



DAYA MATERIALS BERHAD

Company No. 636357-W
(Incorporated in Malaysia)

Quarterly Report 31 December 2011

DAYA MATERIALS BERHAD

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

CONDENSED CONSOLIDATED INCOME STATEMENT

QUARTERLY REPORT ON THE RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	96,271	41,357	281,683	174,223
Cost of Sales	(84,275)	(26,210)	(239,190)	(127,249)
Gross Profit	<u>11,996</u>	<u>15,147</u>	<u>42,493</u>	<u>46,974</u>
Other Income	1,731	893	6,448	2,977
Operating Expenses	(7,724)	(9,261)	(22,565)	(24,380)
Profit from operations	<u>6,003</u>	<u>6,779</u>	<u>26,376</u>	<u>25,571</u>
Finance Costs	(983)	(1,156)	(3,994)	(3,149)
Share of results of jointly controlled entities	339	169	1,418	311
Profit before tax	<u>5,359</u>	<u>5,792</u>	<u>23,800</u>	<u>22,733</u>
Income tax expense	(664)	(15)	(6,237)	(5,767)
Profit for the period	<u><u>4,695</u></u>	<u><u>5,777</u></u>	<u><u>17,563</u></u>	<u><u>16,966</u></u>
Attributable to :				
Equity holders of the Company	4,698	5,775	17,502	16,908
Non-controlling interests	(3)	2	61	57
	<u><u>4,695</u></u>	<u><u>5,777</u></u>	<u><u>17,563</u></u>	<u><u>16,966</u></u>
Earnings per share (sen):				
Basic	<u>0.39</u>	<u>0.54</u>	<u>1.51</u>	<u>1.64</u>
Diluted*	<u>0.39 *</u>	<u>0.54 *</u>	<u>1.46 *</u>	<u>1.55 *</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.

The above consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the 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 FOURTH QUARTER ENDED 31 DECEMBER 2011

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2010 RM'000	CURRENT YEAR TO DATE 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2010 RM'000
Profit for the period	4,695	5,777	17,563	16,966
Other comprehensive income:				
Foreign currency translation differences for foreign subsidiaries	(49)	-	(103)	192
Total comprehensive income for the period, net of tax	4,646	5,777	17,460	17,158
Total comprehensive income for the period attributable to:				
Equity holders of the Company	4,649	5,775	17,399	17,100
Non-controlling interests	(3)	2	61	57
	4,646	5,777	17,460	17,158

The above consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

DAYA MATERIALS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

(The figures have not been audited)

	UNAUDITED AS AT END OF CURRENT QUARTER 31.12.2011 RM'000	AUDITED AS AT END OF FINANCIAL YEAR 31.12.2010 RM'000
Non Current Assets		
Property, plant and equipment	100,114	90,866
Investment property	1,210	1,225
Intangible assets	83,491	83,491
Investment in jointly controlled entities	700	1,061
Other receivable	1,271	1,809
	<u>186,786</u>	<u>178,452</u>
Current Assets		
Inventories	13,022	13,428
Trade receivables	70,240	47,641
Other receivables	19,610	9,615
Other current assets	24,626	5,041
Tax recoverable	5,580	3,562
Financial assets at fair value through profit or loss	244	159
Cash and cash equivalents	59,666	34,153
	<u>192,988</u>	<u>113,599</u>
Current Liabilities		
Trade payables	52,014	10,373
Other payables	43,717	25,207
Provisions	1,991	2,321
Tax payables	3,907	2,393
Loans and borrowings	13,541	14,568
	<u>115,170</u>	<u>54,862</u>
Net Current Assets	77,818	58,737
	<u>264,604</u>	<u>237,189</u>
Financed by:		
Share capital	119,916	109,674
Reserves	90,688	66,923
	210,604	176,597
Non-controlling interests	62	559
	<u>210,666</u>	<u>177,156</u>
Non Current Liabilities		
Other payables	3,000	5,000
Deferred tax liabilities	972	1,086
Loans and borrowings	49,966	53,947
	<u>53,938</u>	<u>60,033</u>
	<u>264,604</u>	<u>237,189</u>
Net assets per share (sen)	<u>17.56</u>	<u>16.10</u>

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

DAYA MATERIALS BERHAD

(Company No: 636357-W)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

(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 Translation Reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
Balance as at 1 January 2010	82,630	18,184	443	-	41,543	142,800	681	143,481
Total comprehensive income for the period	-	-	-	-	2,353	2,353	8	2,361
Transactions with owners:								
Effect on equity component of RCSLN	-	-	75	-	-	75	-	75
Balance as at 31 March 2010	<u>82,630</u>	<u>18,184</u>	<u>518</u>	<u>-</u>	<u>43,896</u>	<u>145,228</u>	<u>689</u>	<u>145,917</u>
Total comprehensive income for the period	-	-	-	-	4,398	4,398	32	4,430
Transactions with owners:								
Effect on equity component of RCSLN	-	-	93	-	-	93	-	93
Conversion of RCSLN	1,451	1,549	(91)	-	-	2,909	-	2,909
Private placements	3,980	3,912	-	-	-	7,892	-	7,892
Acquisition of subsidiaries	-	-	-	-	-	-	96	96
Dividends paid	-	-	-	-	(45)	(45)	-	(45)
Balance as at 30 June 2010	<u>88,061</u>	<u>23,645</u>	<u>520</u>	<u>-</u>	<u>48,249</u>	<u>160,475</u>	<u>817</u>	<u>161,292</u>
Total comprehensive income for the period	-	-	-	-	4,382	4,382	16	4,398
Transactions with owners:								
Effect on equity component of RCSLN	-	-	110	-	-	110	-	110
Issuance of bonus shares	17,613	(17,613)	-	-	-	-	-	-
Transaction costs	-	(83)	-	-	-	(83)	-	(83)
Disposal of a subsidiary	-	-	-	-	-	-	(90)	(90)
Dividends paid	-	-	-	-	(2,082)	(2,082)	-	(2,082)
Balance as at 30 September 2010	<u>105,674</u>	<u>5,949</u>	<u>630</u>	<u>-</u>	<u>50,549</u>	<u>162,802</u>	<u>743</u>	<u>163,545</u>
Total comprehensive income for the period	-	-	-	192	5,820	6,012	2	6,014
Transactions with owners:								
Private placements	4,000	4,060	-	-	-	8,060	-	8,060
Issuance of bonus shares	-	-	-	-	-	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	(186)	(186)
Effect on equity component of RCSLN	-	(12)	(265)	-	-	(277)	-	(277)
Balance as at 31 December 2010	<u>109,674</u>	<u>9,997</u>	<u>365</u>	<u>192</u>	<u>56,369</u>	<u>176,597</u>	<u>559</u>	<u>177,156</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

(The figures have not been audited)

	-----Attributable to Equity Holders of the Company-----								
	-----Non-Distributable-----					Distributable			
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Equity component of RCSLN RM'000	Foreign Currency Translation Reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
Balance as at 1 January 2011	109,674	9,997	-	365	192	56,369	176,597	559	177,156
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
Balance as at 31 March 2011	<u>111,916</u>	<u>11,880</u>	<u>-</u>	<u>287</u>	<u>174</u>	<u>59,057</u>	<u>183,314</u>	<u>641</u>	<u>183,955</u>
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
Balance as at 30 June 2011	<u>119,916</u>	<u>21,180</u>	<u>-</u>	<u>287</u>	<u>174</u>	<u>63,789</u>	<u>205,346</u>	<u>663</u>	<u>206,009</u>
Total comprehensive income for the period	-	-	-	-	(36)	5,384	5,348	40	5,388
Transactions with owners:									
Shares issuance expenses	-	(1,550)	-	-	-	-	(1,550)	-	(1,550)
Dividends paid	-	-	-	-	-	(2,878)	(2,878)	-	(2,878)
Balance as at 30 September 2011	<u>119,916</u>	<u>19,630</u>	<u>-</u>	<u>287</u>	<u>138</u>	<u>66,295</u>	<u>206,266</u>	<u>703</u>	<u>206,969</u>
Total comprehensive income for the period	-	-	-	-	(49)	4,698	4,649	(3)	4,646
Transactions with owners:									
Purchase of treasury shares	-	-	(317)	-	-	-	(317)	-	(317)
Acquisition of minority interest	-	-	-	-	-	6	6	(556)	(550)
Disposal of minority interest	-	-	-	-	-	-	-	(82)	(82)
Balance as at 31 December 2011	<u>119,916</u>	<u>19,630</u>	<u>(317)</u>	<u>287</u>	<u>89</u>	<u>70,999</u>	<u>210,604</u>	<u>62</u>	<u>210,666</u>

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 31.12.2011	AUDITED FOR THE YEAR ENDED 31.12.2010
Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	23,800	22,733
Adjustments for:		
Share of results of joint ventures	(1,418)	(311)
Discount on convertible loan notes	74	114
Amortisation on intangible assets	-	60
Depreciation on property, plant and equipment	4,295	4,037
Depreciation on investment property	15	15
Gain on disposal of property, plant & equipment	(3,269)	(1,206)
Property, plant and equipment written off	17	33
Gain on disposal of subsidiaries	(i) -	(89)
Gain on disposal of marketable securities	(36)	-
Fair value gain on marketable securities	4	(19)
Bad debts written off	-	160
Dividends income	-	(1)
Finance costs	3,994	3,149
Interest income	(1,024)	(788)
Unrealised foreign exchange loss	92	272
Allowance for impairment	231	1,598
	<hr/>	<hr/>
Operating profit before working capital changes	26,775	29,757
Changes in working capital:		
Net change in inventories	227	(4,801)
Net change in trade and other receivables	(33,409)	(27,406)
Other current assets	(19,585)	4,036
Net change in trade and other payables	64,121	1,263
Provisions	(330)	1,653
	<hr/>	<hr/>
Cash generated from operations	37,799	4,502
Finance cost paid	(3,994)	(3,149)
Income tax paid	(6,836)	(8,017)
	<hr/>	<hr/>
Net Cash Generated From / (Used In) Operating Activities	<hr/>	<hr/>
	26,969	(6,664)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 31.12.2011 RM'000	AUDITED FOR THE YEAR ENDED 31.12.2010 RM'000
	Note	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(18,096)	(30,867)
Proceeds from disposal of property, plant and equipment	4,565	1,436
Purchase of marketable securities	(115)	(110)
Proceeds from disposal of marketable securities	62	-
Acquisition of subsidiaries	(ii) -	(26,284)
Subscription of shares in joint venture company	(6)	-
Acquisition of non-controlling interests	(550)	-
Net cash (outflows) / inflows from disposal of subsidiaries	(i) (66)	202
Increase in pledged deposits placed with licensed banks	(21,051)	(8,765)
Distribution of profits from a jointly controlled entity	250	-
Dividends received	-	1
Interest received	1,024	788
Net Cash Used In Investing Activities	(33,983)	(63,599)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans and borrowings	(10,670)	(9,782)
Proceeds from loans and borrowings	10,084	37,338
Proceeds from issuance of shares	16,875	16,936
Purchase of treasury shares	(317)	-
Transaction costs paid for issuance of bonus shares	-	(1,079)
Issuance of shares to non-controlling interests	80	-
Dividends paid	(2,878)	(2,268)
Net Cash Generated From Financing Activities	13,174	41,145
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	6,160	(29,118)
Effect of exchange rate fluctuations on cash held	(103)	192
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR	14,358	43,284
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	20,415	14,358
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR		
Cash and bank balances	14,727	10,616
Fixed deposits with licenced banks	41,231	21,115
Short term investments	3,708	2,422
Bank overdraft	(597)	(2,192)
	59,069	31,961
Less: Deposits pledged	(38,654)	(17,603)
	20,415	14,358

DAYA MATERIALS BERHAD

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

QUARTERLY REPORT ON THE RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

(The figures have not been audited)

- (i) The Group had on 8 November 2011 issued for additional shares of 320,000 ordinary shares at RM1.00 each in Daya NCHO Sdn. Bhd. ("DNSB") representing 32% of the issued and paid-up share capital of DNSB to NCHO Sdn. Bhd. ("NSB") through capitalization of an amount of RM320,000 out of advances owing to NSB. The new issuance of shares is deemed as disposal of a subsidiary and DNSB is ceased to be a subsidiary of the Group and become a jointly controlled entity.

The Group had, on 15 September 2011 announced the disposal of 40,000 ordinary shares of HKD1.00 each in Daya NCHO International Limited ("DNIL") representing 40% of the issued and paid-up share capital of DNIL by DMB International Limited, a direct wholly owned subsidiary of Daya Materials Berhad 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.

In previous year, the Group had, on 18 August 2010 announced the completion of the disposal of 1,800 ordinary shares of RM1.00 each in OCI Energy Services Sdn. Bhd. ("OCIES") representing 100% of the issued and paid-up share capital of OCIES by Daya OCI Sdn. Bhd. (formerly known as OCI Energy Sdn. Bhd.) ("DOCI"), a direct wholly owned subsidiary of Daya Materials Berhad, Kamalukhair Bin Abdullah and Zaidi Bin Ayub to Ombak Marine Group Sdn. Bhd. for a total cash consideration of RM201,529.

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

	UNAUDITED CURRENT YEAR TO DATE 31.12.2011 RM'000	AUDITED FOR THE YEAR ENDED 31.12.2010 RM'000
Property, plant and equipment	3,239	4
Inventories	179	
Trade and other receivables	1,029	1,000
Tax recoverable	-	200
Cash and bank balance	82	-
Trade and other payables	(3,806)	(1,000)
Deferred tax liabilities	-	(1)
	<u>723</u>	<u>203</u>
Less: Transfer to investment in jointly controlled entities	(625)	-
Non-controlling interests	<u>(82)</u>	<u>(90)</u>
	16	113
Gain on disposal of subsidiaries	-	89
Consideration received, satisfied in cash	16	202
Cash disposed of	<u>(82)</u>	<u>-</u>
Net cash (outflows) / inflows	<u>(66)</u>	<u>202</u>

- (ii) In previous year, the Group had, on 14 June 2010 acquired 5,000,000 ordinary shares of RM1.00 each representing 100% of the issued and paid-up capital of DOCI for a cash consideration of RM28,000,000.

The assets and liabilities arising from the acquisition of the subsidiaries are as follows:

	UNAUDITED CURRENT YEAR TO DATE 31.12.2011 RM'000	AUDITED FOR THE YEAR ENDED 31.12.2010 RM'000
Property, plant and equipment	-	3,715
Investment property	-	937
Investment in joint venture	-	750
Trade and other receivables	-	6,645
Cash and cash equivalents	-	4,054
Trade and other payables	-	(5,470)
Tax payables	-	(448)
Loans and borrowings	-	(1,778)
Deferred tax liabilities	-	(1)
Fair value of net assets	<u>-</u>	<u>8,404</u>
Less: Non-controlling interests	<u>-</u>	<u>(96)</u>
	-	8,308
Goodwill on acquisitions	<u>-</u>	<u>22,030</u>
Consideration paid, satisfied in cash	<u>-</u>	<u>30,338</u>
Cash and cash equivalents acquired	<u>-</u>	<u>(4,054)</u>
Net cash outflows	<u>-</u>	<u>26,284</u>

The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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A EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010. These explanatory notes attached to the 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 financial year ended 31 December 2010.

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 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations:

(i) Adoption of FRSs, Amendments to FRSs and IC Interpretations

FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations (Revised)	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132: Classification of Rights Issues	1 March 2010
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRSs contained in the document entitled "Improvement to FRSs (2010)"	1 January 2011

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A2 Significant Accounting Policies (Continued)

(i) Adoption of FRSs, Amendments to FRSs and IC Interpretations (Continued)

FRSs and Interpretations (Continued)

IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfer of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)	1 July 2011
FRS 124 Related Party Transactions	1 January 2012
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012

(ii) Malaysia Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

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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

Save for the below, there were no significant issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

For the year ended 31 December 2011, the Company repurchased 1,787,100 (2010 : nil) of its issued share capital from the open market. The total amount paid for the shares repurchased was RM317,048.20 (2010 : nil) and the average price paid was RM0.18 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased were retained as treasury shares.

A7 Dividends paid

The following dividends was paid during the previous quarter and financial period ended:

	31.12.2011	31.12.2010
Final dividends for the financial year	31 December 2010	31 December 2009
Approved and declared on	20 June 2011	21 May 2010
Date paid	15 July 2011	16 July 2010
Number of ordinary shares on which dividends were paid	1,199,158,544	867,614,118
Amount per share	0.24 sen single tier dividend	0.32 sen less 25% taxation
Net dividends paid (RM)	2,877,981	2,082,275

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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	Others RM'000	Total RM'000
			Services RM'000		
Revenue	19,310	101,616	160,792	376	282,094
Inter-segment revenue	-	-	(35)	(376)	(411)
External revenue	<u>19,310</u>	<u>101,616</u>	<u>160,757</u>	<u>-</u>	<u>281,683</u>
Segment Results	1,134	16,751	6,207	(629)	23,463
Unallocated Results					2,913
Profit from Operations					26,376
Finance Costs					(3,994)
Share of results of jointly controlled entities					1,418
Profit Before Tax					23,800
Taxation					(6,237)
Profit AfterTax					<u>17,563</u>
Geographical Segment					Revenue RM'000
Malaysia					280,887
Foreign Countries					796
Consolidated					<u>281,683</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.

A10 Subsequent Events

Save for Section B9, there were no material events subsequent to the current financial quarter ended 31 December 2011 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

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A11 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:-

(i) Acquisition by Daya CMT Sdn Bhd of 40% Interest in Daya Land & Development Sdn. Bhd. (formerly known as IHP Supply Sdn. Bhd.)

On 30 November 2011, the Board of DMB announced that DCMT, a wholly-owned subsidiary of DMB, had on 30 November 2011 acquired a total of 200,000 ordinary shares of RM1.00 each of Daya Land & Development Sdn Bhd (formerly known as IHP Supply Sdn Bhd) ("DLD") representing 40% of the total issued and paid-up share capital of DLD, from Soon Kok Lum, Ruby A/P Gnanabaranamand and Hor Ching Siew respectively for a total cash consideration of RM550,000.00. Subsequent to the acquisition, DLD had become a 100% wholly owned subsidiary of DCMT.

(ii) Acquisition of a Sub-subsidiary Company, Ultrafest Sdn. Bhd.

On 15 December 2011, 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, which is the wholly-owned subsidiary of DMB acquired two (2) ordinary shares of RM1.00 in Ultrafest Sdn. Bhd ("USB"), representing 100% equity interest from Hasniza Binti Wazer and Fatimah Binti Sulaiman, for a total consideration of RM2.00 only.

A12 Contingent Assets and Contingent Liabilities

As at 31 December 2011, the Company provides corporate guarantees up to a total amount of RM184,269,515 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 RM72,340,365.

As at 31 December 2011, 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 RM101,976.

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

A13 Capital Commitments

	RM'000
Contracted and not provided for:	1,502
Approved but not contracted for:	1,607

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A14 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 31.12.2011 RM'000	Balance as at 31.12.2011 RM'000	Transaction for the period ended 31.12.2010 RM'000	Balance as at 31.12.2010 RM'000
Interest income charged on housing loan to a director	116	-	118	-
Housing loan to a director	-	1,809	2,720	2,318

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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 RM4.483 million for the quarter ended 31 December 2011, an increase of 9.82% from RM4.082 million recorded in the previous year corresponding quarter after some marketing and promotion effort were done.

(ii) Oil & Gas segment

The Group achieved a significant increase in the revenue on the Oil & Gas Segment of RM42.653 million for the quarter ended 31 December 2011, an increase of 263.50% from RM11.734 million recorded in the previous year corresponding quarter. The significant increase in the revenue in the Oil & Gas Segment is mainly due to the following:-

- a. Sales in the catalysts amounted to RM27.7 million during the quarter ended 31 December 2011; and
- b. New ventures in the businesses of desludging, tank repairs and tank paintings that brought the Oil & Gas segment for an additional RM3.6 million, RM0.5 million and RM1 million of revenues respectively.

(iii) Technical Services segment

The Group achieved a significant increase in the revenue on Technical Services Segment of RM49.135 million for the quarter ended 31 December 2011, an increase of 92.61% from RM25.511 million recorded in the previous year corresponding quarter. The significant increase in the revenue in the Technical Services Segment is mainly due to the revenue recognised on the B.Braun project.

The Group achieved revenue of RM96.271 million for the quarter ended 31 December 2011, an increase of 132.78% from RM41.357 million recorded in the previous year corresponding quarter. Despite, the significant increase in the revenue, the Group had recorded a drop in the profit before tax of RM5.359 million for the quarter ended 31 December 2011, a decrease of 7.48% from RM5.792 million recorded in the previous year corresponding quarter. These are mainly due to:-

- a. Stiff competition from Chinese and Korean Suppliers in Polymer Segment;
- b. Sales in the catalysts from Oil & Gas Segment are generally comes with a significant value but it is at a lower profit margin;
- c. New ventures of Oil & Gas segment in the new businesses has brought the Group a considerably revenues but the eventual loss incurred on the desludging project due to the significant start-up and learning costs has reduced the profits of the Group; and
- d. Though, the B. Braun project has contributed a significant revenue to the Group, a generally lower profits margin in the Technical Services Segment has reduced the profits margin for the Group as a whole.

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B1 Review of performance (Continued)

Current Year-to-Date versus Preceding Year

(i) Polymer segment

The Group achieved revenue of RM19.310 million on the Polymer Segment for the financial year ended 31 December 2011, a decrease of 36.97% from RM30.632 million recorded in the previous financial year. Higher revenue for the Polymer Segment in the previous financial year is mainly due to the revival of the demands in the power cables following the recession in the year before.

(ii) Oil & Gas segment

The Group achieved revenue of RM101.616 million on the Oil & Gas Segment for the financial year ended 31 December 2011, an increase of 97.41% from RM51.476 million recorded in the previous financial year. The increase in the revenue on the Oil & Gas segment is mainly attributable to the following:-

- a. Seasonal sales on the catalysts during the financial year ended 31 December 2011 amounted to RM33.3 million;
- b. Sales on Dipa chemicals during the financial year ended 31 December 2011 amounted to RM17.2 million; and
- c. Ventures in the new businesses in desludging, tank repairs and tanks paintings with additional revenue of RM3.6 million, RM0.5 million and RM1 million respectively.

(iii) Technical Services segment

The Group achieved revenue of RM160.757 million of revenue on the Technical Services Segment for the financial year ended 31 December 2011, an increase of 74.58% from RM92.083 million recorded in the previous financial year. The increase in the revenue on the Technical Services Segment is mainly due to the contract on B. Braun amounted to approximately RM120 million upon its completion.

The Group achieved revenue of RM281.683 million for the year ended 31 December 2011, an increase of 61.68% from RM174.223 million recorded in the previous financial year ended 31 December 2010. The increase was mainly attributed to the higher revenue contribution from the Oil & Gas and Technical Services segments. The Group recorded a profit before tax of RM23.800 million for the financial year ended 31 December 2011, which represents an increase of 4.69% over RM22.733 million recorded for previous financial year ended 31 December 2010. The improved performance was mainly attributable to the profit contributed by higher profits and margin from Oil & Gas segment with the recovery of crane services business and higher chemical sales but offset with lower profits from Polymer Segment due to the weaker market condition in the polymer industry and lower margin in the technical services industry.

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B2 Variation of results against preceding quarter

	Quarter ended 31.12.2011 RM'000	Quarter ended 30.9.2011 RM'000
Revenue	96,271	64,353
Profit before tax	5,359	7,966

For the quarter ended 31 December 2011, the Group achieved higher revenue of RM96.271 million, an increase of 49.60% as compared to RM64.353 million recorded in the preceding quarter. The increase in revenue was mainly attributed to the higher contribution from its Oil & Gas and Technical Services segments. Nevertheless, the Group recorded a profit before tax of RM5.359 million, a decrease of 32.73% as compared to RM7.966 million in the preceding quarter, primarily due to the loss on the new projects from desludging as a result of the significant start-up and learning costs.

B3 Prospects

Despite a challenging global economic conditions overshadow by the European debt crisis and slower growth in Asia countries, the Board expects the financial performance of the Group is to continue in growing positively in the coming period particularly from its Oil & Gas and Technical Services segments.

(i) Oil & Gas segment

The strategy of Malaysian Government in intensifying the exploration activities in Malaysia is expected to spur the business opportunities in the industry which in turn is expected to benefits the Group.

Despite a loss incurred on one of its new projects, desludging, the Group has managed to make profits for its subsequent similar projects. The higher costs on the project was mainly due to the start-up and learning costs on its initial project.

The Group will continue in exploring for other new business opportunities in the upstream Oil & Gas sector including production chemicals, marine and manpower services.

(ii) Technical Services segment

The year for 2012 will be an important milestone for the Technical Services segment where the Group's much anticipated recycling plant in Pulau Indah is expected to be operational by the second quarter of 2012. The plant which is in designed for the distillation and recycling of waste oil and spent solvent is expected to contribute meaningfully to the Group's results in 2012.

Apart from the new recycling plant in Pulau Indah, the Group will also continue in exploring for the potential joint ventures via Zen Projects Sdn. Bhd. and Terra Hill Development Sdn. Bhd. in participating the land and property development and its related businesses and investment opportunities.

(iii) Polymer segment

In view of the stiff competition from Chinese and Korean suppliers, the Group is exploring for other new business opportunities to grow its polymer business .

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.

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B4 Profit forecast

Not applicable.

B5 Income tax expenses

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2010 RM'000	CURRENT YEAR TO DATE 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2010 RM'000
In respect of the current period:				
Malaysian income tax	687	935	6,330	6,688
Deferred tax income	(23)	(920)	(93)	(920)
	<u>664</u>	<u>15</u>	<u>6,237</u>	<u>5,767</u>

The effective tax rate for the quarter under review was lower than the statutory income tax rate mainly due to adjustment on overprovision of taxation in prior quarters by the subsidiaries of DMB Group.

The Group's effective tax rate for the financial year 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.

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B7 Other Current Assets

		AS AT END OF CURRENT QUARTER 31.12.2011 RM'000	PRECEDING YEAR CORRESPON- DING PERIOD 31.12.2010 RM'000
	Note		
Amount due from customers on contracts	(i)	22,929	4,169
Prepayments		1,697	872
		<u>24,626</u>	<u>5,041</u>

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

	AS AT END OF CURRENT QUARTER 31.12.2011 RM'000	PRECEDING YEAR CORRESPON- DING PERIOD 31.12.2010 RM'000
Aggregate costs incurred to date	306,818	189,986
Add: Attributable profits	62,815	50,315
	<u>369,633</u>	<u>240,301</u>
Less: Progress billings	(346,704)	(236,132)
	<u>22,929</u>	<u>4,169</u>

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B8 Status of corporate proposals

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

(i) Acquisition by Daya CMT Sdn Bhd of 40% Interest in Daya Land & Development Sdn Bhd

On 30 November 2011, the Board of DMB announced that DCMT, a wholly-owned subsidiary of DMB, had on 30 November 2011 acquired a total of 200,000 ordinary shares of RM1.00 each of Daya Land & Development Sdn Bhd (formerly known as IHP Supply Sdn Bhd) ("DLD") representing 40% of the total issued and paid-up share capital of DLD, from Soon Kok Lum, Ruby A/P Gnanabaranamand and Hor Ching Siew, respectively for a total cash consideration of RM550,000.00. Subsequent to the acquisition, DLD had become a 100% wholly owned subsidiary of DCMT.

(ii) Joint Venture Between Daya OCI Sdn. Bhd. and Campo Sdn. Bhd.

On 5 October 2011, the Board announced that Daya OCI Sdn. Bhd. (formerly known as OCI Energy Sdn. Bhd) ("DOCI"), a wholly-owned subsidiary of DMB, had on 5 October 2011, entered into a Joint Venture Agreement with Campo Sdn Bhd ("Campo")

The Proposed Joint Venture will be undertaken through a joint venture company, Daya Campo (Sabah) Sdn. Bhd., which is currently a wholly-owned subsidiary of DOCI. The initial proposed capital outlay shall be RM10,000.00 and the equity sharing ratio under the Proposed Joint Venture is DOCI 60% and Campo 40%. DOCI will finance its 60% equity stake amounting to RM6,000.00 in the Proposed Joint Venture from its internally generated funds.

On 3 February 2012, DCSB increased its authorised share capital from Ringgit Malaysia One Hundred Thousand (RM100,000.00) to Ringgit Malaysia One Million (RM1,000,000.00) by the creation of Ringgit Malaysia Nine Hundred Thousand (RM900,000.00) ordinary shares of RM1.00 each and issued an additional 5,998 and 4,000 ordinary shares at RM1.00 each to DOCI and Campo respectively. Subsequent to the shares issuance, DCSB had become a 60% owned subsidiary of DOCI.

(iii) Acquisition of a Sub-subsidiary Company, Zen Projects Sdn. Bhd.

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, which is the wholly-owned subsidiary of DMB acquired two (2) ordinary shares of RM1.00 in Zen Projects Sdn. Bhd ("ZPSB"), representing 100% equity interest from Hasniza Binti Wazer and Fatimah Binti Sulaiman, for a total consideration of RM2.00 only. The principal activity of ZPSB is in investment holdings. As at the date of this announcement, ZPSB has yet to commence its operation.

The status of corporate proposals announced by the Company but not completed as at 22 February 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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B8 Status of corporate proposals (Continued)

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

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, Hong Leong Investment Bank Berhad announced that Bursa Malaysia Securities Berhad had, vide 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.

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B8 Status of corporate proposals (Continued)

(iii) Acquisition of a Sub-subsidiary Company, Terra Hills Development Sdn. Bhd.

On 14 February 2012, the Board announced that Daya Land & Development Sdn. Bhd. (formerly known as IHP Supply Sdn. Bhd.) ("DLB"), a wholly-owned subsidiary of Daya CMT Sdn Bhd, 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. The acquisition of THDSB is to form a joint venture with a landowner to develop 3 pieces of land into a housing and/or commercial development by erecting thereon retail units and/or service apartments or any types of buildings and other infrastructure and ancillary work on the said land. As at the date of this announcement, ZPSB has yet to commence its operation.

B9 Status of utilisation of proceeds

(i) Private Placement Proceeds- Year 2010

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

As at 31 December 2011, the Company has utilised the funds raised as follows:-

	Proceeds from Placement Shares RM'000 ⁽ⁱ⁾	Actual Utilisation RM'000	Intended Time Frame For Utilisation	Deviation Amount RM'000	Deviation %
Future acquisitions and expansion	21,461	19,731	within 12 months	1,730	8%
Defraying of expenses incidental to the Proposed Private Placement ⁽ⁱⁱ⁾	1,000	1,000	within 1 month	-	0%
Total	22,461 ⁽ⁱⁱⁱ⁾	20,731		1,730	8%

(a) 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.

(b) Any variation to the estimated expenses will be adjusted to/ from the working capital.

(c) As at 31 December 2011, 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.

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B9 Status of utilisation of proceeds (Continued)

(ii) Private Placement Proceeds- Year 2011

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

As at 31 December 2011, the Company has utilised the funds raised as follows:-

	Proceeds from Proposed Placement Shares RM'000 ⁽ⁱ⁾	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 ⁽ⁱⁱ⁾	5,610	5,610	5,610	within 12 months	-	0%
Defraying of expenses incidental to the Proposed Private Placement ⁽ⁱⁱⁱ⁾	2,750	2,750	1,550	within 1 month	1,200	44%
Total	52,360	13,200^(iv)	9,460		3,740	28%

- (a) 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.
- (b) Working capital is for the DMB Group's operating and administrative expenses.
- (c) Any variation to the estimated expenses will be adjusted to/ from the proceeds used for working capital.
- (d) As at 31 December 2011, 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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B10 Group's borrowings and debt securities

The Group's borrowings are as follows:

	Note	Payable within 12 months RM'000	Payable after 12 months RM'000	Total Outstanding RM'000
Trade facilities (Secured)		3,270	-	3,270
Hire purchases (Secured)		936	1,729	2,665
Overdraft (Secured)		597	-	597
Term loans (Secured)		8,738	37,430	46,168
Redeemable Convertible Secured Loan Notes ("RCSLN")	(i)	-	10,807	10,807
		<u>13,541</u>	<u>49,966</u>	<u>63,507</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.

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 the balance sheets of the Group as follows:

	CUMULATIVE QUARTER	
	CURRENT YEAR TO DATE 31.12.2011 RM'000	PRECEDING YEAR CORRESPON- DING PERIOD 31.12.2010 RM'000
Nominal value	11,000	14,000
Add: Discount on convertible notes	199	125
Less: Unamortised discount	(392)	(489)
	<u>10,807</u>	<u>13,636</u>

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B10 Group's borrowings and debt securities (Continued)

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

	CUMULATIVE QUARTER	
	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPON- DING PERIOD
	31.12.2011	31.12.2010
	RM'000	RM'000
Liability component:-		
Nominal value of the convertible notes	11,000	14,000
Add: Discount on convertible notes	199	125
	<u>11,199</u>	<u>14,125</u>
Equity component, net of deferred tax	(287)	(365)
Deferred tax liability	<u>(105)</u>	<u>(124)</u>
	<u><u>10,807</u></u>	<u><u>13,636</u></u>

B11 Off balance sheet financial instruments

There were no off-balance sheet financial instruments as at 22 February 2012, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report.

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B12 Material litigations

- (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.

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B12 Material litigations (Continued)

- (ii) a) 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 restrain 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 14 March 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.

- b) Daya CMT Sdn Bhd ("DCMT") has on 3 September 2010 filed an application to extend the private caveat against Perbadanan Kemajuan Negeri Selangor ("PKNS") ("Defendant") vide High Court in Malaya at Kuala Lumpur, Originating Summons No.S21-231-2010. DCMT has entered a private caveat on the said Land on 19 October 2009 pending the transfer of the said Land. DCMT was served with a notice of an application to remove the private caveat by the Defendant on 2 August 2010. The Defendant is the registered proprietor of the said Land. The court dismissed DCMT's application on 28 September 2010 with costs of RM500.00 to the Defendant. There is no further appeal.

B13 Proposed Dividends

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

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

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B14 Earnings per share

a) Basic earnings per share	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	4,698	5,775	17,502	16,908
Weighted average number of shares in issue ('000)	1,197,738	1,062,607	1,161,921	1,029,904
Basic earnings per share (sen)	<u>0.39</u>	<u>0.54</u>	<u>1.51</u>	<u>1.64</u>
b) Diluted earnings per share	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	4,698	5,775	17,502	16,908
Effect of dilution (RM'000)	-	-	95	171
Adjusted net profit for the period attributable to ordinary equity holders of the company (RM'000)	4,698	5,775	17,597	17,079
Weighted average number of shares in issue ('000)	1,197,738	1,062,607	1,161,921	1,029,904
Effect of dilution ('000)	-	-	40,507	75,139
Adjusted weighted average number of shares in issue ('000)	1,197,738	1,062,607	1,202,428	1,105,042
Diluted earnings per share (sen)	<u>0.39</u>	<u>0.54</u>	<u>1.46</u>	<u>1.55</u>

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B15 Additional disclosure as per Appendix 9B , Part A, Note 16 of Bursa Listing Requirement

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2011	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2010	CURRENT YEAR TO DATE 31.12.2011	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2010
The following amounts have been included in arriving at profit before tax:				
Finance costs	983	1,156	3,994	3,149
Depreciation on property, plant and equipment	386	1,290	4,295	4,037
Depreciation on investment property	4	3	15	15
Discount on convertible loan notes	24	29	74	114
Allowance for impairment	231	-	231	1,598
Bad debts written off	-	-	-	160
Foreign exchange loss	60	65	24	312

and after crediting:

Interest income	230	209	1,024	788
Rental income	92	30	322	50
Gain on disposal of marketable securities	36	-	36	-
Fair value gain/(loss) on marketable securities	(9)	18	(4)	19

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

B16 Realised and Unrealised Profits/Losses

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia 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.

DAYA MATERIALS BERHAD

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B16 Realised and Unrealised Profits/Losses (Continued)

On 20 December 2010, Bursa Malaysia 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
	31.12.2011	31.12.2010
	RM'000	RM'000
Total retained earnings of DMB and its subsidiaries:		
- Realised profits	100,903	84,534
- Unrealised (losses) / profits	(1,137)	396
	<u>99,766</u>	<u>84,930</u>
Less: Consolidated adjustments	(28,767)	(28,561)
Total group retained earnings as per consolidated accounts	<u><u>70,999</u></u>	<u><u>56,369</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 and should not be applied for any other purposes.

B17 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2010 was unqualified.

By Order of the Board

DATO' MAZLIN BIN MD JUNID
VICE CHAIRMAN

Date: 28 February 2012