



DAYA MATERIALS BERHAD

Company No. 636357-W
(Incorporated in Malaysia)

Quarterly Report 31 March 2013

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 2013

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	100,150	30,355	100,150	30,355
Cost of Sales	(85,059)	(23,784)	(85,059)	(23,784)
Gross Profit	<u>15,091</u>	<u>6,571</u>	<u>15,091</u>	<u>6,571</u>
Other Income	498	1,105	498	1,105
Operating Expenses	(6,829)	(6,006)	(6,829)	(6,006)
Profit from operations	<u>8,760</u>	<u>1,670</u>	<u>8,760</u>	<u>1,670</u>
Finance Costs	(1,315)	(1,087)	(1,315)	(1,087)
Share of results of jointly controlled entities	<u>91</u>	<u>4,006</u>	<u>91</u>	<u>4,006</u>
Profit before tax	7,536	4,589	7,536	4,589
Income tax expense	<u>(2,517)</u>	<u>(1,653)</u>	<u>(2,517)</u>	<u>(1,653)</u>
Profit for the period	<u><u>5,019</u></u>	<u><u>2,936</u></u>	<u><u>5,019</u></u>	<u><u>2,936</u></u>
Attributable to :				
Equity holders of the Company	5,031	2,939	5,031	2,939
Non-controlling interests	<u>(12)</u>	<u>(3)</u>	<u>(12)</u>	<u>(3)</u>
	<u><u>5,019</u></u>	<u><u>2,936</u></u>	<u><u>5,019</u></u>	<u><u>2,936</u></u>
Earnings per share (sen):				
Basic	<u>0.41</u>	<u>0.24</u>	<u>0.41</u>	<u>0.24</u>
Diluted*	<u>0.41</u>	<u>0.24</u>	<u>0.41</u>	<u>0.24</u>

* 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").

The accompanying notes form an integral part of, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2012 RM'000	CURRENT YEAR TO DATE 31.03.2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2012 RM'000
Profit for the period	<u>5,019</u>	<u>2,936</u>	<u>5,019</u>	<u>2,936</u>
Other comprehensive income:				
Foreign currency translation differences for foreign subsidiaries	14	12	14	12
Total comprehensive income for the period, net of tax	<u>5,033</u>	<u>2,948</u>	<u>5,033</u>	<u>2,948</u>
Total comprehensive income for the period attributable to:				
Equity holders of the Company	5,045	2,951	5,045	2,951
Non-controlling interests	<u>(12)</u>	<u>(3)</u>	<u>(12)</u>	<u>(3)</u>
	<u>5,033</u>	<u>2,948</u>	<u>5,033</u>	<u>2,948</u>

The accompanying notes form an integral part of, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012.

DAYA MATERIALS BERHAD

(Company No: 636357-W)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

(The figures have not been audited)

	UNAUDITED 31.03.2013 RM'000	AUDITED 31.12.2012 RM'000
Non Current Assets		
Property, plant and equipment	110,007	105,582
Land held for property development	10,593	10,475
Investment properties	5,583	1,195
Intangible assets	83,883	83,897
Investment in jointly controlled entities	2,583	2,391
Other receivable	704	728
	<u>213,353</u>	<u>204,268</u>
Current Assets		
Inventories	13,474	14,098
Trade receivables	65,003	48,141
Other receivables	17,199	24,453
Other current assets	22,321	40,125
Tax recoverable	1,139	1,611
Marketable securities	111	108
Cash and cash equivalents	60,704	66,412
	<u>179,951</u>	<u>194,948</u>
Current Liabilities		
Trade payables	22,756	25,121
Other payables	47,022	60,516
Provisions	585	325
Tax payables	654	812
Loans and borrowings	39,775	40,348
	<u>110,792</u>	<u>127,122</u>
Net Current Assets	69,159	67,826
	<u>282,512</u>	<u>272,094</u>
Financed by:		
Share capital	124,851	123,400
Reserves	113,596	107,568
	238,447	230,968
Non-controlling interests	4	(54)
	<u>238,451</u>	<u>230,914</u>
Non Current Liabilities		
Deferred tax liabilities	195	199
Loans and borrowings	43,866	40,981
	<u>44,061</u>	<u>41,180</u>
	<u>282,512</u>	<u>272,094</u>
Net assets per share (sen)	<u>19.10</u>	<u>18.72</u>

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and accompanying explanatory notes attached to these interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

(The figures have not been audited)

	<-----Attributable to Equity Holders of the Company----->								
	<----- Non-Distributable ----->					Distributable			
	Share capital RM'000	Share premium RM'000	Equity component of RCSLN RM'000	Foreign Currency Transalation Reserve RM'000	Treasury Shares RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
Balance as at 1 January 2012	119,915	19,631	287	172	(317)	70,940	210,628	-	210,628
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
Balance as at 31 March 2012	<u>121,657</u>	<u>20,889</u>	<u>209</u>	<u>184</u>	<u>(317)</u>	<u>73,879</u>	<u>216,501</u>	<u>(3)</u>	<u>216,498</u>
Total comprehensive income for the period	-	-	-	-	-	5,718	5,718		5,718
Transactions with owners:									
Conversion of RCSLN	1,743	1,257	(78)	-	-	-	2,922	-	2,922
Purchase of treasury shares	-	-	-	-	(186)	-	(186)	-	(186)
Balance as at 30 June 2012	<u>123,400</u>	<u>22,146</u>	<u>131</u>	<u>184</u>	<u>(503)</u>	<u>79,597</u>	<u>224,955</u>	<u>(3)</u>	<u>224,952</u>
Total comprehensive income for the period	-	-	-	-	-	6,328	6,328	(12)	6,316
Transactions with owners:									
Dividends paid	-	-	-	-	-	(3,074)	(3,074)	-	(3,074)
Purchase of treasury shares	-	-	-	-	(2,180)	-	(2,180)	-	(2,180)
Balance as at 30 September 2012	<u>123,400</u>	<u>22,146</u>	<u>131</u>	<u>184</u>	<u>(2,683)</u>	<u>82,851</u>	<u>226,029</u>	<u>(15)</u>	<u>226,014</u>
Total comprehensive income for the period	-	-	-	94	-	5,185	5,279	(39)	5,240
Transactions with owners:									
Costs revision on conversion of RCSLN	-	26	-	-	-	-	26	-	26
Purchase of treasury shares	-	-	-	-	(366)	-	(366)	-	(366)
Balance as at 31 December 2012	<u>123,400</u>	<u>22,172</u>	<u>131</u>	<u>278</u>	<u>(3,049)</u>	<u>88,036</u>	<u>230,968</u>	<u>(54)</u>	<u>230,914</u>
Balance as at 1 January 2013	123,400	22,172	131	278	(3,049)	88,036	230,968	(54)	230,914
Total comprehensive income for the period	-	-	-	14	-	5,031	5,045	(12)	5,033
Transactions with owners:									
Conversion of RCSLN	1,451	1,048	(65)	-	-	-	2,434	-	2,434
Issuance of shares to non-controlling interest in a subsidiary	-	-	-	-	-	-	-	70	70
Balance as at 31 March 2013	<u>124,851</u>	<u>23,220</u>	<u>66</u>	<u>292</u>	<u>(3,049)</u>	<u>93,067</u>	<u>238,447</u>	<u>4</u>	<u>238,451</u>

The accompanying notes form an integral part of, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 31.03.2013 RM'000	AUDITED FOR THE YEAR ENDED 31.12.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,536	28,386
Adjustments for:		
Share of results of joint ventures	(21)	(1,480)
Reversal of discount on convertible loan notes	(42)	(30)
Amortisation on intangible assets	25	86
Depreciation on property, plant and equipment	1,368	4,359
Depreciation on investment property	10	15
Gain on disposal of property, plant & equipment	-	(2,962)
Property, plant and equipment written off	-	8
Gain on disposal of marketable securities	-	(7)
Fair value (gain) / loss on marketable securities	(3)	11
Dividends income	-	(6)
Finance costs	1,315	4,068
Interest income	(242)	(1,212)
Unrealised foreign exchange (gain)/loss	(32)	91
Allowance for impairment loss	-	743
Development expenditures incurred	(118)	(90)
Reversal of allowance for impairment loss	(29)	(90)
Operating profit before working capital changes	9,767	31,890
Changes in working capital:		
Inventories	624	84
Trade and other receivables	(9,523)	13,719
Other current assets	17,804	(17,510)
Trade and other payables	(15,859)	(11,836)
Provisions	260	(1,384)
Cash generated from operations	3,073	14,963
Finance cost paid	(1,315)	(4,068)
Income tax paid	(2,202)	(8,221)
Net Cash (Used In) / Generated From Operating Activities	(444)	2,674
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,794)	(6,502)
Purchase of land held for property development	-	(10,384)
Purchase of investment property	(4,398)	-
Proceeds from disposal of property, plant and equipment	-	3,483
Purchase of intangible assets	(11)	(98)
Acquisition a of joint venture company	(102)	-
Proceeds from disposal of marketable securities	-	131
(Increase) / Decrease in pledged deposits placed with licensed banks	(26)	1,483
Decrease in deposit placed with licensed banks more than three months	-	1,807
Distribution of profits from a jointly controlled entity	-	2,218
Dividends received	-	6
Interest received	242	1,212
Net Cash Used In Investing Activities	(10,089)	(6,644)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONT'D) QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2013

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 31.03.2013 RM'000	AUDITED FOR THE YEAR ENDED 31.12.2012 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans and borrowings	(3,638)	(9,809)
Proceeds from loans and borrowings	5,543	27,274
Purchase of treasury shares	-	(2,732)
Dividends paid	-	(3,074)
Net Cash Generated From Financing Activities	1,905	11,659
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(8,628)	7,689
Effect of exchange rate fluctuations on cash held	15	107
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	40,357	32,561
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	31,744	40,357
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		
Cash and bank balances	28,952	33,010
Fixed deposits with licenced banks	30,671	29,781
Short term investments	1,081	3,621
Bank overdraft	(5,685)	(2,806)
	55,019	63,606
Less: Deposits pledged	(23,275)	(23,249)
	31,744	40,357

These condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and accompanying explanatory notes attached to these interim financial statements.

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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 2013, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012. 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 2012.

A2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2012, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations as follow:

FRSs and Interpretations	Effective for financial periods beginning on or after
Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
MFRS 3: Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 10: Consolidated Financial Statements	1 January 2013
MFRS 11: Joint Arrangements	1 January 2013
MFRS 12: Disclosure of Interests in Other Entities	1 January 2013
MFRS 13: Fair Value Measurement	1 January 2013
MFRS 119: Employee Benefits	1 January 2013
MFRS 127: Separate Financial Statements	1 January 2013
MFRS 128: Investment in Associate and Joint Ventures	1 January 2013
MFRS 127: Consolidated and Separate Financial Statements (IAS 127 revised by IASB in December 2003)	1 January 2013
Amendments to IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle)	1 January 2013

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A2 Significant Accounting Policies (cont'd)

	Effective for financial periods beginning on or after
FRSs and Interpretations (cont'd)	
IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to MFRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

The adoption of the standards and interpretations above has no material impact on the financial statements in the period of initial application.

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.

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A7 Dividends paid

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

	31.12.2012
Final dividends for the financial year	31 December 2011
Approved and declared on	26 June 2012
Date paid	15 August 2012
Number of ordinary shares on which dividends were paid	1,229,607,650
Amount per share	0.25 sen single tier dividends
Net dividends paid (RM)	3,074,022

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 Services RM'000	Others RM'000	Total RM'000
Revenue	5,682	35,246	59,222	74	100,224
Inter-segment revenue	-	-	-	(74)	(74)
External revenue	<u>5,682</u>	<u>35,246</u>	<u>59,222</u>	<u>-</u>	<u>100,150</u>
Segment Results	(95)	4,355	3,305	(146)	7,419
Unallocated Results					1,341
Profit from Operations					8,760
Finance Costs					(1,315)
Share of results of jointly controlled entities					91
Profit Before Tax					7,536
Income Tax Expense					(2,517)
Profit After Tax					<u>5,019</u>

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

Geographical Segment

	Revenue RM'000
Malaysia	100,106
Foreign Countries	44
Consolidated	<u>100,150</u>

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A9 Valuation of property, plant and equipment

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

A10 Intangible assets

	Goodwill	Software	Development	Total
	RM'000	RM'000	cost	RM'000
			RM'000	
Cost				
At 1 January 2012	83,491	400	360	84,251
Additions	-	98	-	98
At 31 December 2012/1 January 2013	<u>83,491</u>	<u>498</u>	<u>360</u>	<u>84,349</u>
Additions	-	11	-	11
At 31 March 2013	<u>83,491</u>	<u>509</u>	<u>360</u>	<u>84,360</u>
Accumulated amortisation				
At 1 January 2012	-	6	360	366
Amortisation	-	86	-	86
At 31 December 2012/1 January 2013	<u>-</u>	<u>92</u>	<u>360</u>	<u>452</u>
Amortisation	-	25	-	25
At 31 March 2013	<u>-</u>	<u>117</u>	<u>360</u>	<u>477</u>
Net carrying amount:				
At 1 January 2012	<u>83,491</u>	<u>394</u>	<u>-</u>	<u>83,885</u>
At 31 December 2012/1 January 2013	<u>83,491</u>	<u>406</u>	<u>-</u>	<u>83,897</u>
At 31 March 2013	<u>83,491</u>	<u>392</u>	<u>-</u>	<u>83,883</u>

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A11 Other Current Assets

	Note	AS AT END OF CURRENT QUARTER 31.03.2013 RM'000	PRECEDING YEAR CORRESPON- DING PERIOD 31.12.2012 RM'000
Amount due from customers on contracts	(i)	18,967	38,765
Prepayments		3,354	1,360
		<u>22,321</u>	<u>40,125</u>

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

	AS AT END OF CURRENT QUARTER 31.03.2013 RM'000	PRECEDING YEAR CORRESPON- DING PERIOD 31.12.2012 RM'000
Aggregate costs incurred to date	306,216	267,751
Add: Attributable profits	38,332	32,689
	<u>344,548</u>	<u>300,440</u>
Less: Progress billings	(325,581)	(261,675)
	<u>18,967</u>	<u>38,765</u>

A12 Subsequent Events

Save for the below and Section B7, there were no material events subsequent to the current financial quarter ended 31 March 2013 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

Shares Buy-Back

Subsequent to 31 March 2013, the Company had repurchased its issued share capital from the open market on 24 April 2013 for 45,000 ordinary shares at RM0.205 per share for a total cash consideration of RM9,293 inclusive of brokerage, stamping and clearance fees. The repurchase transactions were financed by internally generated funds. The shares repurchased were treated as treasury shares.

A13 Changes in the composition of the Group

There were no changes in the composition of the Group for the quarter under review except for:

(i) Acquisition of a joint venture company

On 20 November 2012, the Group, via its direct wholly owned sub-subsidiary, Daya Land & Development Sdn. Bhd. ("DLD") entered into a Shareholders Agreement with Chang Cheng Realty Sdn. Bhd. to jointly develop and construct one block of 28 storey retail/showroom/service suites, forty blocks of four storey shop office and eight blocks of three storey shops on four parcels of empty land held located at Jalan Pintas in the District of Penampang, Sabah, Malaysia to be undertaken by a single-purpose joint venture company, Semangat Global Sdn. Bhd. ("SGSB").

On 1 March 2013, the Group, via its direct wholly owned sub-subsidiary, DLD subscribed for 102,000 ordinary shares of RM1.00 each of SGSB for a cash consideration of RM102,000.

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A13 Changes in the composition of the Group (cont'd)

(ii) Group re-organisation on investment in Seca Chemicals and Catalysts Sdn. Bhd. and Daya Offshore Construction Sdn. Bhd. (formerly known as SD Equipment Sdn. Bhd.)

On 2 January 2013, through the Internal Group Re-organisation Plan, the Company acquired 100,000 and 10,000 ordinary shares of RM1.00 each in Seca Chemicals and Catalysts Sdn. Bhd. ("SCCSB") and Daya Offshore Construction Sdn. Bhd. (formerly known as SD Equipment Sdn. Bhd.) ("DOCSB"), sub-subsidiaries of a subsidiary of the Company, Daya Secadyme Sdn. Bhd. ("DSSB") representing 100% of the issued and paid-up share capital of SCCSB and DOCSB for a cash consideration of RM2,754,855 and RM10,000 respectively from DSSB.

A14 Contingent Assets and Contingent Liabilities

As at 31 March 2013, the Company provides corporate guarantees up to a total amount of RM295,339,546 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 RM127,596,105.

As at 31 March 2013, the Company also provides corporate guarantees up to a total amount of RM4,850,000 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 RM1,494,146.

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

A15 Capital Commitments

	As at 31.03.2013 RM'000
Contracted and not provided for:	<u>4,037</u>
Approved but not contracted for:	<u>9,822</u>

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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 31.03.2013 RM'000	Balance due at 31.03.2013 RM'000	Transaction for the period ended 31.03.12 RM'000	Balance due at 31.03.12 RM'000
Interest income charged on housing loan to a director	17	-	25	-
Housing loan to a director	-	1,133	-	1,678

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 revenue on the Polymer Segment for the quarter ended 31 March 2013 is recorded at RM5.682 million, a decrease of 18.22% from RM6.948 million recorded in the previous year corresponding quarter.

The slump in sales in the Polymer Segment had continue to result in a segment loss for the quarter ended 31 March 2013.

(ii) Oil & Gas segment

The Group recorded a higher revenue on the Oil & Gas Segment of RM35.246 million for the quarter ended 31 March 2013, a significant increase of 118.87% from RM16.104 million recorded in the previous year corresponding quarter. Higher revenue in the current corresponding quarter in the Oil & Gas Segment is mainly due to progress billings on the offshore cable laying project and higher seasonal chemical sales.

(iii) Technical Services segment

The Group achieved a higher revenue on Technical Services segment of RM59.222 million for the quarter ended 31 March 2013, an increase of 710.96% from RM7.303 million recorded in the previous year corresponding quarter. The increase in the revenue in the Technical Services Segment is mainly due to the progress construction works done with B. Braun Medical Industries Sdn. Bhd., Yuk Tung Construction Sdn. Bhd., Gemesis Malaysia Sdn. Bhd. and Dream Mont Developer Sdn. Bhd. for the progress billings of RM14.2 million, RM8.7 million, RM6.2 million and RM5.5 million respectively.

The Group recorded revenue of RM100.150 million for the quarter ended 31 March 2013, an significant increase of 229.93% from RM30.355 million recorded in the previous year corresponding quarter. Consequently, the Group recorded an increase in the profit before tax of RM7.536 million for the quarter ended 31 March 2013, an increase of 64.22% from RM4.589 million recorded in the previous year corresponding quarter. The lower profit margin for the quarter ended 31 March 2013 is mainly attributable to the higher revenue contribution in the Technical Services Segment to the Group's revenue which tend to have lower profit margin as compared to Oil & Gas Segment.

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B2 Variation of results against preceding quarter

	Quarter ended 31.03.2013 RM'000	Quarter ended 31.12.2012 RM'000
Revenue	100,150	98,311
Profit before tax	7,536	6,678

For the quarter ended 31 March 2013, the Group has recorded a higher revenue of RM100.150 million, an increase of 1.87% as compared to RM98.311 million recorded in the preceding quarter. The increase in revenue was mainly attributed to the higher revenue contribution in Oil & Gas Segment. Accordingly, the Group has recorded a higher profit before tax of RM7.536 million, an increase of 12.84% as compared to RM6.678 million in the preceding quarter.

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. The Group is now undergoing on various initiatives on Polymer Segment in its manufacturing production as well as its mode of business with the aim of improving the costs structure.

(ii) Oil & Gas ("O&G") Segment

O&G Segment has been the Group most important driver of growth in the past and will remain so in the foreseeable future. Significant investments and emphasis have been placed on this sector across both the upstream and downstream spectrum of the business. From being a predominantly downstream operator in the past, the Group have developed many upstream capabilities over the years, including offshore pipelaying, automated welding, offshore manpower, offshore construction, marine services, upstream chemicals, among others. The Group intends to leverage on its licenses and technical competencies to venture further into Engineering, Procurement, Construction and Commissioning ("EPCC"), offshore fabrication, hook-up & commissioning as well as the development of fabrication yard and marginal oilfields. At the same time, the Group is also actively in scouting for the new Oil & Gas businesses or assets with excellent economic characteristics in complement with the existing businesses.

The recent concluded acquisition of 50.70% in the equity investment of Daya Maxflo Sdn. Bhd. (formerly know as Maxflo Energy Products Sdn. Bhd.) has further strengthen our upstream capabilities. The Group's success in the secured of a sizeable subsea installation contract in the Tapis Enhanced Oil Recovery & Rejuvenation project off the Coast of Terengganu has also further beef up the Group's capability in the offshore construction works.

(iii) Technical Services Segment

The Group's Technical Services Segment is expected to grow significantly over the next few years as the Group continue to build its order book which now exceeds RM1 billion for the first time in the Group's history. From the Group's tradition focus in industrial plants, the Group have expanded into highrise construction and O&G industrial parks. The Group will continue to leverage on its engineering expertise to expand the revenue stream and build brand equity. With the Group recent participation in a number of large tenders, the Group's order book momentum is strong.

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B3 Prospects (cont'd)

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

The Board is of the view that the Group's operational results for the financial year ending 2013 will be satisfactory, barring any unforeseen circumstances.

B4 Profit forecast

Not applicable.

B5 Income tax expenses

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2012 RM'000	CURRENT YEAR TO DATE 31.03.2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2012 RM'000
In respect of the current period:				
Malaysian income tax	2,516	1,638	2,516	1,638
Deferred tax expense	1	15	1	15
	<u>2,517</u>	<u>1,653</u>	<u>2,517</u>	<u>1,653</u>

In respect of the current period:

Malaysian income tax	2,516	1,638	2,516	1,638
Deferred tax expense	1	15	1	15
	<u>2,517</u>	<u>1,653</u>	<u>2,517</u>	<u>1,653</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.

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 as at 15 May 2013, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report are summarised below:

(i) Memorandum of Understanding ("MOU") between Daya OCI Sdn Bhd ("DOCI"), a subsidiary of Daya Materials Berhad ("DMB") with Axima Concept ('Axima')

On 18 April 2012, the Board announced that DOCI, a 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.

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B7 Status of corporate proposals (cont'd)

The status of a corporate proposal announced by the Company and completed as at 15 May 2013, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report are summarised below (cont'd):

(i) Memorandum of Understanding ("MOU") between Daya OCI Sdn Bhd ("DOCI"), a subsidiary of Daya Materials Berhad ("DMB") with Axima Concept ('Axima") (cont'd)

On 18 April 2013, DOCI, a subsidiary of DMB entered into a Consortium Agreement with Axima to jointly undertake the provision of full package related to Design, Supply, Installation, Testing and Commissioning of Heating, Ventilation and Air-Conditioning System ("HVAC") for the 6 New Vessels Royal Malaysian Navy Littoral Combat Ship (LCS) Programme ("the Project") for Boustead Naval Shipyard Sdn. Bhd. .

On 30 April 2013, Axima accepted a Letter of Award from Boustead Naval Shipyard Sdn. Bhd. for the Project. The Project shall be undertaken by the consortium formed by Axima and DOCI. The contract price of the Project shall be Euro 49.4 million.

(ii) Proposed joint venture between Daya Land & Development Sdn. Bhd. ("DLD") and Chang Cheng Realty Sdn. Bhd. ("CCR") ("Proposed Joint Venture")

On 23 October 2012, the Board announced that DLD, a wholly-owned subsidiary of Daya CMT Sdn. Bhd. ("DCMT"), which is the wholly-owned subsidiary of DMB, had on 23 October 2012 entered into a MOU with CCR. The purpose of the MOU is to jointly develop and construct One (1) block of 28 storey Retail/Showroom/Service Suites, Forty (40) blocks of 4 storey Shopoffice and 8 blocks of 3 storey shops on Four (4) parcels of empty land located at Jalan Pintas in the District of Penampang, Sabah, Malaysia (hereinafter referred to as "the Said Project").

The estimated Gross Development Cost for the construction of the Said Project is estimated at RM120 million comprising the total construction cost and interest on construction period while the estimated Gross Development Value for the Said Project is RM250 million.

On 20 November 2012, DLD entered into a Shareholders Agreement ("SA") with CCR to jointly develop the Said Project. The Said Project shall be undertaken by a single-purposed joint venture company named Semangat Global Sdn. Bhd. ("SGSB").

On 1 March 2013, DLD subscribed for 102,000 ordinary shares of RM1.00 each of SGSB for a cash consideration of RM102,000 ("Shares Subscription"). With the above Shares Subscription, the Proposed Joint Venture with CCR had been duly completed on 1 March 2013.

(iii) Acquisition of a sub-subsiidiary

The Group, via its subsidiary, Daya Petroleum Ventures Sdn. Bhd. (formerly known as Metriwell Sdn. Bhd.) had on 18 March 2013 entered into a Subscription Agreement with Daya Maxflo Sdn. Bhd. (formerly known as Maxflo Energy Products Sdn. Bhd.) ("Maxflo"), Sales and Purchase Agreement with Jay Dorfman, Shareholders Agreement and Call and Put Option Agreement with Jay Dorfman and Visual Well Solutions Sdn. Bhd. for the proposed acquisition of 50.70% of the issued and paid up share capital of Maxflo for a cash consideration of RM1,900,000.

The acquisition was completed on 5 April 2013.

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B7 Status of corporate proposals (cont'd)

The status of a corporate proposal announced by the Company and completed as at 15 May 2013, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report are summarised below (cont'd):

(iv) Partial disposal of shares in subsidiaries

The Company had on 8 March 2013 entered into four Share Sale Agreements with Wiramas Baiduri Sdn. Bhd. for the disposal of 81,648 ordinary shares of RM1.00 each in Daya Secadyme Sdn. Bhd. ("DSSB") representing 8.10% of the issued and paid-up share capital of DSSB, 405,000 ordinary shares of RM1.00 each in Daya OCI Sdn. Bhd. ("DOCI") representing 8.10% of the issued and paid-up share capital of DOCI, 544,500 ordinary shares of RM1.00 each in Daya Proffscorp Sdn. Bhd. ("DPRO") representing 33% of the issued and paid-up share capital of DPRO and 101,500 ordinary shares of RM1.00 each in Daya Petroleum Ventures Sdn. Bhd. (formerly known as Metriwell Sdn. Bhd.) ("DPV") representing 29% of the issued and paid-up share capital of DPV at the cash consideration of RM6,500,000, RM3,700,000, RM6,700,000 and RM101,500 respectively.

The disposal was completed on 5 April 2013.

The status of a corporate proposal announced by the Company but not completed as at 15 May 2013, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report are 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").

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

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 Ninth AGM held on 26 June 2012.

(ii) Memorandum of Understanding ("MOU") between Daya Materials Berhad ("DMB") with Malco Engineering (Private) Limited ("MALCO")

On 6 June 2012, the Board announced that DMB, had on 6 June 2012 entered into a MOU with Malco. The purpose of the MOU is to record the preliminary intentions and understanding of the DMB and Malco with respect to their common interest and agreement to collaborate and pursue mutual cooperation in business in Sri Lanka with the view to establishing a joint venture entity. Malco is a company incorporated in Sri Lanka involved in projects associated with power plants, renewable energy, oil & gas, telecommunications, infrastructure and water supply.

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B7 Status of corporate proposals (cont'd)

The status of a corporate proposal announced by the Company but not completed as at 15 May 2013, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report are summarised below (cont'd):

(iii) Memorandum of Understanding ("MOU") between Daya Materials Berhad ("DMB") with Upstream Downstream Process Services Sdn. Bhd. ("UDPS")

On 10 August 2012, the Board announced that DMB, had on 9 August 2012 entered into a MOU with UDPS. The purpose of the MOU is to jointly develop and market mobile water injection technologies and solutions to the upstream oil & gas sector. UDPS is a process engineering and equipment packaging company providing sea water injection packages, related engineering services and water injection system management services.

(iv) Memorandum of Understanding ("MOU") between Daya OCI Sdn. Bhd. ("DOCI"), a subsidiary of Daya Materials Berhad ("DMB") with Cesti Technologies Sdn. Bhd. ("CESTECH")

On 3 September 2012, the Board announced that DOCI, a subsidiary of DMB had on 3 September 2012 entered into a MOU with CESTECH. The purpose of the MOU is to jointly participate in the marketing with technical presentation, preparation and submission of tenders for relevant projects in oil and gas sectors, and upon issuance of the letter of award, both DOCI and CESTECH shall jointly undertake, manage and complete the projects.

(v) Memorandum of Understanding ("MOU") between Daya Petroleum Ventures Sdn. Bhd. ("DPV"), a subsidiary of Daya Materials Berhad ("DMB") with Malco Engineering (Private) Limited ("MALCO") and United Global Services (Pvt) Limited ("UGS")

On 10 December 2012, the Board announced that DPV, a subsidiary of DMB had on 7 December 2012 entered into a MOU with MALCO and UGS. The purpose of the MOU is to record the preliminary intentions and understanding of the parties with respect to their common interest and agreement to collaborate and pursue mutual cooperation in the petroleum bunkering business.

(vi) Purchase of commercial property at Damai Central for total consideration of RM8,400,000

On 8 November 2012, the Board announced that its wholly owned subsidiary, Daya Urusharta Sdn Bhd had on 8 November 2012, entered into six Sale and Purchase Agreements with Delight 2000 Holdings Sdn. Bhd. for the acquisition of two (2) units of three (3) storey Shop-Office and four (4) units of two (2) storey Shop-Office all erected on leasehold land of ninety nine (99) years expiring on 23 October 2104 under P.N. 48236, Lot No. 42781 in the Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur for a total consideration of RM8,400,000.

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B8 Group's borrowings and debt securities

The Group's borrowings are as follows:

		Payable within 12 months RM'000	Payable after 12 months RM'000	Total Outstanding RM'000
Trade facilities (Secured)		17,008	-	17,008
Hire purchases (Secured)		1,231	4,315	5,546
Overdraft (Unsecured)		5,685	-	5,685
Term loans (Secured)		13,367	39,551	52,918
Redeemable Convertible Secured Loan Notes ("RCSLN")	(i)	2,484	-	2,484
		<u>39,775</u>	<u>43,866</u>	<u>83,641</u>

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

- (a) legal charges over subsidiaries freehold land and buildings;
- (b) corporate guarantee by the Company;
- (c) a debenture over all assets of certain subsidiaries;
- (d) a pledge on the Company and subsidiaries' fixed deposits; and
- (e) a pledge of 100% unquoted shares over the entire issued and paid-up capital of certain subsidiaries.

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 31.03.2013 RM'000	PRECEDING YEAR CORRESPON- DING PERIOD 31.03.2012 RM'000
Nominal value	2,500	8,000
Add: Discount on convertible notes	71	155
Less: Unamortised discount	(87)	(278)
	<u>2,484</u>	<u>7,877</u>

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B8 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
	31.03.2013	31.03.2012
	RM'000	RM'000
Liability component:-		
Nominal value of the convertible notes	2,500	8,000
Add: Discount on convertible notes	71	155
	<u>2,571</u>	<u>8,155</u>
Equity component, net of deferred tax	(65)	(209)
Deferred tax liability	(22)	(69)
	<u>2,484</u>	<u>7,877</u>

B9 Material litigations

Save for the following, there were no material litigation involving the Group since the last financial year ended 31 December 2012 and 15 May 2013, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report.

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 and 10 July 2012, DSSB received the cheque of RM10,000 from the first and second Defendants on each date.

Thereafter, DSSB has not received the full settlement as appealed by the first and second Defendants which was due on 31 August 2012. DSSB has reserve its right for further legal considerations on the matter.

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B10 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 2012. These final dividends payable will be proposed for shareholders' approval at the forthcoming Annual General Meeting and will be paid on 15 August 2013.

B11 Earnings per share

a) Basic earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING		PRECEDING
	YEAR	YEAR	CURRENT	YEAR
	QUARTER	CORRESPONDI	YEAR TO DATE	CORRESPON-
	NG QUARTER		DING PERIOD	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	5,031	2,939	5,031	2,939
Weighted average number of shares in issue ('000)	1,223,488	1,211,156	1,223,488	1,211,156
Basic earnings per share (sen)	<u>0.41</u>	<u>0.24</u>	<u>0.41</u>	<u>0.24</u>

b) Diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING		PRECEDING
	YEAR	YEAR	CURRENT	YEAR
	QUARTER	CORRESPONDI	YEAR TO DATE	CORRESPON-
	NG QUARTER		DING PERIOD	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	5,031	2,939	5,031	2,939
Effect of dilution (RM'000)	-	29	-	29
Adjusted net profit for the period attributable to ordinary equity holders of the company (RM'000)	5,031	2,968	5,031	2,968
Weighted average number of shares in issue ('000)	1,223,488	1,211,156	1,223,488	1,211,156
Effect of dilution ('000)	645	16,656	645	16,656
Adjusted weighted average number of shares in issue ('000)	1,224,133	1,227,812	1,224,133	1,227,812
Diluted earnings per share (sen)	<u>0.41</u>	<u>0.24</u>	<u>0.41</u>	<u>0.24</u>

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B12 Additional disclosure as per Appendix 9B , Part A, Note 16 of Bursa Listing Requirement

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR		YEAR
	QUARTER	CORRESPONDING QUARTER	YEAR TO DATE	CORRESPONDING PERIOD
31.03.2013	31.03.2012	31.03.2013	31.03.2012	
	RM'000	RM'000	RM'000	RM'000
The following amounts have been included in arriving at profit before tax:				
Finance costs	1,315	1,087	1,315	1,087
Depreciation on property, plant and equipment	1,368	1,049	1,368	1,049
Depreciation on investment property	10	4	10	4
Amortisation on intangible assets	25	17	25	17
Property, plant and equipment written off	-	2	-	2
Net foreign exchange loss	-	629	-	629
and after crediting:				
Interest income	242	394	242	394
Rental income	155	129	581	129
Reversal of discount on convertible loan notes	42	21	42	21
Reversal of allowance for impairment loss	29	-	29	-
Gain on disposal of property, plant & equipment	-	411	-	411
Net foreign exchange gain	32	-	32	-
Fair value gain on marketable securities	-	12	-	12

There is no any impairment of other assets and gain or loss on derivatives.

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B13 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
	31.03.2013	31.12.2012
	RM'000	RM'000
Total retained earnings of DMB and its subsidiaries:		
- Realised profits	123,579	117,989
- Unrealised losses	(196)	(290)
	<u>123,383</u>	<u>117,699</u>
Less: Consolidated adjustments	(30,316)	(29,663)
Total group retained earnings as per consolidated accounts	<u><u>93,067</u></u>	<u><u>88,036</u></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.

B14 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2012 was unqualified.

By Order of the Board

Tham Jooi Loon
Managing Director

Date: 20 May 2013