to the preceding financial period are as set out below:-

	6-month FPE 30 June 2018	**6-month FPE 30 June 2019**
	RM'000	**RM'000**
Revenue	370,060	403,587
Segmental breakdown		
- Topside maintenance services	338,956	328,960
- Marine offshore support services	31,104	74,627

For the 6-month FPE 30 June 2019, our Group recorded revenue of RM403.6 million, which represents an increase of RM33.5 million or 9.1% as compared to the preceding financial period of RM370.1 million, mainly due to revenue contribution from our topside maintenance services segment followed by our marine offshore support services segment. Our revenue contribution from topside maintenance services segment was mainly attributable to higher value of work orders received and performed under the topside maintenance contracts, particularly for the provision of MCM services to SEA Hibiscus Sdn Bhd and the provision of facilities maintenance support in Turkmenistan operated by Petronas Carigali (Turkmenistan) Sdn Bhd for Gujurly Inzener. Meanwhile, our revenue contribution from marine offshore support services segment was mainly attributable to higher vessel utilisation rate at 57% (6-month FPE 30 June 2018: 48%) as compared to the preceding financial period, despite the marginal increase in the average charter rates.

Our Group recorded gross profit of RM140.4 million for the 6-month FPE 30 June 2019, which represents an increase of RM21.9 million or 18.5% as compared to the preceding financial period of RM118.5 million. The increase in gross profit was mainly due to higher revenue as explained above.

Our other income for the 6-month FPE 30 June 2019 was RM3.0 million, which represents an increase of RM2.7 million or 900.0% as compared to the preceding financial period of RM0.3 million. The increase was mainly due to the reversal of impairment loss on property plant and equipment of RM2.8 million in the 6-month FPE 30 June 2019 (6-month FPE 30 June 2018: nil) as a result of higher estimated recoverable amounts of 3 of our Group's vessels as compared to their carrying amounts based on an impairment assessment performed by our Group following the strengthening demand for its vessels.

Our administrative expenses for the 6-month FPE 30 June 2019 were RM50.0 million, which represent an increase of RM7.5 million or 17.6% as compared to the preceding financial period of RM42.5 million. The higher administrative expenses were mainly due to higher personnel expenses from mobilisation for work orders awarded.

Our other expenses for the 6-month FPE 30 June 2019 were RM0.4 million, which represent a decrease of RM16.0 million or 97.6% as compared to the preceding financial period of RM16.4 million. The decrease was mainly due to the absence of amortisation of intangible assets (6-month FPE 30 June 2018: 6.2 million) as a result of purchase price allocation accounting treatment arising from the acquisition of PPB which was fully amortised in the FYE 31 December 2018, as well as the absence of allowance of impairment loss on property, plant and equipment which was provided during the 6-month FPE 30 June 2018 of RM7.1 million. In addition, our Group also recorded a lower unrealised loss on foreign exchange of RM0.3 million (6-month FPE 30 June 2018: RM4.7 million) arising from the strengthening of RM against payables denominated in foreign currencies on reporting date.

Our net finance cost for the 6-month FPE 30 June 2019 was RM29.1 million, which represents a decrease of RM9.7 million or 25.0% as compared to the preceding financial period of RM38.8 million mainly due to lower interest charges on reduced balance of borrowing which was repaid via quarterly instalments.

Our Group recorded higher profit before taxation of RM63.9 million for the 6-month FPE 30 June 2019, which represents an increase of RM42.8 million or 202.8% as compared the preceding financial period of RM21.1 million. The higher profit before taxation was mainly due to higher gross profit recorded as well as lower other expenses and net finance cost incurred as explained above.

The cash and cash equivalents of our Group for the 6-month FPE 30 June 2019 stood at RM103.7 million, which represents an increase of RM41.0 million or 65.4% as compared to the preceding financial period of RM62.7 million. The higher cash and cash equivalents were mainly due to:-

1. higher cash generated from operating activities by RM44.2 million mainly attributable higher cash generated from operations by RM43.4 million as a result of higher work orders performed as explained above; and

2. lower cash used in financing activities by RM19.6 million as a result of lower repayment of bank borrowings arising from the CDRC standstill on principal repayments.

However, the movement was partially offset by cash used in investing activities of RM10.7 million as compared to cash generated from investing activities of RM39.0 million in the preceding financial period due to lower withdrawal of fixed deposits by RM48.0 million pursuant to the interest-earning sinking fund build-up requirement of the PPB Sukuk Murabahah.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest last transacted market prices of Dayang Shares as traded on Bursa Securities for the 12 months from November 2018 to October 2019 are set out below:-

	High RM	Low RM
2018		
November	0.710	0.505
December	0.620	0.510
2019		
January	0.610	0.515
February	1.020	0.590
March	1.710	1.180
April	1.580	1.340
May	1.430	0.885
June	1.190	0.925
July	1.500	1.250
August	1.520	1.350
September	1.680	1.360
October	2.150	1.680

Last transacted market price on 16 May 2019 (being the last trading date prior to the announcement in relation to the Rights Issue of Shares dated 17 May 2019) (RM)	1.130
Last transacted market price on the LPD (RM)	1.940
Last transacted market price on 19 November 2019 (being the last trading date prior to the ex-date for the Rights Issue of Shares) (RM)	1.970

(Source: Bloomberg Finance Singapore L.P.)

7. OPTION TO SUBSCRIBE FOR DAYANG SHARES

As at the LPD, save for the Provisional Rights Shares and Excess Rights Shares, no option to subscribe for Dayang Shares has been granted or is entitled to be granted to any person.

8. MATERIAL CONTRACTS

Save as disclosed below, neither our Company nor our subsidiary companies have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the date of this Abridged Prospectus:-

i. PPB's wholly-owned subsidiary, Perdana Jupiter Ltd had on 23 May 2019 entered into a Share Sale Agreement with NFC Shipping Fund C LLC ("NFC") to acquire 2,650,000 ordinary shares, representing the entire issued and paid-up share capital of Mount Santubong Ltd from NFC Shipping Fund C LLC for a total cash consideration of USD1.00. The acquisition has been completed on 5 July 2019;

ii. Our Company had on 29 October 2019 entered into the following transaction documents for the establishment of the Sukuk Programme:-

   a) Programme Agreement between our Company, Maybank Investment Bank Berhad and United Overseas Bank (Malaysia) Bhd (collectively, as the joint lead arrangers and joint lead managers) and Maybank Investment Bank Berhad (as the facility agent), to set out the terms of the Sukuk Programme;

   b) Trust Deed between our Company and Malaysian Trustees Berhad, for Malaysian Trustees Berhad to act as the trustee for the benefit of the holders of the Sukuk issued under the Sukuk Programme; and

   c) Al-Kafalah Facility Agreement between our Company and Danajamin Nasional Berhad ("Danajamin"), for Danajamin to make available the Islamic guarantee facility under the Shariah principle of Al-Kafalah ("Al-Kafalah Facility") to our Company and to set out the terms and conditions of the Al-Kafalah Facility; and

iii. the Underwriting Agreement.

9. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and does not have any knowledge of any proceedings pending or threatened against our Group, or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group:-

i. On 22 June 2011, PPB filed a suit in the High Court against Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Wong Fook Heng, Tiong Young Kong, Lee Mee Jiong, TA Securities Holdings Berhad ("TASB"), Yap Hock Heng and TA First Credit Sdn Bhd ("TAFC") to claim for losses and damages suffered by PPB in respect of, inter alia, the divestment of 10,500,000 ordinary shares of RM0.50 each in Petra Energy Berhad ("PEB") by PPB on 10 September 2009 and the divestment of 48,800,000 ordinary shares of RM0.50 each in PEB by PPB as conducted by TASB and Yap Hock Heng on 11 December 2009.

This suit was mounted on several causes of action, including breaches of fiduciary and statutory duties, accessory liability and conspiracy and PPB was seeking from the High Court, various declaratory reliefs, damages (general and/ or fiduciary and/ or aggravated) to be assessed, interest, account and disgorgement and costs.

On 7 September 2012, PPB filed notices of discontinuance pursuant to a negotiated settlement with TASB, Yap Hock Heng and TAFC, with no admission of liability and with no liberty to file afresh. In this connection, TASB had also agreed to discontinue their suit against PPB in relation to a claim of approximately RM2.8 million as placement fees due to them ("TASB Suit") with no admission of liability and with no liberty to file afresh. With the discontinuance of the TASB Suit, PPB had reversed the provisions made earlier.

The trial at the High Court ended on 26 April 2013 and oral submissions by respective counsels were made on 21 November 2013 and 28 November 2013. On 21 March 2014, PPB announced that the High Court gave its decision that PPB was unsuccessful in the Suit. On 17 April 2014, PPB filed a Notice of Appeal to the Court of Appeal on the decision of the Suit.

On 9 September 2014, the High Court made a decision on costs and ordered PPB to pay the Defendant Parties, a total cost of RM841,731. The High Court also ordered Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra to pay PPB the sum of RM192,780 with post judgement interest calculated at 5% per annum starting from 22 March 2014 ("Judgement Sum"). The earnings of PPB for the year ended 31 December 2014 was reduced by the differential sum of the total cost payable and the judgement sum receivable.

On 2 December 2014, the Court of Appeal fixed the hearing of the Appeal. This was subsequently adjourned and fixed to be heard on 11 March 2015.

The Appeal was heard on 11 March 2015 and 25 March 2015.

On 25 August 2015, PPB announced that the Court of Appeal had made the following judgements:-

a) PPB's appeal was allowed with costs against Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Wong Fook Heng and Tiong Young Kong;

b) PPB's appeal was dismissed with costs against Lee Mee Jiong; and

c) Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra's cross appeal was dismissed with costs.

On 23 September 2015, PPB received the Notices of Motion from the solicitors of Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Wong Fook Heng and Tiong Young Kong (the "Applicants") respectively, to apply for leave to appeal to the Federal Court against the decision of the Court of Appeal on 25 August 2015.

The Federal Court had on 1 March 2016 allowed the leave applications by the Applicants and the Applicants proceeded with the filing of the appeal papers for case management.

On 10 October 2016, Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra's, Wong Fook Heng's and Tiong Young Kong's appeals against PPB were partially heard by the Federal Court. The Federal Court fixed 18 October 2016 for the continued hearing which however did not take place on the said date. The Federal Court subsequently fixed 16 November 2016 as the continued hearing date.

However, on 8 November 2016, the Federal Court via a letter informed all the parties that the continued hearing scheduled on 16 November 2016 was converted to a case management and the new continued hearing date was fixed on 2 February 2017. On 2 February 2017, the Federal Court had heard all of the parties for the continued hearing and deferred the decision to a later date. On 14 December 2017, the Federal Court had unanimously allowed both of Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra and Wong Fook Heng & Tiong Young Kong's appeals (the "Appellants"), with costs in the amount of RM60,000 subject to 4% allocator for each appeal, to be paid by PPB to the Appellants. The Federal Court also held that the Court of Appeal's order dated 25 August 2015 to be set aside and that the High Court Judgement dated 21 March 2014 to be reinstated.

On 6 February 2018, PPB received an instruction letter from the Appellants' solicitor to pay a sum of approximately RM459,000. PPB had fully settled the sum accordingly.

On 8 March 2018, PPB received another instruction letter from the solicitor of Wong Fook Heng and Tiong Young Kong to pay a sum of approximately RM112,400. PPB had fully settled the sum accordingly.

On 3 September 2018, the Industrial Court via a deed of release and settlement informed Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra and PPB, of a sum of RM500,000 to be paid by the latter to the former to resolve and fully settle out of court, all matters in connection to the claim.

Subsequent to the final settlement of the suit, Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra, Datin Che Nariza Hajjar Hashim, Wong Fook Heng and Tiong Young Kong ("Plaintiffs") filed a claim on 7 August 2018 for indemnification of legal fees they have incurred in defending the prior suits (and the appeals emanated therefrom) brought by PPB against them.

On 29 May 2019, the High Court has allowed the Plaintiff's claim against PPB for the cost incurred on an indemnity basis in defending the suits (and the appeals emanated therefrom) since 2009. The total amount to be paid by PPB to the Plaintiffs including the costs and the allocator fee is RM2,652,447.13. The said amount has been accrued for in the financial statements of PPB as at the LPD. On 27 June 2019, PPB has filed a notice of appeal to the Court of Appeal against the decision made by the High Court. PPB's solicitors attended court on 13 August 2019 for case management and updated the court on the current progress of the appeal.

This matter came up for e-review on 30 October 2019 before the Deputy Registrar of the Court of Appeal. The Court of Appeal was informed that PPB has yet to obtain the grounds of judgment from the High Court and that PPB has issued several reminders to the High Court. Therefore, the Court of Appeal has adjourned the matter to 17 December 2019 for further re-review and for PPB to update the Court of Appeal on the availability of the said grounds of judgment.

The solicitors of PPB are of the opinion that PPB has a good arguable chance to appeal in this case.

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APPENDIX II – ADDITIONAL INFORMATION

1. CONSENTS

Our Principal Adviser and Underwriter, company secretaries, Due Diligence Solicitors, Share Registrar, Sage 3 Capital Sdn Bhd and Bloomberg Finance Singapore L.P. have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto in in the form and context in which they appear in this Abridged Prospectus.

2. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Sublot 5 – 10, Lot 46, Block 10, Jalan Taman Raja, MCLD, 98000 Miri, Sarawak, during normal business hours from Mondays to Fridays (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

i. letters of undertaking by the Undertaking Shareholders;

ii. material contracts of our Group as referred to in Section 8 of Appendix I of this Abridged Prospectus;

iii. the relevant cause papers in relation to the material litigation of our Group as referred to in Section 9 of Appendix I of this Abridged Prospectus; and

iv. letters of consent as referred to in Section 1 of Appendix II of this Abridged Prospectus.

3. RESPONSIBILITY STATEMENT

Our Board has seen and approved the Abridged Prospectus together with the accompanying NPA and RSF. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement herein false or misleading.

Kenanga IB, being the Principal Adviser and Underwriter for the Rights Issue of Shares, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue of Shares.