



# **DAYA MATERIALS BERHAD**

Company No. 636357-W  
(Incorporated in Malaysia)

## **Quarterly Report 31 March 2012**

# DAYA MATERIALS BERHAD

(Company No: 636357-W)  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENT

### QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	QUARTER	CORRESPONDING	YEAR TO DATE	CORRESPONDING
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	30,355	50,646	30,355	50,646
Cost of Sales	(23,784)	(43,731)	(23,784)	(43,731)
Gross Profit	6,571	6,915	6,571	6,915
Other Income	1,105	1,880	1,105	1,880
Operating Expenses	(6,006)	(4,111)	(6,006)	(4,111)
Profit from operations	1,670	4,684	1,670	4,684
Finance Costs	(1,087)	(954)	(1,087)	(954)
Share of results of jointly controlled entities	4,006	-	4,006	-
Profit before tax	4,589	3,730	4,589	3,730
Income tax expense	(1,653)	(1,040)	(1,653)	(1,040)
Profit for the period	2,936	2,690	2,936	2,690
Attributable to :				
Equity holders of the Company	2,939	2,688	2,939	2,688
Non-controlling interests	(3)	2	(3)	2
	2,936	2,690	2,936	2,690
Earnings per share (sen):				
Basic	0.24	0.24	0.24	0.24
Diluted*	0.24	0.24	0.24	0.24

\* The dilution of the earnings per share is due to the dilutive potential ordinary shares pursuant to the conversion of Redeemable Convertible Secured Loan Notes ("RCSLN").

These condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and accompanying explanatory notes attached to these interim financial statements.

# DAYA MATERIALS BERHAD

(Company No: 636357-W)

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## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2011 RM'000	CURRENT YEAR TO DATE 31.3.2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.3.2011 RM'000
Profit for the period	<u>2,936</u>	<u>2,690</u>	<u>2,936</u>	<u>2,690</u>
Other comprehensive income:				
Foreign currency translation differences for foreign subsidiaries	12	(18)	12	(18)
Total comprehensive income for the period, net of tax	<u>2,948</u>	<u>2,672</u>	<u>2,948</u>	<u>2,672</u>
Total comprehensive income for the period attributable to:				
Equity holders of the Company	2,951	2,670	2,951	2,670
Non-controlling interests	(3)	2	(3)	2
	<u>2,948</u>	<u>2,672</u>	<u>2,948</u>	<u>2,672</u>

These condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and accompanying explanatory notes attached to these interim financial statements.

# DAYA MATERIALS BERHAD

(Company No: 636357-W)  
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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

(The figures have not been audited)

	UNAUDITED 31.3.2012 RM'000	AUDITED 31.12.2011 RM'000 (restated)	AUDITED 01.01.2011 RM'000 (restated)
<b>Non Current Assets</b>			
Property, plant and equipment	100,296	100,018	90,866
Investment properties	1,207	1,210	1,225
Intangible assets	80,354	80,371	79,976
Investment in jointly controlled entities	7,197	3,129	1,061
Other receivable	1,133	1,272	1,809
	190,187	186,000	174,937
<b>Current Assets</b>			
Inventories	12,220	14,182	13,428
Trade receivables	28,638	74,596	47,641
Other receivables	14,280	11,917	9,615
Other current assets	32,144	22,615	5,041
Tax recoverable	2,908	2,206	3,562
Marketable securities	256	244	159
Cash and cash equivalents	65,549	62,840	34,153
	155,995	188,600	113,599
<b>Current Liabilities</b>			
Trade payables	30,872	51,729	10,373
Other payables	34,375	42,745	25,207
Provisions	3,142	1,710	2,321
Tax payables	1,565	629	2,393
Loans and borrowings	16,491	17,862	14,568
	86,445	114,675	54,862
<b>Net Current Assets</b>	69,550	73,925	58,737
	259,737	259,925	233,674
<b>Financed by:</b>			
Share capital	121,658	119,916	109,674
Reserves	91,328	87,197	63,408
	212,986	207,113	173,082
Non-controlling interests	(3)	-	559
	212,983	207,113	173,641
<b>Non Current Liabilities</b>			
Other payables	3,000	3,000	5,000
Deferred tax liabilities	936	951	1,086
Loans and borrowings	42,818	48,861	53,947
	46,754	52,812	60,033
	259,737	259,925	233,674
<b>Net assets per share (sen)</b>	17.51	17.27	15.78

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and accompanying explanatory notes attached to these interim financial statements.

# DAYA MATERIALS BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

(The figures have not been audited)

	←-----Attributable to Equity Holders of the Company----->								
	Non-Distributable				Distributable			Non- controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Equity component of RCSLN RM'000	Foreign Currency Translation Reserve RM'000	Treasury Shares RM'000	Retained earnings RM'000	Total RM'000		
<b>At 1 January 2011, as previously stated</b>	109,674	9,997	365	192	-	56,369	176,597		
Effect of transition to MFRSs	-	-	-	-	-	(3,515)	(3,515)	-	(3,515)
<b>At 1 January 2011, as restated</b>	109,674	9,997	365	192	-	52,854	173,082	559	173,641
Total comprehensive income for the period	-	-	-	(18)	-	2,688	2,670	2	2,672
Transactions with owners:									
Conversion of RCSLN	1,742	1,258	(78)	-	-	-	2,922	-	2,922
Private placements	500	625	-	-	-	-	1,125	-	1,125
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	80	80
<b>At 31 March 2011</b>	111,916	11,880	287	174	-	55,542	179,799	641	180,440
Total comprehensive income for the period	-	-	-	-	-	4,732	4,732	22	4,754
Transactions with owners:									
Private placements	8,000	9,300	-	-	-	-	17,300	-	17,300
<b>At 30 June 2011</b>	119,916	21,180	287	174	-	60,274	201,831	663	202,494
Total comprehensive income for the period	-	-	-	(36)	-	5,384	5,348	40	5,388
Transactions with owners:									
Issuance of bonus shares	-	(1,550)	-	-	-	-	(1,550)	-	(1,550)
Dividends paid	-	-	-	-	-	(2,878)	(2,878)	-	(2,878)
<b>At 30 September 2011</b>	119,916	19,630	287	138	-	62,780	202,751	703	203,454
Total comprehensive income for the period	-	-	-	34	-	4,577	4,611	(3)	4,608
Transactions with owners:									
Acquisition of non-controlling interest	-	-	-	-	-	68	68	(538)	(470)
Disposal of a subsidiary	-	-	-	-	-	-	-	(162)	(162)
Purchase of treasury shares	-	-	-	-	(317)	-	(317)	-	(317)
<b>At 31 December 2011</b>	119,916	19,630	287	172	(317)	67,425	207,113	-	207,113
<b>At 1 January 2012, as previously stated</b>	119,916	19,630	287	172	(317)	70,940	210,628	-	210,628
Effect of transition to MFRSs	-	-	-	-	-	(3,515)	(3,515)	-	(3,515)
<b>At 1 January 2012, as restated</b>	119,916	19,630	287	172	(317)	67,425	207,113	-	207,113
Total comprehensive income for the period	-	-	-	12	-	2,939	2,951	(3)	2,948
Transactions with owners:									
Conversion of RCSLN	1,742	1,258	(78)	-	-	-	2,922	-	2,922
<b>At 31 March 2012</b>	121,658	20,888	209	184	(317)	70,364	212,986	(3)	212,983

These condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and accompanying explanatory notes attached to these interim financial statements.

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 31.3.2012 RM'000	AUDITED FOR THE YEAR ENDED 31.12.2011 RM'000
	Note	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,589	23,760
Adjustments for:		
Share of results of joint ventures	(4,006)	(1,395)
Discount on convertible loan notes	(21)	74
Amortisation on intangible assets	17	5
Depreciation on property, plant and equipment	1,049	4,443
Depreciation on investment property	4	15
Gain on disposal of property, plant & equipment	(411)	(3,408)
Property, plant and equipment written off	2	18
Gain on disposal of a subsidiary	-	(1)
Gain on disposal of marketable securities	-	(14)
Fair value gain on marketable securities	(12)	(18)
Dividends income	-	(5)
Finance costs	1,087	3,973
Interest income	(394)	(1,343)
Unrealised foreign exchange gain	(94)	(161)
Allowance for impairment loss	-	230
Reversal of allowance for impairment loss	-	(1,140)
Operating profit before working capital changes	1,810	25,033
Changes in working capital:		
Inventories	1,962	(932)
Trade and other receivables	43,828	(28,678)
Other current assets	(9,529)	(17,574)
Trade and other payables	(29,279)	60,540
Provisions	1,432	(611)
Cash generated from operations	10,224	37,778
Finance cost paid	(1,087)	(3,973)
Income tax paid	(1,434)	(6,842)
<b>Net Cash Generated From Operating Activities</b>	<b>7,703</b>	<b>26,963</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,374)	(16,725)
Proceeds from disposal of property, plant and equipment	448	4,600
Purchase of intangible assets	-	(400)
Purchase of marketable securities	-	(115)
Acquisition of non-controlling interest	-	(550)
Proceeds from disposal of marketable securities	-	62
Increase in investment in a jointly controlled entity	-	(6)
Incorporation of a joint venture company	-	(51)
Net cash outflow from disposal of subsidiaries	-	(66)
Increase in pledged deposits placed with licensed banks	(7,267)	(7,129)
Dividends received	-	5
Interest received	394	1,343
<b>Net Cash Used In Investing Activities</b>	<b>(7,799)</b>	<b>(19,032)</b>

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 31.3.2012 RM'000	AUDITED FOR THE YEAR ENDED 31.12.2011 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loans and borrowings	(2,726)	(15,536)
Proceeds from loans and borrowings	1,145	13,706
Proceeds from issuance of shares	-	18,725
Purchase of treasury shares	-	(317)
Distribution of profits from a jointly controlled entity	-	250
Transaction costs paid for issuance of bonus shares	-	(1,850)
Dividends paid	-	(2,878)
<b>Net Cash (Used In)/Generated From Financing Activities</b>	<b>(1,581)</b>	<b>12,100</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	(1,677)	20,031
Effect of exchange rate fluctuations on cash held	12	(21)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR</b>	<b>34,368</b>	<b>14,358</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR</b>	<b>32,703</b>	<b>34,368</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR</b>		
Cash and bank balances	29,806	17,902
Fixed deposits with licenced banks	34,456	41,231
Short term investments	1,287	3,707
Bank overdraft	(847)	(3,739)
	64,702	59,101
Less: Deposits pledged	(31,999)	(24,733)
	32,703	34,368

- (i) On 8 November 2011, Daya NCHO Sdn. Bhd. ("DNSB") issued an additional 320,000 ordinary shares at RM1.00 each to NCHO Sdn. Bhd. ("NSB") through capitalisation of an amount of RM320,000 out of advances owing to NSB ("Shares Issuance"). Upon the completion of Shares Issuance, the authorised share capital of DNSB is to increase to RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each of which 1,000,000 ordinary shares of RM1.00 each have been issued and fully subscribed by its shareholders, Daya Clarimax Sdn. Bhd. ("DCLX") (60%) and the joint venture partner, NSB (40%) in accordance with the provisions of the Joint Venture Agreement dated 27 January 2011 entered into between DCLX and NSB. Subsequent to the Shares Issuance, DNSB had ceased to be a subsidiary and become a jointly controlled entity.

On 15 September 2011, the Group via its direct wholly owned subsidiary, DMB International Limited disposed of 40,000 ordinary shares of HKD1.00 each in Daya NCHO International Limited (formerly known as Daya Clarimax International Limited) ("DNIL") representing 40% of the issued and paid-up share capital of DNIL to NCHO Sdn. Bhd. for a total consideration of HKD40,000. Subsequent to the disposal, DNIL had ceased to be a subsidiary and become a jointly controlled entity.

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

(The figures have not been audited)

The assets and liabilities of the disposed subsidiaries are as follows:

	UNAUDITED CURRENT YEAR TO DATE 31.3.2012 RM'000	AUDITED FOR THE YEAR ENDED 31.12.2011 RM'000
Property, plant and equipment	-	3,239
Inventories	-	179
Trade and other receivables	-	1,028
Cash and bank balances	-	82
Trade and other payables	-	(3,806)
	-	722
Less: Transfer to investment in jointly controlled entities	-	(625)
Non-controlling interests	-	(82)
	-	15
Gain on disposal of subsidiaries	-	1
Consideration received, satisfied in cash	-	16
Cash disposed of	-	(82)
Net cash outflows	-	(66)

These condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and accompanying explanatory notes attached to these interim financial statements.



# DAYA MATERIALS BERHAD

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## A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

### A1 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 31 March 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The consolidated financial statements of the Group for the year ended 31 December 2011 which were prepared under FRS are available upon request from the Company registered office at Suite 18.01, 18th Floor, MWE Plaza, 8 Lebuhraya, 10200 Penang.

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position is set out in Note A2 below. These notes include reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the consolidated income statement and statement of cash flows.

### A2 Significant Accounting Policies

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

#### Business combination

Prior to 30 June 2010, the cost of an acquisition of a subsidiary is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Under MFRS 3, the costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

At the date of transition to MFRS, the Group has elected to apply MFRS 3 retrospectively to all its business combination. Accordingly, the consolidated goodwill for 1 January 2011, 31 March 2011, 31 December 2011 / 1 January 2012 and 31 March 2012 shall be reduced by RM3,514,679 with the same reduction in retained earnings.

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## A2 Significant Accounting Policies (cont'd)

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

### (i) Reconciliation of equity as at 1 January 2011

	FRS as at 1 January 2011 RM'000	Note A2 Business Combination RM'000	MFRS as at 1 January 2011 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	90,866		90,866
Investment properties	1,225		1,225
Intangible assets	83,491	(3,515)	79,976
Investment in jointly controlled entities	1,061		1,061
Other receivable	1,809		1,809
	<u>178,452</u>		<u>174,937</u>
<b>Current assets</b>			
Inventories	13,428		13,428
Trade and other receivables	57,256		57,256
Other current assets	5,041		5,041
Tax recoverable	3,562		3,562
Marketable securities	159		159
Cash and cash equivalents	34,153		34,153
	<u>113,599</u>		<u>113,599</u>
Total assets	<u>292,051</u>		<u>288,536</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	109,674		109,674
Share premium	9,998		9,998
Equity component of RCSLN	365		365
Retained earnings	56,368	(3,515)	52,853
Foreign currency translation reserve	192		192
Equity attributable to owners of the parent	<u>176,597</u>		<u>173,082</u>
Non-controlling interests	559		559
	<u>177,156</u>		<u>173,641</u>

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## A2 Significant Accounting Policies (cont'd)

### (i) Reconciliation of equity as at 1 January 2011 (cont'd)

	FRS as at 1 January 2011 RM'000	Note A2 Business Combination RM'000	MFRS as at 1 January 2011 RM'000
<b>Equity and liabilities (cont'd)</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	53,947		53,947
Other payables	5,000		5,000
Deferred tax liabilities	1,086		1,086
	<u>60,033</u>		<u>60,033</u>
<b>Current liabilities</b>			
Trade and other payables	35,580		35,580
Loans and borrowings	14,568		14,568
Tax payable	2,393		2,393
Provisions	2,321		2,321
	<u>54,862</u>		<u>54,862</u>
Total liabilities	<u>114,895</u>		<u>114,895</u>
Total equity and liabilities	<u>292,051</u>		<u>288,536</u>

### (ii) Reconciliation of equity as at 31 March 2011

	FRS as at 31 March 2011 RM'000	Note A2 Business Combination RM'000	MFRS as at 31 March 2011 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	91,796		91,796
Investment properties	1,222		1,222
Intangible assets	83,491	(3,515)	79,976
Investment in jointly controlled entities	811		811
Other receivable	1,677		1,677
	<u>178,997</u>		<u>175,482</u>
<b>Current assets</b>			
Inventories	13,324		13,324
Trade and other receivables	58,797		58,797
Other current assets	8,483		8,483
Tax recoverable	5,324		5,324
Marketable securities	191		191
Cash and cash equivalents	38,324		38,324
	<u>124,443</u>		<u>124,443</u>
Total assets	<u>303,440</u>		<u>299,925</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	111,915		111,915
Share premium	11,881		11,881
Equity component of RCSLN	287		287
Retained earnings	59,057	(3,515)	55,542
Revaluation reserve	-		-
Foreign currency translation reserve	174		174
Equity attributable to owners of the parent	<u>183,314</u>		<u>179,799</u>
Non-controlling interests	641		641
	<u>183,955</u>		<u>180,440</u>

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## A2 Significant Accounting Policies (cont'd)

### (ii) Reconciliation of equity as at 31 March 2011 (cont'd)

	FRS as at 31 March 2011 RM'000	Note A2 Business Combination RM'000	MFRS as at 31 March 2011 RM'000
<b>Equity and liabilities (cont'd)</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	50,528		50,528
Other payables	3,000		3,000
Deferred tax liabilities	916		916
	<u>54,444</u>		<u>54,444</u>
<b>Current liabilities</b>			
Trade and other payables	37,801		37,801
Loans and borrowings	20,451		20,451
Tax payable	4,093		4,093
Provisions	2,696		2,696
	<u>65,041</u>		<u>65,041</u>
Total liabilities	<u>119,485</u>		<u>119,485</u>
Total equity and liabilities	<u>303,440</u>		<u>299,925</u>

### (iii) Reconciliation of equity as at 31 December 2011

	FRS as at 31 December 2011 RM'000	Note A2 Business Combination RM'000	MFRS as at 31 December 2011 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	100,018		100,018
Investment properties	1,210		1,210
Intangible assets	83,886	(3,515)	80,371
Investment in a joint venture	3,129		3,129
Other receivable	1,272		1,272
	<u>189,515</u>		<u>186,000</u>
<b>Current assets</b>			
Inventories	14,182		14,182
Trade and other receivables	86,513		86,513
Other current assets	22,615		22,615
Tax recoverable	2,206		2,206
Marketable securities	244		244
Cash and cash equivalents	62,840		62,840
	<u>188,600</u>		<u>188,600</u>
Total assets	<u>378,115</u>		<u>374,600</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	119,916		119,916
Share premium	19,630		19,630
Equity component of RCSLN	287		287
Treasury shares	(317)		(317)
Retained earnings	70,940	(3,515)	67,425
Foreign currency translation reserve	172		172
Equity attributable to owners of the parent	<u>210,628</u>		<u>207,113</u>
Non-controlling interests	-		-
	<u>210,628</u>		<u>207,113</u>

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## A2 Significant Accounting Policies (cont'd)

### (iii) Reconciliation of equity as at 31 December 2011 (cont'd)

	FRS as at 31 December 2011 RM'000	Note A2 Business Combination RM'000	MFRS as at 31 December 2011 RM'000
<b>Equity and liabilities (cont'd)</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	48,861		48,861
Other payables	3,000		3,000
Deffered tax liabilities	951		951
	<u>52,812</u>		<u>52,812</u>
<b>Current liabilities</b>			
Trade and other payables	94,474		94,474
Loans and borrowings	17,862		17,862
Tax payable	629		629
Provisions	1,710		1,710
	<u>114,675</u>		<u>114,675</u>
Total liabilities	<u>167,487</u>		<u>167,487</u>
Total equity and liabilities	<u>378,115</u>		<u>374,600</u>

## A3 Seasonal or cyclical factors

The Group's interim operations were not subject to any seasonal or cyclical factors.

## A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence in the quarter under review.

## A5 Changes in estimates, significant accounting estimates and judgements

There were no changes in the nature and estimates of amounts reported which have a material effect on the results in the quarter under review.

## A6 Debt and equity securities

There were no significant issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review except for 17,421,603 new ordinary shares of RM0.10 each ("DMB Share") issued pursuant to the conversion of RM3 million Redeemable Convertible Secured Loan Notes at a conversion price of RM0.172 per DMB share were listed on Bursa Malaysia on 25 January 2012.

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## A7 Dividends paid

The following dividends was paid during the previous financial year ended:

**31.12.2011**

Final dividends for the financial year	31 December 2010
Approved and declared on	20 June 2011
Date paid	15 July 2011
Number of ordinary shares on which dividends were paid	1,199,158,544
Amount per share	0.24 sen single tier dividend
Net dividends paid (RM)	2,877,982

## A8 Segment information

Segmental reporting of the Group's result for the financial year-to-date is as follows:

Business Segment	Polymer RM'000	Oil & Gas RM'000	Technical		Total RM'000
			Services RM'000	Others RM'000	
Revenue	6,948	16,104	7,303	821	31,176
Inter-segment revenue	-	-	-	(821)	(821)
External revenue	<u>6,948</u>	<u>16,104</u>	<u>7,303</u>	<u>-</u>	<u>30,355</u>
Segment Results	(89)	2,180	(432)	(60)	1,599
Unallocated Results					71
Profit from Operations					1,670
Finance Costs					(1,087)
Profit Before Tax					4,589
Income Tax Expense					(1,653)
Profit After Tax					<u>2,936</u>

### Geographical Segment

	Revenue RM'000
Malaysia	30,206
Foreign Countries	149
Consolidated	<u>30,355</u>

## A9 Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment from previous annual financial statements.

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## A10 Intangible assets

	Goodwill	Software	Development cost	Total
	RM'000	RM'000	RM'000	RM'000
<b>Cost</b>				
At 1 January 2011, as previously stated	83,491	-	360	83,851
Effect of adoption of MFRSs	(3,515)	-	-	(3,515)
At 1 January 2011, as restated	79,976	-	360	80,336
Additions	-	400	-	400
At 31 December 2011/1 January 2012/31 March 2012	79,976	400	360	80,736
<b>Accumulated amortisation</b>				
At 1 January 2011	-	-	360	360
Amortisation	-	5	-	5
At 31 December 2011/1 January 2012	-	5	360	365
Amortisation	-	17	-	17
At 31 March 2012	-	22	360	382
<b>Net carrying amount:</b>				
At 1 January 2011, as restated	79,976	-	-	79,976
At 31 December 2011/1 January 2012	79,976	395	-	80,371
At 31 March 2012	79,976	378	-	80,354

### Adoption of MFRSs

Prior to 30 June 2010, the cost of an acquisition of a subsidiary is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Under MFRS 3, the costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

At the date of transition to MFRS, the Group has elected to apply MFRS 3 retrospectively to all its business combination. Accordingly, the consolidated goodwill for 1 January 2011, 31 March 2011, 31 December 2011 / 1 January 2012 and 31 March 2012 shall be reduced by RM3,514,679 with the same reduction in retained earnings.

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## A11 Other Current Assets

		AS AT END OF CURRENT QUARTER 31.3.2012 RM'000	PRECEDING YEAR CORRESPON- DING PERIOD 31.3.2011 RM'000
Amount due from customers on contracts	(i)	30,034	7,804
Prepayments		2,110	679
		32,144	8,483

(i) The amount due from customers on contracts is further illustrated as follow:-

	AS AT END OF CURRENT QUARTER 31.3.2012 RM'000	PRECEDING YEAR CORRESPON- DING PERIOD 31.3.2011 RM'000
Aggregate costs incurred to date	309,934	207,986
Add: Attributable profits	61,617	51,674
	371,551	259,660
Less: Progress billings	(341,517)	(251,856)
	30,034	7,804

## A12 Subsequent Events

Save for the below and Section B7, there were no material events subsequent to the current financial quarter ended 31 March 2012 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

### (i) Shares Buy-Back

On 9 April 2012, the Company repurchased 355,000 of its issued share capital from the open market. The total amount paid for the shares repurchased was RM71,518 and the average price paid was RM0.20 per share.

On 18 May 2012, the Company repurchased 41,100 of its issued share capital from the open market. The total amount paid for the shares repurchased was RM8,074 and the average price paid was RM0.195 per share.

The repurchase transactions were financed by internally generated funds. The shares repurchased were treated as treasury shares.

### (ii) Redeemable Convertible Secured Loan Notes ("RCSLN") Conversion

17,421,603 new ordinary shares of RM0.10 each ("DMB Share") were issued on 14 May 2012 pursuant to conversion of RM3 million RCSLN at a conversion price of RM0.172 per DMB Share and were listed on Bursa Malaysia Securities Berhad on 15 May 2012.



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## A13 Changes in the composition of the Group

Save for the below, there were no changes in the composition of the Group for the quarter under review:-

### Acquisition of sub-subsidiary companies of Zen Projects Sdn. Bhd. and Terra Hill Development Sdn. Bhd.

On 14 February 2012, the Group, via its direct wholly-owned sub-subsidiary, Daya Land & Development Sdn. Bhd. (formerly known as IHP Supply Sdn. Bhd.) acquired 2 ordinary shares of RM1 each in Zen Projects Sdn. Bhd. ("ZPSB") and Terra Hill Development Sdn. Bhd. ("THDSB") for a total consideration of RM2 each, representing 100% equity interest in ZPSB and THDSB.

## A14 Contingent Assets and Contingent Liabilities

As at 31 March 2012, the Company provides corporate guarantees up to a total amount of RM199,469,515 to licensed banks for banking facilities granted to certain subsidiaries. Consequently, the Company is contingently liable for the amount of banking facilities utilised by these subsidiaries totalling RM108,693,115.

As at 31 March 2012, the Company also provides corporate guarantees up to a total amount of RM6,350,000 to third parties for supply of goods and services for certain subsidiaries. Consequently, the Company is contingently liable for the amount owing by these subsidiaries to the third parties totalling RM453,458.

There were no material contingent assets as at the date of this report.

## A15 Capital Commitments

	RM'000
Contracted and not provided for:	<u>8,152</u>
Approved but not contracted for:	<u>5,883</u>

## A16 Related Party Transactions

The related party transactions of the Group have been entered into in the normal course of business. Listed below are the significant transactions and balances with related parties of the Group during the current financial period.

	Transaction for the period ended 31.3.2012 RM'000	Balance due at 31.3.2012 RM'000	Transaction for the period ended 31.3.2011 RM'000	Balance due at 31.3.2011 RM'000
Interest income charged on housing loan to a director	25	-	32	-
Housing loan to a director	<u>-</u>	<u>1,678</u>	<u>-</u>	<u>2,193</u>

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## B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA FOR THE MAIN MARKET

### B1 Review of performance

#### Current Year Quarter versus Preceding Year Corresponding Quarter

##### (i) Polymer segment

The Group achieved an increase in the revenue on the Polymer Segment of RM6.948 million for the quarter ended 31 March 2012, an increase of 21.80% from RM5.705 million recorded in the previous year corresponding quarter after some marketing and promotion efforts were done.

Despite the marketing and promotion efforts, the Polymer segment has experienced a loss in its segment results for the quarter ended 31 March 2012 as the underlying economics of the business continued to weaken as a result of stifling foreign competition and the consequential margin erosion.

##### (ii) Oil & Gas segment

The Group achieved a significant increase in the revenue on the Oil & Gas Segment of RM16.104 million for the quarter ended 31 March 2012, an increase of 54.30% from RM10.437 million recorded in the previous year corresponding quarter. The increase in the revenue in the Oil & Gas Segment is mainly due to the sales on DIPA chemicals amounted to RM3.490 million during the quarter ended 31 March 2012.

##### (iii) Technical Services segment

The Group has recorded a lower revenue on Technical Services segment of RM7.303 million for the quarter ended 31 March 2012, a decrease of 78.84% from RM34.504 million recorded in the previous year corresponding quarter. The decrease in the revenue in the Technical Services Segment is mainly due to the delay in several of its projects, hence lower revenue being recognised.

The lower revenue and a one-off sign on fee payable to the top management of the Technical Services segment has resulted a loss in the segment results for the quarter ended 31 March 2012.

The Group recorded revenue of RM30.355 million for the quarter ended 31 March 2012, a decrease of 40.06% from RM50.646 million recorded in the previous year corresponding quarter. Despite, the decrease in the revenue, the Group had recorded an increase in the profit before tax of RM4.589 million for the quarter ended 31 March 2012, an increase of 23.03% from RM3.730 million recorded in the previous year corresponding quarter. This is mainly due to the favorable progression in the joint venture project on Terengganu Crude Oil Terminal for the installation of pipeline from Angsi Field, offshore Terengganu to Terengganu Crude Oil Terminal in Kerteh.

### B2 Variation of results against preceding quarter

	Quarter ended 31.3.2012 RM'000	Quarter ended 31.12.2011 RM'000
Revenue	30,355	96,334
Profit before tax	4,589	5,320

For the quarter ended 31 March 2012, the Group has recorded lower revenue of RM30.355 million, a decrease of 68.49% as compared to RM96.334 million recorded in the preceding quarter. The higher revenue in the preceding quarter ended 31 December 2011 was mainly attributed to the higher contribution from the oil & gas and technical services segments. Accordingly, the Group recorded lower profit before tax of RM4.589 million, a decrease of 13.74% as compared to RM5.320 million in the preceding quarter.

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## B3 Prospects

The prospects for each of the operating segment is illustrated as below:-

### (i) Polymer segment

The underlying economics of the polymer business remains weak due to the increased competition from foreign suppliers and the resulting margin erosion. However our Group has embarked on a new strategic manufacturing initiative aimed at significantly improving our cost structure. We believe that the successful implementation of this initiative will enable our polymer business to recapture our market position.

### (ii) Oil & Gas ("O&G") segment

O&G has been our most important driver of growth in the past and will remain so in the foreseeable future given our continued leadership positions in downstream chemicals and energy services. Significant investments and emphasis will be placed on this sector across both the upstream and downstream spectrum of the business. From being a predominantly downstream operator in the past, we have developed many upstream capabilities over the years, including offshore pipelaying, automated welding, offshore manpower, desludging of FPSO, among others. Our Group intends to leverage on its licenses and technical competencies to venture further into EPCC, offshore fabrication, hook-up & commissioning, transport & installation as well as the development of fabrication yard and marginal oilfields. We are now working very closely with a foreign partner with a view of bidding for a cluster of oilfields under the Risk Sharing Contract.

### (iii) Technical Services segment

Our engineering & construction business is expected to grow significantly over the next few years as we continue to build our order book which now exceeds RM500 million for the first time in our history. From our tradition focus in industrial plants, we have expanded into highrise construction and O&G industrial parks. We will continue to leverage on our engineering expertise to expand our revenue stream and build our brand equity. With our recent participation in a number of large tenders, our order book momentum is strong.

Overall, while there are notable weaknesses in certain business areas within the group and continued uncertainties in the global financial markets, we remain cautiously optimistic with the business outlook for the Group.

The Board is of the view that the Group's operational results for the financial year ending 2012 will be satisfactory, barring any unforeseen circumstances.

## B4 Profit forecast

Not applicable.

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## B5 Income tax expenses

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2011 RM'000	CURRENT YEAR TO DATE 31.3.2012 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.3.2011 RM'000

In respect of the current period:

Malaysian income tax	1,638	1,184	1,638	1,184
Deferred tax expense / (income)	15	(144)	15	(144)
	<u>1,653</u>	<u>1,040</u>	<u>1,653</u>	<u>1,040</u>

The Group's effective tax rate for the quarter under review was higher than the statutory income tax rate mainly due to certain expenses which are not deductible for tax purposes and balancing charge for the disposed property, plant and equipment.

## B6 Sale of unquoted investments and properties

There were no disposals of unquoted investments and properties during the quarter under review.

## B7 Status of corporate proposals

The status of a corporate proposal announced by the Company and completed are summarised below:

On 14 February 2012, the Board announced that Daya Land & Development Sdn. Bhd. (formerly known as IHP Supply Sdn. Bhd.) ("DLD"), a wholly-owned subsidiary of Daya CMT Sdn. Bhd. ("DCMT"), which is the wholly-owned subsidiary of DMB acquired two (2) ordinary shares of RM1.00 in Terra Hill Development Sdn. Bhd. ("THDSB"), representing 100% equity interest from Salasiah Binti Mohd Said and Asiah Binti Osman, for a total consideration of RM2.00 only. The principal activity of THDSB is in investment holdings.

On 18 May 2012, the Board announced THDSB, had on 18 May 2012 entered into a Joint Venture agreement with Kee Lin Trading Sdn. Bhd. and DCMT to develop 3 pieces of land at Seberang Perai Selatan, Pulau Pinang into a commercial development by erecting thereon primarily service apartments on the said land to cater specifically to the growing Multinational Companies ("MNC") population within the rapid expanding Penang Science Park and Batu Kawan industrial area. Significant efforts have been made to secure long-term leases with some of these MNCs which have been the clients of DCMT over the years.

The status of corporate proposals announced by the Company but not completed as at 25 May 2012, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report is summarised below:

### (i) Proposed ESOS and Shares Buy-Back

On 22 December 2008, the Board announced that the Company has proposed to undertake the following:-

a. Proposed establishment of an employees' share option scheme ("ESOS") for the eligible directors and employees of DMB and its subsidiary companies ("Proposed ESOS"); and

b. Proposed authority for the company to purchase up to ten per cent (10%) of its issued and paid-up share capital ("Proposed Share Buy-Back").

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## B7 Status of corporate proposals (cont'd)

### (i) Proposed ESOS and Shares Buy-Back (cont'd)

The shareholders of DMB had approved the Proposed ESOS and Proposed Share Buy-Back at the extraordinary general meeting convened on 26 February 2009.

On 22 April 2010, the Board announced that the Company is seeking its shareholders approval for the Proposed Share Buy-Back Renewal. The Company had already sought approval for the Proposed Share Buy-Back Renewal from the shareholders at the Seventh AGM held on 21 May 2010.

### (ii) Proposed Private Placement

On 11 May 2011, the Board announced that the Company proposes to issue up to 238,000,000 new ordinary shares of RM0.10 each in DMB ("DMB Shares") representing up to 20.89% of the existing issued and paid-up share capital of the Company through a private placement exercise ("Proposed Private Placement").

On 11 May 2011, DMB accepted offer letters from Ganjaran Lebar Sdn Bhd, Robert Lee Yee Seng and Lim Soon Foo to subscribe for an aggregate of 110,000,000 Placement Shares.

The balance of the Placement Shares of up to 128,000,000 Placement Shares shall be placed to third party investor(s) ("Placee(s)") to be identified at a later stage, in accordance with Paragraph 6.04(c) of the Main Market Listing Requirements of Bursa Securities. Placees shall also be person(s) or party(ies) who/which qualify under Schedules 6 and 7 of the Capital Markets and Services Act 2007.

On 27 May 2011, the Board announced that Bursa Malaysia had, via its letter dated 26 May 2011, approved DMB's application for the listing of the placement shares in respect of the Proposed Private Placement.

On 17 June 2011, the Board announced that Ministry of International Trade and Industry ("MITI") had, via its letter dated 17 June 2011, informed that it has no objections to the Proposed Private Placement.

On 20 June 2011, the Board announced that the shareholders of DMB have, at the EGM held on the same day, approved the Proposed Private Placement.

On 27 June 2011, the Board announce that DMB had on 24 June 2011 received a letter from one of its Identified Placees, Ganjaran Lebar Sdn Bhd ("Ganjaran Lebar"), informing DMB that Ganjaran Lebar has declined to take up the placement of 50,000,000 new ordinary shares of RM0.10 each in DMB ("Placement Shares") at the subscription price of RM0.22 per Placement Share due to uncertain market conditions. The Board will endeavour to identify other potential placees to take up the said placement shares.

On 27 June 2011, a total of 60,000,000 ordinary shares of RM0.10 each in DMB ("DMB Shares") were placed out to identified investors at an issue price of RM0.22 per share.

On 8 November 2011, on behalf of the Board of Directors of DMB, Hong Leong Investment Bank Berhad ("HLIB") announced that HLIB had, on 4 November 2011, submitted an application to Bursa Malaysia Securities Berhad to seek an extension of time of 6 months for DMB to implement the Private Placement.

On 18 November 2011, on behalf of the Board of Directors of DMB, HLB announced that Bursa Malaysia Securities Berhad had, via its letter dated 17 November 2011, approved the application for an extension of time of 6 months until 25 May 2012 for DMB to implement the Private Placement.

On 10 May 2012, on behalf of the Board of Directors of DMB, HLB announced that HLB had on 10 May 2012, submitted an application to Bursa Malaysia Securities Berhad to seek an extension of time of 6 months to 24 November 2012 for DMB to implement the private placement.

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## B7 Status of corporate proposals (cont'd)

### (ii) Proposed Private Placement (cont'd)

On 22 May 2012, on behalf of the Board of Directors of DMB, HLB announced that Bursa Malaysia Securities Berhad had, vide its letter dated 21 May 2012, approved the application for an extension of time of 6 months until 24 November 2012 for DMB to implement the Private Placement.

### (iii) Memorandum of Understanding ("MOU") between Daya OCI Sdn Bhd ("DOCI") with Axima Concept ("Axima")

On 18 April 2012, the Board announced that DOCI, a wholly-owned subsidiary of DMB, had on 18 April 2012, entered into a MOU with Axima. AXIMA is a company incorporated in France specializing in marine and offshore Heating, Ventilation and Air-Conditioning ("HVAC") and having main entity in France and service support entity in Singapore. DOCI and AXIMA are desirous to cooperate on an exclusive basis in order to participate in tenders in MALAYSIA within the Marine and Oil & Gas sector, to submit offers (commercial, technical and financial) to customers and in case of award of HVAC Engineering, Procurement, Constructing and Commissioning contract, to execute the corresponding projects.

### (iv) Memorandum of Understanding ("MOU") between Daya Materials Berhad ("DMB") with Hydra Energy PTY LTD ("Hydra")

On 25 May 2012, the Board announced that DMB, had on 25 May 2012 entered into a MOU with Hydra Energy Pty Ltd ("Hydra"). DMB and Hydra wish to jointly bid for a Risk Service Contract covering the development of certain identified fields in Malaysia. Hydra is a company incorporated in Australia involved in upstream exploration and production of oil & gas.

### (v) Proposed disposal of 24.9% interest in Daya Secadyme Sdn. Bhd. ("DSSB") and Daya OCI Sdn. Bhd. ("DOCI") to Rancak Nikmat Sdn. Bhd. ("Rancak Nikmat")

On 25 May 2012, the Board announced that DMB, had on 25 May 2012, entered into two Share Sale Agreements with Rancak Nikmat to dispose 250,992 ordinary shares of RM1.00 each in DSSB and 1,245,000 ordinary shares of RM1.00 each in DOCI representing 24.9% of the issued and paid-up share capital of DSSB and DOCI respectively to Rancak Nikmat at a total cash consideration of RM19,000,000 and RM11,500,000 respectively.

## B8 Status of utilisation of proceeds

### (a) Private Placement Proceeds- Year 2010

The Company raised approximately RM22.461 million from its private placement exercise proposed in year 2010.

As at 31 March 2012, the Company has utilised the funds raised as follows:-

	Proceeds from Placement Shares RM'000 <sup>(i)</sup>	Actual Utilisation RM'000	Intended Time Frame For Utilisation	Deviation Amount RM'000	Deviation %
Future acquisitions and expansion	21,461	21,066	within 12 months	395	2%
Defraying of expenses incidental to the Proposed Private Placement <sup>(ii)</sup>	1,000	1,000	within 1 month	-	0%
<b>Total</b>	<b>22,461</b> <sup>(iii)</sup>	<b>22,066</b>		<b>395</b>	<b>2%</b>

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## B8 Status of utilisation of proceeds (cont'd)

- (i) Any difference between the indicative proceeds above and the actual proceeds raised from the Proposed Private Placement (depending on the number of Placement Shares and the issue price of the Placement Shares) shall be adjusted from the future synergistic acquisitions and expansion.
- (ii) Any variation to the estimated expenses will be adjusted to/ from the working capital.
- (iii) As at 31 March 2012, DMB has placed out first tranche of 26,800,000 placement shares, at an issue price of RM0.22 per share, raising RM5,896,000 and second tranche of 13,000,000 placement shares, at an issue price of RM0.23 per share raising RM2,990,000, third tranche of 30,000,000 placement shares, at an issue price of RM0.20 per share, raising RM6,000,000, fourth tranche of 10,000,000 placement shares, at an issue price of RM0.205 per share raising RM2,050,000, fifth tranche of 5,000,000 placement shares, at an issue price of RM0.225 per share raising RM1,125,000 and sixth tranche of 20,000,000 placement shares, at an issue price of RM0.22 per share raising RM4,400,000.

### (b) Private Placement Proceeds- Year 2011

The Company raised approximately RM13.2 million from its private placement exercise proposed in year 2011.

As at 31 March 2012, the Company has utilised the funds raised as follows:-

	Proceeds from Proposed Placement Shares RM'000 <sup>(i)</sup>	Proceeds from Placement Shares RM'000	Actual Utilisation RM'000	Intended Time Frame For Utilisation	Deviation Amount RM'000	Deviation %
Future synergistic acquisitions and expansion	44,000	4,840	2,300	within 12 months	2,540	52%
Working Capital <sup>(ii)</sup>	5,610	5,610	5,610	within 12 months	-	0%
Defraying of expenses incidental to the Proposed Private Placement <sup>(iii)</sup>	2,750	2,750	1,550	within 1 month	1,200	44%
<b>Total</b>	<b>52,360</b>	<b>13,200<sup>(iv)</sup></b>	<b>9,460</b>		<b>3,740</b>	<b>28%</b>

- (i) Any difference between the indicative proceeds above and the actual proceeds raised from the Proposed Private Placement (depending on the number of Placement Shares and the issue price of the Placement Shares) shall be adjusted from the proceeds used for future synergistic acquisitions and expansion.
- (ii) Working capital is for the DMB Group's operating and administrative expenses.
- (iii) Any variation to the estimated expenses will be adjusted to/ from the proceeds used for working capital.
- (iv) As at 31 March 2012, DMB has placed out first tranche of 60,000,000 placement shares, at an issue price of RM0.22 per share, raising RM13,200,000.

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## B9 Group's borrowings and debt securities

The Group's borrowings are as follows:

		Payable within 12 months	Payable after 12 months	Total Outstanding
	Note	RM'000	RM'000	RM'000
Trade facilities (Secured)		4,391	-	4,391
Hire purchases (Secured)		773	1,654	2,427
Overdraft (Unsecured)		847	-	847
Term loans (Secured)		10,480	33,287	43,767
Redeemable Convertible Secured Loan Notes ("RCSLN")	(i)	-	7,877	7,877
		<u>16,491</u>	<u>42,818</u>	<u>59,309</u>

The bank borrowings and other facilities are secured by way of :-

- legal charges over subsidiaries freehold land and buildings;
- corporate guarantee by the Company;
- a debenture over all assets of certain subsidiaries;
- a pledge on the Company and subsidiaries' fixed deposits; and
- a pledge of 100% unquoted shares over the entire issued and paid-up capital of certain subsidiaries with a carrying amount of RM112,308,946 and RM28,488,131.

The bank borrowings and other facilities are denoted in local currency.

(i) The proceeds received from the issue of the RCSLN have been split between the liability component and the equity component, representing the fair value of the conversion option. The RCSLN are accounted for in statement of financial position of the Group as follows:

	CUMULATIVE QUARTER	
	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPON- DING PERIOD
	31.3.2012	31.3.2011
	RM'000	RM'000
Nominal value	8,000	11,000
Add: Discount on convertible notes	155	119
Less: Unamortised discount	(278)	(382)
	<u>7,877</u>	<u>10,737</u>



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## B9 Group's borrowings and debt securities (cont'd)

The amounts recognised in the statement of financial position of the Group may be analysed as follows:-

	CUMULATIVE QUARTER	
	CURRENT	PRECEDING
	YEAR TO DATE	YEAR
	31.3.2012	CORRESPON-
	RM'000	DING PERIOD
		31.3.2011
		RM'000
Liability component:-		
Nominal value of the convertible notes	8,000	11,000
Add: Discount on convertible notes	155	119
	<u>8,155</u>	<u>11,119</u>
Equity component, net of deferred tax	(209)	(287)
Deferred tax liability	(69)	(173)
	<u>7,877</u>	<u>10,659</u>

## B10 Material litigations

Save for the following, there were no material litigation involving the Group since the last financial year ended 31 December 2011 and 25 May 2012, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report.

- (i) On 25 March 2008, Daya Secadyme Sdn Bhd ("DSSB") filed a civil suit against (i) Mohd Akbar B Hj. Johari, (ii) AJ Premier Holdings Sdn Bhd, (iii) Aims Mission Sdn Bhd, (iv) Global Max Trading Sdn Bhd and (v) Azrul Bin Mohd Nasir trading as Rasa Indah Trading ("Defendants") vide KL High Court Civil Suit No.D3-22-380-2008. The claim against the 1st, 2nd and 3rd Defendants is based on fraudulent misrepresentation and/or fraud perpetrated in conspiracy with the other Defendants, and alternatively for monies had and received, and against the 4th and 5th Defendants on fraud perpetrated in conspiracy with the other Defendants. The amount claimed is RM1,942,000 with interest at 8.00% p.a. thereupon from judgment to settlement, and the legal costs of the proceedings.

On the 11 August 2011, the 1st and 2nd Defendants consented to Judgment for a sum of RM1,200,000.00 payable by way of four (4) installments, RM100,000 on or before 31 December 2011, RM370,000 on or before 31 December 2012, RM365,000 on or before 31 December 2013 and RM365,000 on or before 31 December 2014. In default of any one of these installments, the 1st and 2nd Defendants become liable for the payment of the entire sum claimed of RM1,942,250 less any installments paid. The 1st and 2nd Defendants have also agreed to provide security for the installments payments in the form of titles to properties up to the value of RM300,000 on or before 31 December 2011 and RM900,000 on or before 30 June 2012 in default of which the entire sum due on the installments shall fall due as at the date of default.

On 16th August 2011, the Court granted Judgment against the 3rd, 4th and 5th defendants for the sum claimed of RM1,942,000 with costs and interest .

The first installment payment of RM100,000 from the first and second Defendants, is due on or before the 31 December 2011. On 29 December 2011, the first and second Defendants has appeal for the deferment of first installment payment of RM100,000 with a full settlement by end of April 2012. On 30 April 2012, the first and second Defendants has again appeal for the deferment of another three plus one months with payments of RM10,000 each payable not later than 10 May 2012 and 31 May 2012 respectively as a pledged of commitments. On 16 May 2012, DSSB received the cheque of RM10,000 from the first and second Defendants.

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## B10 Material litigations (cont'd)

- (ii) Daya CMT Sdn Bhd ("DCMT") has on 15 September 2009 brought a civil suit against Biz-Markas Sdn Bhd ("1st Defendant") and Reapfield Properties (S.J) Sdn Bhd ("2nd Defendant") (collectively "Defendants") vide High Court in Malaya at Kuala Lumpur, Writ of Summons No. S22-663-2009 for breach of contract following the 1st Defendant's refusal to proceed with the sale of the land identified as Lot 20, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, Selangor Darul Ehsan ("the said Land") for the purchase consideration of RM9,067,500.00. An earnest deposit was paid by DCMT amounting to RM181,350.00. DCMT sought specific performance against the Defendants or in the alternative, special and general damages for breach of contract.

By an Amended Defence and Counter Claim dated 7 December 2009, the 1st Defendant counter claimed by seeking declarations, among others, that the 2nd Defendant is not their agent to sell the property, that there is no valid agreement to sell the property, that the 2nd Defendant has committed fraud against them, that the Plaintiff and the 2nd Defendant had conspired to cause losses to them (which the 1st Defendant did not plead for losses that they have incurred), that the 2nd Defendant to incur the losses claimed by the Plaintiff and general damages against the 2nd defendant. The Plaintiff filed a Reply and Defence to Counter-Claim dated 21 December 2009 to the 1st Defendant's Amended Defence and Counter-Claim.

DCMT filed an injunction application on 3 September 2010 against 1st Defendant to restraint them from selling or transferring the said Land until the disposal of the Writ. The court dismissed the application on 28 September 2010 with costs of RM5,000.00 to the 1st Defendant. There is no further appeal.

The 1st Defendant filed a striking out application of DCMT's civil suit against the Defendants dated 15 October 2010. The Court allowed the suit against the 1st Defendant's to be struck off with costs of RM5,000.00 to the 1st Defendant. There is no further appeal.

The outcome of the case against the 2nd Defendant for damages will depend on the evidence adduced at trial.

The matter is now fixed for further case management on 6 June 2012 for the Plaintiff's suit against the 2nd Defendant and the 1st Defendants counterclaim against the Plaintiff and the 2nd Defendant, pending finalization of agreed facts and issues to be tried and common bundle of documents.

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## B11 Proposed Dividends

No interim dividends has been declared for the current quarter under review.

The Company had propose a final single tier dividends of 2.5% in respect of the financial year ended 31 December 2011. These final dividends payable will be proposed for shareholders' approval at the forthcoming Annual General Meeting and the date payable will be announced at a later date.

## B12 Earnings per share

### (i) Basic earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2012	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2011	CURRENT YEAR TO DATE 31.3.2012	PRECEDING YEAR CORRESPONDING PERIOD 31.3.2011
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	2,939	2,688	2,939	2,688
Weighted average number of shares in issue ('000)	1,211,156	1,113,590	1,211,156	1,113,590
Basic earnings per share (sen)	0.24	0.24	0.24	0.24

### (ii) Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2012	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2011	CURRENT YEAR TO DATE 31.3.2012	PRECEDING YEAR CORRESPONDING PERIOD 31.3.2011
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	2,939	2,688	2,939	2,688
Effect of dilution (RM'000)	29	29	29	29
Adjusted net profit for the period attributable to ordinary equity holders of the company (RM'000)	2,968	2,717	2,968	2,717
Weighted average number of shares in issue ('000)	1,211,156	1,113,590	1,211,156	1,113,590
Effect of dilution ('000)	16,656	16,647	16,656	16,647
Adjusted weighted average number of shares in issue ('000)	1,227,812	1,130,237	1,227,812	1,130,237
Diluted earnings per share (sen)	0.24	0.24	0.24	0.24

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## B13 Additional disclosure as per Appendix 9B , Part A, Note 16 of Bursa Listing Requirement

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2012	PRECEDING YEAR	CURRENT YEAR TO DATE 31.3.2012	PRECEDING YEAR
		CORRESPON DING QUARTER 31.3.2011		CORRESPON DING PERIOD 31.3.2011
The following amounts have been included in arriving at profit before tax:				
Finance costs	1,087	954	1,087	954
Depreciation on property, plant and equipment	1,049	1,146	1,049	1,146
Depreciation on investment property	4	4	4	4
Amortisation on intangible assets	17	-	17	-
Property, plant and equipment written off	2	4	2	4
Net foreign exchange loss	629	-	629	-

and after crediting:

Interest income	394	256	394	256
Rental income	129	61	129	61
Discount on convertible loan notes	21	(4)	21	(4)
Net foreign exchange gains	-	74	-	74
Gain on disposal of property, plant & equipment	411	1,430	411	1,430
Fair value gain on marketable securities	12	32	12	32

There is no any provision for and write off of inventories, impairment of other assets and gain or loss on derivatives.

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## B14 Realised and Unrealised Profits/Losses

On 25 March 2010, Bursa Malaysia Securities Berhad issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia Securities Berhad further issued guidance on the disclosure and the format required.

The breakdown of the retained earnings of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	CUMULATIVE QUARTER	
	AS AT	AS AT
	31.3.2012	31.12.2011
	RM'000	RM'000
		(restated)
Total retained earnings of DMB and its subsidiaries:		
- Realised profits	100,772	98,724
- Unrealised profits	<u>(1,682)</u>	<u>(2,575)</u>
	99,090	96,149
Less: Consolidated adjustments	(28,726)	(28,724)
Total group retained earnings as per consolidated accounts	<u>70,364</u>	<u>67,425</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

## B15 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2011 was unqualified.

By Order of the Board

Tham Jooi Loon  
Managing Director

Date: 31 May 2012