



DAYA MATERIALS BERHAD

Company No. 636357-W
(Incorporated in Malaysia)

Quarterly Report 30 June 2015

DAYA MATERIALS BERHAD

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

CONDENSED CONSOLIDATED INCOME STATEMENT

QUARTERLY REPORT ON THE RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2014 RM'000	CURRENT YEAR TO DATE 30.6.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.6.2014 RM'000
Revenue	193,181	174,089	395,949	303,396
Cost of Sales	(169,983)	(143,860)	(366,907)	(257,285)
Gross Profit	<u>23,198</u>	<u>30,229</u>	<u>29,042</u>	<u>46,111</u>
Other Income	4,961	1,425	15,121	2,052
Operating Expenses	(13,167)	(20,691)	(25,544)	(32,359)
Profit from operations	<u>14,992</u>	<u>10,963</u>	<u>18,619</u>	<u>15,804</u>
Finance Costs	(2,201)	(2,290)	(4,727)	(4,300)
Share of results of jointly controlled entities	<u>749</u>	<u>101</u>	<u>966</u>	<u>289</u>
Profit before tax	13,540	8,774	14,858	11,793
Income tax expense	<u>(4,042)</u>	<u>(2,985)</u>	<u>(4,782)</u>	<u>(5,005)</u>
Profit for the period	<u><u>9,498</u></u>	<u><u>5,789</u></u>	<u><u>10,076</u></u>	<u><u>6,788</u></u>
Attributable to :				
Equity holders of the Company	8,774	4,675	8,514	5,624
Non-controlling interests	<u>724</u>	<u>1,114</u>	<u>1,562</u>	<u>1,164</u>
	<u><u>9,498</u></u>	<u><u>5,789</u></u>	<u><u>10,076</u></u>	<u><u>6,788</u></u>
Basic earnings per share (sen):	<u>0.53</u>	<u>0.34</u>	<u>0.52</u>	<u>0.41</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 2014.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME QUARTERLY REPORT ON THE RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2014 RM'000	CURRENT YEAR TO DATE 30.6.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.6.2014 RM'000
Profit for the period	9,498	5,789	10,076	6,788
Other comprehensive income:				
Foreign currency translation differences for foreign subsidiaries	(4,177)	(3,265)	(5,777)	(1,557)
Total comprehensive (loss)/income for the period, net of tax	5,321	2,524	4,299	5,231
Total comprehensive (loss)/income for the period attributable to:				
Equity holders of the Company	4,597	1,410	2,737	4,067
Non-controlling interests	724	1,114	1,562	1,164
	5,321	2,524	4,299	5,231

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 2014.

DAYA MATERIALS BERHAD

(Company No: 636357-W)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

(The figures have not been audited)

	UNAUDITED 30.6.2015 RM'000	AUDITED 31.12.2014 RM'000
Non Current Assets		
Property, plant and equipment	175,120	174,371
Land held for property development	8,199	7,932
Investment properties	279	281
Intangible assets	85,051	85,136
Deferred tax assets	16,036	14,403
Investment in joint ventures	3,514	2,541
Available-for-sale financial asset	14,778	15,333
Other receivables	-	-
	302,977	299,997
Current Assets		
Property development costs	3,434	3,434
Inventories	18,541	17,226
Trade receivables	199,145	127,510
Other receivables	74,672	31,424
Other current assets	51,135	34,383
Tax recoverable	1,411	1,856
Non-current assets held for sale	8,632	8,632
Marketable securities	101	98
Cash and cash equivalents	66,966	75,971
	424,037	300,534
Current Liabilities		
Trade payables	138,545	71,914
Other payables	76,320	69,402
Provisions	8,618	5,269
Tax payables	5,919	4,882
Loans and borrowings	104,111	57,749
	333,513	209,216
Net Current Assets	90,524	91,318
	393,501	391,315
Financed by:		
Share capital	165,182	165,182
Reserves	127,700	125,613
	292,882	290,795
Non-controlling interests	21,812	20,250
	314,694	311,045
Non Current Liabilities		
Loans and borrowings	78,807	80,270
	393,501	391,315
Net assets per share (sen)	17.73	17.60

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 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 30 JUNE 2015

(The figures have not been audited)

	-----Attributable to Equity Holders of the Company----->								
	-----Non-Distributable ----->				Distributable				
	Share capital	Share premium	Foreign Currency Transalation Reserve	Treasury Shares	Fair Value Reserve	Retained earnings	Total	Non- controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2014	126,304	25,759	1,121	(1,016)	-	88,515	240,683	1,278	241,961
Total comprehensive income for the period	-	-	1,708	-	-	949	2,657	50	2,707
Transactions with owners:									
Issuance of shares	12,578	29,826	-	-	-	-	42,404	-	42,404
Subscription of shares by non-controlling interest in a subsidiary	-	-	-	-	-	-	-	164	164
Disposal of treasury shares	-	1,148	-	1,016	-	-	2,164	-	2,164
Balance as at 31 March 2014	<u>138,882</u>	<u>56,733</u>	<u>2,829</u>	<u>-</u>	<u>-</u>	<u>89,464</u>	<u>287,908</u>	<u>1,492</u>	<u>289,400</u>
Total comprehensive income for the period	-	-	(3,265)	-	-	4,675	1,410	1,114	2,524
Transactions with owners:									
Purchase of treasury shares	-	-	-	(0) *	-	-	(0) *	-	(0) *
Balance as at 30 June 2014	<u>138,882</u>	<u>56,733</u>	<u>(436)</u>	<u>(0) *</u>	<u>-</u>	<u>94,139</u>	<u>289,318</u>	<u>2,606</u>	<u>291,924</u>
Total comprehensive income for the period	-	-	4,212	-	-	8,938	13,150	(2,276)	10,874
Transactions with owners:									
Purchase of treasury shares	-	-	-	(0) *	-	-	(0) *	-	(0) *
Partial disposal of shares in subsidiaries	-	-	-	-	-	(1,428)	(1,428)	19,428	18,000
Fair value gain on investment in Available-for-Sale ("AFS") asset	-	-	-	-	8,666	-	8,666	-	8,666
Balance as at 30 September 2014	<u>138,882</u>	<u>56,733</u>	<u>3,776</u>	<u>(0) *</u>	<u>8,666</u>	<u>101,649</u>	<u>309,706</u>	<u>19,758</u>	<u>329,464</u>
Total comprehensive (loss)/income for the period	-	-	(6,861)	-	-	(49,724)	(56,585)	492	(56,093)
Transactions with owners:									
Issuance of shares	26,300	14,707	-	-	-	-	41,007	-	41,007
Fair value gain on investment in AFS asset	-	-	-	-	(3,333)	-	(3,333)	-	(3,333)
Balance as at 31 December 2014	<u>165,182</u>	<u>71,440</u>	<u>(3,085)</u>	<u>(0)</u>	<u>5,333</u>	<u>51,925</u>	<u>290,795</u>	<u>20,250</u>	<u>311,045</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D) QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2015

(The figures have not been audited)

	-----Attributable to Equity Holders of the Company----->							Non-controlling interests RM'000	Total Equity RM'000
	<----- Non-Distributable ----->			Distributable					
	Share capital RM'000	Share premium RM'000	Foreign Currency Transalation Reserve RM'000	Treasury Shares RM'000	Fair Value Reserve RM'000	Retained earnings RM'000	Total RM'000		
Balance as at 1 January 2015	165,182	71,440	(3,085)	(0) *	5,333	51,925	290,795	20,250	311,045
Total comprehensive (loss)/income for the period	-	-	(1,600)	-	-	(260)	(1,860)	838	(1,022)
Transactions with owners:									
Purchase of treasury shares	-	-	-	(0) *	-	-	(0) *	-	(0) *
Issuance of shares	-	-	-	-	-	-	-	-	-
Fair value gain on investment in AFS asset	-	-	-	-	333	-	333	-	333
Balance as at 31 March 2015	<u>165,182</u>	<u>71,440</u>	<u>(4,685)</u>	<u>(0)</u>	<u>5,666</u>	<u>51,665</u>	<u>289,268</u>	<u>21,088</u>	<u>310,356</u>
Total comprehensive (loss)/income for the period	-	-	(4,177)	-	-	8,774	4,597	724	5,321
Transactions with owners:									
Purchase of treasury shares	-	-	-	(0) *	-	-	(0) *	-	(0) *
Issuance of shares	-	(93)	-	-	-	-	(93)	-	(93)
Fair value gain on investment in AFS asset	-	-	-	-	(889)	-	(889)	-	(889)
Balance as at 30 June 2015	<u>165,182</u>	<u>71,347</u>	<u>(8,862)</u>	<u>(1)</u>	<u>4,777</u>	<u>60,439</u>	<u>292,882</u>	<u>21,812</u>	<u>314,694</u>

* Negligible

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 2014.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 30.6.2015 RM'000	AUDITED FOR THE YEAR ENDED 31.12.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	14,858	(36,780)
Adjustments for:		
Share of results of joint ventures	(981)	(633)
Amortisation on intangible assets	286	395
Depreciation on property, plant and equipment	8,528	13,263
Depreciation on investment property	2	7
Loss/(Gain) on disposal of property, plant & equipment	11	(1,610)
Gain on disposal of investment property	-	(188)
Gain on disposal of a joint venture company	(76)	-
Property, plant and equipment written off	-	7
Fair value gain on financial assets at fair value through profit or loss	-	32
Loss on disposal of property, plant and equipment	-	8
Loss on appreciation of market value of financial assets at fair value through profit or loss	(3)	-
Bad debts written off	-	578
Finance costs	4,727	10,374
Interest income	(522)	(1,049)
Provisions	0	2,208
Unrealised foreign exchange gain	(13,806)	(207)
Allowance for impairment loss	-	18,371
Development expenditures incurred	(268)	-
Development costs written off	-	250
Reversal of allowance for impairment loss	-	(202)
Bad debts recovered	-	(60)
Operating profit before working capital changes	12,756	4,764
Changes in working capital:		
Inventories	(1,315)	238
Trade and other receivables	(101,077)	(50,399)
Other current assets	(16,752)	16,641
Trade and other payables	73,550	5,708
Provisions	3,349	(36)
Cash (used in) / generated from operations	(29,489)	(23,084)
Interest paid	(4,727)	(10,374)
Income tax paid	(4,933)	(7,828)
Net Cash Used In Operating Activities	(39,149)	(41,286)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,529)	(35,358)
Proceeds from disposal of property, plant and equipment	43	1,774
Proceeds from disposal of investment property	-	1,080
Proceeds from disposal of shares in subsidiaries	-	18,000
Proceeds from disposal of shares in a joint venture company	84	-
Purchase of intangible assets	(191)	(88)
Purchase of available-for-sale financial asset	-	(7,600)
Additions to land held for property development	-	(996)
Revocation compensation	-	675
Additional investment in a joint venture company	-	(125)
Incorporation of a joint venture company	-	0
(Increase)/Decrease in pledged deposits placed with licensed banks	(844)	(1,637)
Interest received	522	1,049
Net Cash Used In Investing Activities	(4,915)	(23,226)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONT'D) QUARTERLY REPORT ON THE RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2015

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 30.6.2015 RM'000	AUDITED FOR THE YEAR ENDED 31.12.2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans and borrowings	(59,404)	(32,554)
Proceeds from loans and borrowings	104,400	23,792
Proceeds from disposal of treasury shares	1	2,164
Proceeds from issuance of ordinary shares	(93)	83,411
Purchase of treasury shares	-	1
Net Cash Generated From Financing Activities	<u>44,904</u>	<u>76,814</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	840	12,302
Effect of exchange rate fluctuations on cash held	(10,589)	(6,656)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>42,752</u>	<u>37,106</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>33,003</u>	<u>42,752</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash and bank balances	37,759	31,501
Fixed deposits with licenced banks	29,084	32,517
Short term investments	123	11,953
Bank overdraft	(14,741)	(14,841)
	<u>52,225</u>	<u>61,130</u>
Less: Fixed deposits pledged with licensed banks	(19,222)	(18,378)
	<u>33,003</u>	<u>42,752</u>

* Negligible

These condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and accompanying explanatory notes attached to these interim financial statements.

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 "Interim Financial Reporting" and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. 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 2014.

A2 Changes in accounting policies

The significant accounting policies adopted in the preparation of these interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2014, except for the adoption of the following Standards, Amendments and Interpretation from 1 January 2015:

Effective for financial periods beginning on or after 1 July 2014

Amendments to MFRS 119, Defined Benefits Plans: Employee Contributions
Annual Improvements to MFRS 2010 – 2012 Cycle
Annual Improvements to MFRS 2011 – 2013 Cycle

The adoption of the above Standards, Amendments and Interpretations does not have a material impact on the financial statements of the Group .

At the date of authorisation of these interim financial statements, the following MFRSs and Amendments to MFRSs were issued but not yet effective and have not been applied by the Group:

Effective for financial periods beginning on or after 1 January 2016

Annual Improvements to MFRS 2012 – 2014 Cycle
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 127: Equity Method in Separate Financial Statements
Amendments to MFRS 101: Disclosure Initiatives
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception
MFRS 14: Regulatory Deferral Accounts

Effective for financial periods beginning on or after 1 January 2017

MFRS 15: Revenue from Contracts with Customers

Effective for financial periods beginning on or after 1 January 2018

MFRS 9: Financial Instruments

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect to the financial statements of the Group upon their initial application, other than for MFRS 15: Revenue from Contracts with Customers and MFRS 9 Financial Instruments. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date. The doption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

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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

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

A7 Dividends paid

No dividend has been declared or paid for the financial year ended 31 December 2014.

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	13,680	233,353	148,916	-	395,949
Segment Results	(95)	11,399	6,472	(216)	17,560
Unallocated Results					1,059
Profit from Operations					18,619
Finance Costs					(4,727)
Share of results of jointly controlled entities					966
Profit Before Tax					14,858
Income Tax Expense					(4,782)
Profit After Tax					10,076

A8 Segment information (cont'd)

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

Geographical Segment	Revenue RM'000
Malaysia	246,704
Foreign Countries	149,245
Consolidated	395,949

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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 RM'000	Software RM'000	Patents and Trademarks RM'000	Development Costs RM'000	Total RM'000
Cost					
At 1 January 2014	84,321	1,695	152	360	86,528
Additions	-	88	-	-	88
Adjustment	-	(303)	-	-	(303)
Transfers	-	67	-	-	67
Exchange differences	-	50	-	-	50
At 31 December 2014/1 January 2015	<u>84,321</u>	<u>1,597</u>	<u>152</u>	<u>360</u>	<u>86,430</u>
Additions	-	191	-	-	191
At 30 June 2015	<u>84,321</u>	<u>1,788</u>	<u>152</u>	<u>360</u>	<u>86,621</u>
Accumulated amortisation					
At 1 January 2014	-	427	42	360	829
Amortisation	-	344	51	-	395
Adjustment	-	(15)	-	-	(15)
Transfers	-	67	-	-	67
Exchange differences	-	18	-	-	18
At 31 December 2014/1 January 2015	<u>-</u>	<u>841</u>	<u>93</u>	<u>360</u>	<u>1,294</u>
Amortisation	-	261	25	-	286
Exchange differences	-	(10)	-	-	(10)
At 30 June 2015	<u>-</u>	<u>1,092</u>	<u>118</u>	<u>360</u>	<u>1,570</u>
Net carrying amount:					
At 1 January 2014	<u>84,321</u>	<u>1,268</u>	<u>110</u>	<u>-</u>	<u>85,699</u>
At 31 December 2014/1 January 2015	<u>84,321</u>	<u>756</u>	<u>59</u>	<u>-</u>	<u>85,136</u>
At 30 June 2015	<u>84,321</u>	<u>696</u>	<u>34</u>	<u>-</u>	<u>85,051</u>

A11 Other Current Assets

	Note	AS AT END OF CURRENT QUARTER 30.6.2015 RM'000	PRECEDING YEAR CORRESPON- DING PERIOD 31.12.2014 RM'000
Amount due from customers on contracts	(i)	43,017	28,292
Prepayments		8,118	6,091
		<u>51,135</u>	<u>34,383</u>

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A11 Other Current Assets (cont'd)

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

	AS AT END OF CURRENT QUARTER 30.6.2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2014 RM'000
Aggregate costs incurred to date	692,302	775,132
Add: Attributable profits	89,258	97,008
	<u>781,560</u>	<u>872,140</u>
Less: Loss from a project	-	(17,743)
	<u>781,560</u>	<u>854,397</u>
Less: Progress billings	(738,543)	(839,454)
	<u>43,017</u>	<u>14,943</u>
Customer advances for construction work in progress	-	13,349
	<u><u>43,017</u></u>	<u><u>28,292</u></u>

A12 Subsequent Events

Save for Section B7, there were no material events subsequent to the current financial quarter ended 30 June 2015 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

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 2,000,000 ordinary shares of RM1.00 each in Daya Clarimax Sdn. Bhd. ("DCLX") from Meridian Orbit Sdn. Bhd. ("MOSB"), which is a wholly-owned subsidiary of the Company

The Company had on 30 March 2015 through an internal group re-organisation acquired 2,000,000 ordinary shares of RM1.00 each in DCLX, from MOSB, which is a wholly-owned subsidiary of the Company, representing 100% of the issued and paid-up share capital of DCLX for a cash consideration of RM2,119,399 ("Internal Group Re-Organisation").

The Internal Group Re-organisation is to streamline the Group structure. Upon completion of the Internal Group Re-organisation, the Company's ultimate equity ownership of DCLX will remain unchanged but DCLX will become a direct subsidiary of the Company.

The Internal Group Re-Organisation was completed on 29 June 2015

(ii) Proposed disposal of 175,000 ordinary shares of RM1.00 each in Daya Cotech Inspection Services Sdn. Bhd. ("DCIS") by Daya Petroleum Ventures Sdn. Bhd. ("DPV") which is a 51% owned-subsiary of the Company, to Encik Abu Bakar Bin Hussein ("Purchaser")

DPV had on 22 April 2015 entered into a Sale and Purchase Agreement with the Purchaser to dispose 175,000 ordinary shares of RM1.00 each in DCIS representing 50% of the issued and paid-up share capital of DCIS for a total sale consideration of RM83,710.94 ("Proposed Disposal"). Upon the completion of Proposed Disposal, DCIS will cease to be a joint venture company of DPV.

On 26 May 2015, the Proposed Disposal is deemed completed.

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A14 Contingent Assets and Contingent Liabilities

As at 30 June 2015, the Company provides corporate guarantees up to a total amount of RM313,816,383 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 RM169,934,919.

As at 30 June 2015, the Company also provides corporate guarantees up to a total amount of RM4,350,000 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 RM2,337,682.

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

A15 Capital Commitments

	Note	As at 30.6.2015 RM'000
Contracted and not provided for:		<u>441,300</u>
Approved but not contracted for:		<u>18,238</u>

Note:

Included in the contracted and not provided for capital commitments are the proposed acquisition of:-

- (i) one (1) unit of Dynamic Positioning Class 2 ("DP2") offshore subsea construction vessel known as Siem Daya 1 ("SD1") for a total cash consideration of USD120 million (equivalent to approximately RM427.4 million);
- (ii) one (1) 50 metric tonnes active heave compensation 3,000 metres crane for a cash consideration of USD2.3 million (equivalent to approximately RM8.2 million); and
- (iii) stores and spares at an estimated cash consideration of USD1.6 million (equivalent to approximately RM5.7 million).

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 30.6.2015 RM'000	Balance due at 30.6.2015 RM'000	Transaction for the period ended 30.6.2014 RM'000	Balance due at 30.6.2014 RM'000
Interest income charged on housing loan to a former director	-	-	7	-
Housing loan to a former director	<u>-</u>	<u>-</u>	<u>-</u>	<u>407</u>

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") 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 30 June 2015 ("Q2 2015") was recorded at RM6.405 million, an increase of 9% from RM5.901 million recorded in the preceding corresponding quarter ended 30 June 2014 ("Q2 2014") with contributions principally from increased sales of jacketing compounds. The division has recorded a marginal profit in the current quarter in line with higher sales generated.

(ii) Oil & Gas segment

The Group has recorded a higher revenue in the Oil & Gas segment of RM130.594 million for Q2 2015, an increase of 33% from RM98.097 million in Q2 2014. The higher revenue was mainly due to the seasonal sales on the catalysts during the quarter amounted to RM37 million and contributions from offshore subsea business in North Sea and Africa. In line with this strong sale performance, the Oil & Gas segment recorded a segmental profit margin of approximately RM11.429 million in Q2 2015.

(iii) Technical Services segment

The revenue in the Technical Services segment decreased by 20% from RM70.092 million in Q2 2014 to RM56.182 million in Q2 2015 due to slower progress claims in one project. Following the slower progress in some of the projects, Technical Services segment recorded a lower segmental profit of RM2.977 million as compared to Q2 2014 of RM8.553 million due to a combination of lower sales and profit margins derived from its projects.

Overall, the Group achieved revenue of RM193.181 million for Q2 2015, an increase of 11% from RM174.089 million recorded in Q2 2014. On the back of this sales performance, the Group recorded a segmental profit of RM13.540 million for Q2 2015, an increase of 54% as compare to RM8.774 million recorded in Q2 2014 mainly due to lower cost structure in the offshore/upstream business as well as an increase in sales on downstream sector.

B1 Review of performance (cont'd)

Current Year-to-Date versus Preceding Year-to-Date

(i) Polymer segment

The Group achieved revenue of RM13.679 million on the Polymer Segment for the financial period ended 30 June 2015, an increase of 18% from RM11.630 million recorded in the previous financial period. Higher revenue achieved was mainly due to increased sales of jacketing & LV-XLPE compounds. Despite achieving a sales growth, the division recorded a marginal loss for the financial period ended 30 June 2015 due to lower profit margin generated from trading sales.

(ii) Oil & Gas segment

The Group achieved revenue of RM233.352 million in the Oil & Gas Segment for the financial period ended 30 June 2014, an increase of 53% as compared to RM152.925 million recorded in the previous financial period. The increase in the revenue was mainly attributable to an increase in sales on downstream chemicals and contributions from the subsea business in North Sea. For the financial period ended 30 June 2015, this segment recorded a segment profit of RM11.399 million as a result of higher vessel utilisation and seasonal catalyst sales as well as lower cost structure during the period ended 30 June 2015.

(iii) Technical Services segment

The Group achieved revenue of RM148.916 million in the Technical Services Segment for the financial period ended 30 June 2015, a slight increase of 7% from RM138.842 million recorded in the previous financial period. The increase in revenue in the Technical Services Segment was mainly due to the completion of several projects during the financial period. This segment recorded a lower segment profit of RM6.472 million for the financial period ended 30 June 2015 as compared to RM12.022 million segment profit recorded in the previous preceding financial period as a result of certain projects yielding lower margins and slowdown in one project.

The Group as a whole achieved revenue of RM395.948 million for the period ended 30 June 2015, an increase of 31% from RM303.386 million recorded in the previous financial period ended 30 June 2014. The increase was mainly attributed to the higher revenue contribution from Oil & Gas segment. On the other hand, the Group recorded a profit before tax of RM14.858 million for the financial period ended 30 June 2015, representing an increase of 26% over RM11.793 million of profit before tax recorded for previous financial period ended 30 June 2014. The profit in the financial period ended 30 June 2015 was mainly attributed to higher vessel utilisation, better day rates in Q2 2015 as well as improved sales of downstream chemicals.

B2 Variation of results against preceding quarter

	Quarter ended	Quarter ended
	30.6.2015	31.3.2015
	RM'000	RM'000
Revenue	193,181	202,768
Profit before tax	13,540	1,318

For the quarter ended 30 June 2015, the Group recorded revenue of RM193.181 million, a slight decrease of 5% as compared to RM202.768 million recorded in Q1 2015. The decrease in revenue was mainly due to lower contributions from Technical Services segment as compared to Q1 2015. Profitability improved significantly between Q2 2015 and Q1 2015 due to higher vessel utilisation, higher day rates, lower cost structure and improved profitability from downstream operations.

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B3 Prospects

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

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

The prospects of our upstream business will depend largely on vessel utilization and timing of our proposed vessel purchase. Future vessel utilisation depends on several factors, including actual deployment of our main European client during the summer months, the availability of spot business during winter months and overall offshore environment. We are confident for a better results in the coming quarter in view of the confirmed contracts and ongoing deployment as well as improved cost structure of our upstream business. On the downstream sector, we are in the midst of restructuring our operations with a view of further strengthening our management team. For the year as a whole, the low oil price and continued uncertainties in the sector will remain the biggest challenge for all industry participants.

(ii) Technical Services Segment

The Technical Services Segment is expected to perform consistently in the coming quarter as the Group is involved in several tenders and continues to execute and build on its existing order book. While the Group has earmarked this business for divestment, we will continue to ensure strong performance and contributions from this business. In line with our corporate strategy to focus more in the O&G sector, we had recently completed the sale of another 19% stake in Daya CMT Sdn. Bhd., one of the key businesses within this segment. We ultimately seek a complete divestiture and/or spin-off of this segment.

(iii) Polymer Segment

The underlying economics of the polymer business is expected to remain weak due to the slow growth of the industry and continued foreign competition. The Group is actively looking at alternative business models to ensure consistent profitability in this business.

The Board is of the view that the Group's operational results for the financial year ending 2015 will be satisfactory, barring any unforeseen circumstances.

B4 Profit forecast

Not applicable.

B5 Income tax expenses

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 30.6.2015 RM'000	PRECEDING YEAR CORRESPON- DING QUARTER 31.6.2014 RM'000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 30.6.2015 RM'000	PRECEDING YEAR CORRESPON- DING PERIOD 31.6.2014 RM'000
In respect of the current period:				
Malaysian income tax	4,836	3,072	6,415	9,821
Deferred tax income	(794)	(87)	(1,633)	(4,816)
	4,042	2,985	4,782	5,005

The Group's effective tax rate for the quarter under review at 30% was higher than the statutory income tax rate. The comparatively higher effective tax rate was mainly due to the losses incurred in some of the subsidiaries of the Group and certain expenses which are not deductible for tax purposes.

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B6 Sale of unquoted investments and properties

There were no major 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 13 August 2015, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report are summarised below:

(i) Acquisition of 2,000,000 ordinary shares of RM1.00 each in Daya Clarimax Sdn. Bhd. ("DCLX") from Meridian Orbit Sdn. Bhd. ("MOSB"), which is a wholly-owned subsidiary of the Company

The Company had on 30 March 2015 through an internal group re-organisation acquired 2,000,000 ordinary shares of RM1.00 each in DCLX, from MOSB, which is a wholly-owned subsidiary of the Company, representing 100% of the issued and paid-up share capital of DCLX for a cash consideration of RM2,119,399 ("Internal Group Re-Organisation").

The Internal Group Re-organisation is to streamline the Group structure. Upon completion of the Internal Group Re-organisation, the Company's ultimate equity ownership of DCLX will remain unchanged but DCLX will become a direct subsidiary of the Company.

The Internal Group Re-Organisation was completed on 29 June 2015

(ii) Proposed disposal of 175,000 ordinary shares of RM1.00 each in Daya Cotech Inspection Services Sdn. Bhd. ("DCIS") by Daya Petroleum Ventures Sdn. Bhd. ("DPV") which is a 51% owned-subsiary of the Company, to Encik Abu Bakar Bin Hussein ("Purchaser")

DPV had on 22 April 2015 entered into a Sale and Purchase Agreement with the Purchaser to dispose 175,000 ordinary shares of RM1.00 each in DCIS representing 50% of the issued and paid-up share capital of DCIS for a total sale consideration of RM83,710.94 ("Proposed Disposal"). Upon the completion of Proposed Disposal, DCIS will cease to be a joint venture company of DPV.

On 26 May 2015, the Proposed Disposal is deemed completed.

(iii) Memorandum of Understanding ("MOU") between Meridien Orbit Sdn. Bhd. ("MOSB"), a wholly-owned subsidiary of the Company and Glotel Sdn. Bhd. ("Glotel")

On 9 March 2015, the Board announced that MOSB, a wholly-owned subsidiary of the Company, had entered into a MOU with Glotel. The purpose of the MOU is to record the preliminary intentions and understanding of MOSB and Glotel with respect to their common interest and agreement to jointly study, evaluate and tender for subsea installation projects within South East Asia region.

On 3 June 2015, MOSB had given a notice of termination of this MOU to Glotel. As a result, this MOU is deemed terminated effective 3 June 2015.

B7 Status of corporate proposals (cont'd)

The status of a corporate proposal announced by the Company and completed as at 13 August 2015, 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) Proposed disposal of up to 50% shares in Daya CMT Sdn. Bhd.

Pursuant to the Share Sale Agreement entered between the Company and Perfect Propel Sdn. Bhd. ("PPSB" or the "Purchaser") on 28 April 2014, the Company had on 28 April 2015 agreed and accepted a letter from the Purchaser requesting for, amongst others, to increase the call option to up to 4,000,000 shares in Daya CMT Sdn. Bhd. ("DCMT"), representing up to 50% equity interest in DCMT at the revised call option price of RM7.50 per ordinary shares of RM1.00 each in DCMT ("Revised Call Option"). On the even date, the Company also received a call option notice from the Purchaser stating its intention to exercise the Revised Call Option, whereby the Company is required to dispose 4,000,000 shares in DCMT ("Revised Call Option Shares"), representing 50% equity interest in DCMT, to Purchaser for a disposal consideration of RM30.0 million or RM7.50 per ordinary shares of RM1.00 each in DCMT.

On 13 May 2015, the Company received a supplemental letter from PPSB stating amongst others, that the call option notice dated 28 April 2015 ("Old Call Option Notice"), is with immediate effect cancelled, nullified and voided and is deemed not having been served ("Revised Letter from PPSB").

Upon further review of DCMT's financing plans and requirements in the near term and the financial support it needs to execute its various projects, it has been mutually agreed between the two parties that PPSB will withdraw the Old Call Option Notice and embark on the Proposed Disposal (as defined below) instead.

The Company had on 13 May 2015 agreed and accepted the Revised Letter from PPSB. Pursuant to the Revised Letter from PPSB:

- (a) The Company also received a call option notice from PPSB stating its intention to exercise the Revised Call Option requiring the Company to sell and transfer 1,520,000 DCMT Shares, representing 19.0% equity interest in DCMT, to PPSB for a disposal consideration of RM11.4 million based on the revised call option price of RM7.50 per DCMT Share ("Revised Call Option Price") in accordance with the terms and conditions of the share sale agreement dated 28 April 2014 ("SSA"). ("Proposed Initial Disposal"); and
- (b) Subsequent to the completion of the Proposed Initial Disposal, PPSB is still entitled to require DMB to sell and transfer the remaining Revised Call Option Shares of 2,480,000 DCMT Shares, representing 31.0% equity interest in DCMT, to PPSB at the Revised Call Option Price ("Proposed Further Disposal").

The Proposed Initial Disposal and the Proposed Further Disposal are collectively referred to as the "Proposed Disposal".

Upon completion of the Proposed Initial Disposal, DCMT will be a 51%-owned subsidiary of DMB and the balance 49.0% equity interest will be held by PPSB.

The other salient terms and conditions of the Revised Letter from PPSB are as follows:

- (a) the Revised Letter from PPSB shall commit and bind PPSB to purchase and commit and bind the Company to sell the number of Revised Call Option Shares at the Revised Call Option Price, in accordance with the terms and conditions of the SSA;

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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 13 August 2015, 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) Proposed disposal of up to 50% shares in Daya CMT Sdn. Bhd. (cont'd)

- (b) for the avoidance of doubt, subsequent to the completion of the aforesaid sale, pursuant to the Revised Call Option, PPSB are still entitled to require the Company to sell and transfer the remaining Revised Call Option Shares (being 2,480,000 DCMT Shares representing a further 31% equity interest in DCMT) to PPSB at the Revised Call Option Price. For the avoidance of doubt, pursuant to Clause 9(n) of the SSA, the Company has inter alia undertaken "to provide continued financial guarantees and support to all of DCMT's existing and new banking facilities such that (i) existing facilities are not unduly withdrawn or terminated and (ii) new facilities can be secured". The said undertaking remains valid and binding on the Company; and
- (c) the Company agrees not to permit DCMT to declare and/or pay any dividends without PPSB's written consent.

All other terms and conditions of the SSA, the Letter from PPSB and the Call Option (as supplemented and revised by mutual agreement) remain unchanged.

On 10 June 2015, Bursa Securities had resolved to approve the listing of and quotation for up to 840,000,000 new DMB Shares to be issued pursuant to the conversion of the Bonds, which will be issued pursuant to the Proposed SD1 Acquisition.

The approval by Bursa Securities for the above is subject to the following conditions:

- (a) the Company and its adviser must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;
- (b) the Company and its adviser to inform Bursa Securities upon completion of the Proposals;
- (c) the Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;
- (d) the Company to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of the Company at an extraordinary general meeting for the Proposals;
- (e) the Company to furnish Bursa Securities with a copy of the duly executed Trust Deed constituting the Bonds; and
- (f) payment of additional listing fees pertaining to the conversion of the Bonds, if relevant. In this respect, the Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the Bonds as at the end of each quarter together with details of computation of listing fee payable.

On 6 August 2015, the Proposed Initial Disposal has been completed.

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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 13 August 2015, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report are summarised below:

(i) Proposed Shares Buy-Back

On 26 February 2009, the shareholders of the Company had at an extraordinary general meeting, approved amongst others, 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").

On 24 April 2015, 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 Twelve AGM held on 25 June 2015.

The shareholders of the Company, by a special resolution passed in a general meeting held on 25 June 2015, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

(ii) Memorandum of Understanding ("MOU") between Daya Proffscorp Sdn. Bhd. ("DPRO"), a subsidiary of the Company and Cimolai Technology SpA ("Cimolai")

On 22 April 2014, the Board announced that DPRO, a subsidiary of the Company has on 21 April 2014 entered into a MOU with Cimolai. The MOU confirms the agreement between Cimolai and DPRO that for the proposed project known as "Mobile Straddle Transporter MST 320", Cimolai will quote only through DPRO while DPRO will not proposed any equipment other than that of Cimolai's. All other material terms and conditions will be agreed between the parties before the offer is formally submitted to the client.

Cimolai is involved in the design, manufacture and supply of machines for lifting and transportation operations to be used in the construction of facilities and civil works in precast yards, shipyards (boat production or refit), marinas, laying up facilities, ports, in industries like steel and renewable energy and in special and innovative fields where tailor made solutions are required.

On 21 July 2014, 27 October 2014, 21 January 2015, 21 April 2015 and 21 July 2015 respectively, the Board announced that the status of the MOU remains unchanged as of to-date and will make the necessary announcements as per the Main Market Listing Requirements of Bursa Malaysia Securities Berhad upon finalisation of the proposals.

(iii) Memorandum of Agreement ("MOA") between Daya Offshore Construction Sdn. Bhd. ("DOCSB"), a wholly owned subsidiary of the Company and Caracal Oil & Gas Services Limited ("Caracal")

On 6 June 2014, the Board announced that DOCSB, a wholly-owned subsidiary of the Company has on 6 June 2014 entered into a MOU with Caracal. The purpose of the MOU is to record the preliminary intentions and understanding of DOCSB and Caracal with respect to their common interest and agreement to combining their complementary resources and collaborating to market the combined services and assets in international markets where each party can bring a level of value and if successful then to undertake the scope under a suitable contracting model or as a subcontractor depending on the scope of work to be executed.

On 5 September 2014, 5 December 2014, 5 March 2015 and 5 June 2015 respectively, the Board announced that the status of the MOU remains unchanged as of to-date and will make the necessary announcements as per the Main Market Listing Requirements of Bursa Malaysia Securities Berhad upon finalisation of the proposals.

B7 Status of corporate proposals (cont'd)

The status of a corporate proposal announced by the Company but not completed as at 13 August 2015, 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) Proposed Acquisition of Vessels and Proposed Fund Raising Exercise

On 22 August 2014, on behalf of the Board, Hong Leong Investment Bank Berhad ("HLIB") announced that the Company had on 22 August 2014 entered into two (2) memoranda of agreement ("MOAs") with Siem Offshore Rederi AS ("SORA") for the Company or its nominee company to acquire the following vessels:

- (i) a Dynamic Positioning Class 2 ("DP2") offshore subsea construction vessel known as "Siem Daya 1" ("SD1") for a cash consideration of USD140.0 million (equivalent to approximately RM488.0 million) ("Proposed SD1 Acquisition"); and
- (ii) a second DP2 offshore subsea construction vessel known as "Siem Daya 2" ("SD2") for a cash consideration of USD140.0 million (equivalent to approximately RM488.0 million) and an additional USD2.3 million (equivalent to approximately RM8.0 million) for a 50 metric tonnes active heave compensation 3,000 metres crane ("Proposed SD2 Acquisition").

SD1 and SD2 shall collectively hereinafter be referred to as the "Vessels". The Proposed SD1 Acquisition and Proposed SD2 Acquisition shall collectively hereinafter be referred to as the "Proposed Acquisitions".

The Company had also agreed with SORA vide a letter dated 22 August 2014 in relation to the additional terms for the purchase of the said Vessels.

In addition, the Company is undertaking the following proposals:

- (i) placement of up to 25% of the issued and paid-up share capital of the Company ("Proposed Placement");
- (ii) renounceable rights issue of new ordinary shares of RM0.10 each in the Company ("DMB Shares") ("Rights Shares") together with free detachable warrants ("Warrants") to raise gross proceeds of up to RM230,000,000 before the exercise of Warrants ("Proposed Rights Issue");
- (iii) issuance of seven (7)-year redeemable convertible secured bonds ("Bonds") of up to RM120,000,000 nominal value ("Proposed Bonds Issue"); and
- (iv) increase in the authorised share capital of the Company from RM200,000,000 comprising 2,000,000,000 DMB Shares to RM500,000,000 comprising 5,000,000,000 DMB Shares ("Proposed Increase in Authorised Share Capital") and the subsequent amendments to the Company's Memorandum and Articles of Association.

The Proposed Placement, Proposed Rights Issue and Proposed Bonds Issue are collectively hereinafter referred to as the "Proposed Fund Raising Exercise".

The Proposed Acquisitions, Proposed Fund Raising Exercise and Proposed Increase in Authorised Share Capital shall collectively hereinafter be referred to as the "Proposals".

The Proposed Acquisitions will enable the Group to own and operate the Vessels instead of chartering the Vessels from SORA. The Proposed Acquisitions will further enhance the operating cost structure of the Vessels, which is expected to contribute positively to the future profitability of the Group. It is also in line with the Group's business strategy to own operating assets to expand its range of subsea services and enhance its subsea capabilities in offshore oil and gas operations.

B7 Status of corporate proposals (cont'd)

The status of a corporate proposal announced by the Company but not completed as at 13 August 2015, 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) Proposed Acquisition of Vessels and Proposed Fund Raising Exercise (cont'd)

The Proposed Fund Raising Exercise is undertaken to raise funds to partly finance the acquisition of the Vessels, which is expected to contribute positively to the future performance of the Group.

After due consideration of the various funding methods available to the Company, the Board is of the view that the Proposed Fund Raising Exercise is currently the most appropriate avenue of fund raising.

The Proposed Increase in Authorised Share Capital is required to facilitate the issuance of new DMB Shares under the Proposed Placement and Proposed Rights Issue as well as the conversion of Bonds under the Proposed Bonds Issue. As a consequence of the Proposed Increase in Authorised Share Capital, the Company's Memorandum and Articles of Association will be amended accordingly.

On 12 September 2014, the Board announced that the listing application in respect of the Proposed Placement, Proposed Rights Issue and Proposed Bonds Issue has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on the same day for its consideration. In addition and after further consideration by the Board, the Company proposes to further increase the authorised share capital of the Company to RM1,000,000,000 comprising 10,000,000,000 DMB Shares. As a consequence thereof, the Company's Memorandum of Association will be amended accordingly.

Subsequently on 26 September 2014, the Board announced that Bank Negara Malaysia ("BNM") had, via its letter dated 25 September 2014 (which was received on 26 September 2014), approved the transfer of funds amounting to USD103.3 million as an advance from the Company to its foreign subsidiary, being part payment of the Proposed Acquisitions (subject to several conditions). The balance of the transfer amounting to USD14.5 million does not require the permission of BNM.

On 10 October 2014, the Board had decided to proceed in the meantime to obtain shareholders' approval for the Proposed SD1 Acquisition, Proposed SD2 Acquisition, Proposed Placement, Proposed Rights Issue and Proposed Increase in Authorised Share Capital. The Board will further deliberate and implement the Proposed Bonds Issue at a later date. The Company will finance the shortfall in the purchase consideration for the Proposed Acquisitions via any other means that they deem appropriate.

As a result of the aforementioned, the Proposed SD1 Acquisition, Proposed SD2 Acquisition, Proposed Placement, Proposed Rights Issue and Proposed Increase in Authorised Share Capital are inter-conditional in respect of the approval of the shareholders of the Company at an EGM to be convened. For avoidance of doubt, the inter-conditional of the Proposed SD1 Acquisition, Proposed SD2 Acquisition, Proposed Placement, Proposed Rights Issue and Proposed Increase in Authorised Share Capital will only apply in terms of the shareholders' approval of the Company and shall not apply to the manner and sequence of completion of any of the foregoing proposals.

All the other terms and conditions of the Proposed SD1 Acquisition, Proposed SD2 Acquisition, Proposed Placement, Proposed Rights Issue and Proposed Increase in Authorised Share Capital remain unchanged.

In view of the above, the listing application in respect of the Proposed Placement and Proposed Rights Issue has been submitted to Bursa Securities on 10 October 2014.

B7 Status of corporate proposals (cont'd)

The status of a corporate proposal announced by the Company but not completed as at 13 August 2015, 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) Proposed Acquisition of Vessels and Proposed Fund Raising Exercise (cont'd)

On 27 October 2014, Bursa Securities had vide its letter resolved to approved the following:

- (a) listing of up to 347,204,400 new DMB Shares ("Placement Shares") to be issued pursuant to the Proposed Placement;
- (b) listing of up to 2,300,000,000 Rights Shares to be issued pursuant to the Proposed Rights Issue;
- (c) admission to the Official List and listing of up to 1,150,000,000 Warrants to be issued pursuant to the Proposed Rights Issue; and
- (d) listing of up to 1,150,000,000 new DMB Shares to be issued pursuant to the exercise of Warrants.

The approval by Bursa Securities for the above is subject to the following conditions:

- (a) The Company and its adviser must fully comply with the relevant provisions under the Bursa Malaysia Main Market Listing Requirements ("Listing Requirements") pertaining to the implementation of the Proposals;
- (b) The Company and its adviser to inform Bursa Securities upon completion of the Proposals;
- (c) The Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;
- (d) The Company to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of the Company at extraordinary general meeting for the Proposals;
- (e) HLIB must submit to Bursa Securities the placee's details in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement before the listing of the Placement Shares to be issued pursuant to the Proposed Placement;
- (f) if applicable, payment of additional listing fee based on the final issue price(s) together with a copy of the details of the computation of the amount of listing fee payable; and
- (g) payment of additional listing fees pertaining to the exercise of Warrants. In this respect, The Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrants as at the end of each quarter together with a details computation of listing fee payable.

Subsequently on 11 November 2014 and due to the prevailing market condition, the Board has decided that the discount to the Rights Issue Price shall be at no less than 20% to the theoretical ex-rights price of DMB Shares immediately before the price-fixing date, but shall in no event be lower than the par value of DMB Shares of RM0.10 each. All the other terms and conditions of the Proposals remain unchanged.

On 9 December 2014, the Board has fixed the issue price at RM0.165 per Placement Share. The issue price of RM0.165 per Placement Share represents a discount of approximately RM0.0170 or 9.34% to the 5-day VWAP of DMB Shares, up to and including 8 December 2014 of RM0.1820 per DMB Share.

On 18 December 2014, the Board has fixed the issue price at RM0.165 per Placement Share for the second tranche placement. The issue price of RM0.165 per Placement Share represents a premium of approximately RM0.0051 or 3.19% to the 5-day VWAP of DMB Shares, up to and including 17 December 2014 of 0.1599 per DMB Share.

B7 Status of corporate proposals (cont'd)

The status of a corporate proposal announced by the Company but not completed as at 13 August 2015, 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) Proposed Acquisition of Vessels and Proposed Fund Raising Exercise (cont'd)

On 20 January 2015, the Board announced that the Company and SORA have on 19 January 2015 mutually agreed to amend certain terms and conditions set out in the MOAs as follow:

- (a) the Company shall pay a partial deposit of USD600,000 each (equivalent to approximately RM2,142,900) for SD1 and SD2 ("Partial Deposit") within one hundred and fifty (150) days upon execution of the MOAs and the Partial Deposit shall be held in an interest bearing account;
- (b) As further security for the correct fulfillment of the MOAs, the Company shall lodge the balance of the deposit of USD13,400,000 each (equivalent to approximately RM47,858,100) for SD1 and SD2 ("Balance of the Deposit") in the same interest bearing account for the Parties with the deposit holder (i.e. SORA's bank) on or before 19 April 2015;
- (c) If the Company does not pay the Partial Deposit within one hundred and fifty (150) days or the Balance of the Deposit on or before 19 April 2015, the MOAs shall be null and void and there shall be no obligations or liabilities on either party;
- (d) SORA shall retain the Partial Deposit should the Company fail to pay the Balance of the Deposit on 19 April 2015;
- (e) On delivery of SD1 and/or SD2, but no later than 19 July 2015:
 - (i) the Deposit shall be released to SORA; and
 - (ii) the balance of the Purchase Price and all other sums payable on delivery by the Company to SORA under the MOAs shall be paid in full free of bank charges to SORA
- (f) If the Company does not inspect SD1 and/or SD2 or serve notices of acceptance of SD1's and/or SD2's records or of acceptance of SD1 and/or SD2 itself, the Balance of the Deposit and any interest earned shall be released and returned to the Company and the MOAs shall be null and void. The Partial Deposit shall in any event be retained by SORA; and
- (g) The Company shall, within twenty-one (21) days of the Company's notice of acceptance of SD1 and/or SD2, give notice of the intended delivery date. Such delivery date shall not be later than 19 July 2015 and SD1 and/or SD2 shall be delivered and taken over safely afloat at a safe and accessible berth or anchorage in a place to be nominated by the Company.

The Partial Deposit has been paid on 20 January 2015.

On 20 April 2015, the Company and SORA had on 19 April 2015 mutually agreed to amend certain terms set out in the Addendums ("Addendum No.2"). The amended salient terms and conditions for the MOA 1 and MOA 2, which are contained in their respective addendums, are as follows:

Addendum No. 2 of MOA 1

If the Company does not pay the Partial Deposit within one hundred and fifty (150) days or the Balance of the Deposit on or before 24 April 2015, the MOA 1 shall be null and void and there shall be no obligations or liabilities on either party.

B7 Status of corporate proposals (cont'd)

The status of a corporate proposal announced by the Company but not completed as at 13 August 2015, 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) Proposed Acquisition of Vessels and Proposed Fund Raising Exercise (cont'd)

Addendum No. 2 of MOA 2

If the Company does not pay the Partial Deposit within one hundred and fifty (150) days or the Balance of the Deposit on or before 24 April 2015, the MOA 2 shall be null and void and there shall be no obligations or liabilities on either party.

All other salient terms and conditions of the MOA 1 and MOA 2 remain unchanged and shall remain valid and in full force and effect.

(v) Proposed acquisition of a vessel known as "Siem Daya 1" for a purchase consideration of USD120.0 million

Reference is made to Note B7 (iv) above.

In view of the prevailing market conditions and oil prices, the Company now wishes to proceed with the Proposed SD1 Acquisition only and to terminate the Proposed SD2 Acquisition. The Company has also re-negotiated with SORA in relation to the Proposed SD1 Acquisition. On 24 April 2015, the Company had entered into the following with SORA:

- (a) a third addendum to amend certain terms and conditions as set out in the Memorandum of Agreement in respect of the Proposed SD1 Acquisition dated 22 August 2014 (as amended by the addendum dated 19 January 2015 ("First Addendum") and second addendum dated 19 April 2015) ("Second Addendum") ("Third Addendum").

The Memorandum of Agreement as supplemented by First Addendum, Second Addendum and Third Addendum is collectively referred to as the "SD1 MOA"; and

- (b) a third addendum to terminate the Memorandum of Agreement in respect of the Proposed SD2 Acquisition dated 22 August 2014 (as amended by the addendum dated 19 January 2015 and second addendum dated 19 April 2015) ("SD2 MOA") with effect from 24 April 2015 with no liabilities or costs to either party.

The Company will not proceed with the Proposed SD2 Acquisition and Proposed Rights Issue. However, the Company intends to place out the remaining portion of the ordinary shares pursuant to the Placement.

In addition, Bursa Malaysia Securities Berhad ("Bursa Securities"), had via its letter dated 24 April 2015, resolved to approve the extension of time of six (6) months to 25 October 2015 for the implementation of the Proposed Placement.

The Company had on 24 April 2015 entered into the Third Addendum. Pursuant to the Third Addendum, amongst others, the consideration for the Proposed SD1 Acquisition shall be revised to USD120.0 million (equivalent to approximately RM435.2 million) ("Revised SD1 Consideration") to be satisfied in the following manner:

- (a) cash consideration of USD90.0 million (equivalent to RM326.4 million) ("SD1 Cash Consideration"); and
- (b) issuance of such amount of RM denominated four (4)-year redeemable convertible secured bonds equivalent to USD30.0 million nominal value ("Bonds") (based on the closing middle exchange rate as quoted by BNM on the business day prior to the issuance of the issue request ("Amount-Fixing Date") as consideration for the remaining Revised SD1 Consideration, whereby in any event, the nominal value of the Bonds issued shall not exceed RM126.0 million. In the event such exchange rate results in an amount higher than RM126.0 million, the difference between the issue amount and USD30.0 million shall be paid by the Company in cash.

B7 Status of corporate proposals (cont'd)

The status of a corporate proposal announced by the Company but not completed as at 13 August 2015, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report are summarised below (cont'd):

(v) Proposed acquisition of a vessel known as "Siem Daya 1" for a purchase consideration of USD120.0 million (cont'd)

The Revised SD1 Consideration is not intended to be settled on a deferred basis.

The Bonds shall be issued to Siem Offshore Invest AS and/or such other nominees(s) as may be nominated by SORA as consideration for the remaining Revised SD1 Consideration amounting to RM denominated equivalent to USD30.0 million, whereby in any event, the nominal value of the Bonds issued shall not exceed RM126.0 million. Hence, no proceeds will be raised from the issuance of the Bonds. The amount of Bonds to be issued shall be determined at the Amount-Fixing Date. It is the intention of the Company and SORA to determine the amount based on the prevailing exchange rate between USD and RM at the Amount-Fixing Date. No proceeds will be raised from the conversion of the Bonds into new DMB Shares as the conversion will be wholly satisfied through the surrender of Bonds.

The Proposed SD1 Acquisition will enable the Group to own and operate SD1 instead of chartering SD1 from SORA. The Proposed SD1 Acquisition will further enhance the operating cost structure of SD1, which is expected to contribute positively to the future profitability of the Group. The Proposed Acquisition is also in line with the Group's business strategy to own operating assets to expand its range of subsea services and enhance its subsea capabilities in offshore oil and gas operations.

The Proposed SD1 Acquisition also involves the issuance of the Bonds, which will enable the Group to part finance the Proposed SD1 Acquisition at a fixed rate as compared to taking up further borrowings from financial institution(s), thereby reducing the Group's exposure to interest rate fluctuations, which in turn will enable the Group to manage their cash flows more efficiently. In addition, the issuance of Bonds will also mitigate the immediate substantive dilutive impact on the earnings per share ("EPS") which would otherwise arise from a full equity issue to part finance the Proposed SD1 Acquisition.

SORA also has the option to convert the Bonds into new DMB Shares at a premium to the prevailing market price of DMB Shares, in which converted, the new DMB Shares issued will reduce the outflow of funds required from the Company to redeem the Bonds upon maturity.

On 11 May 2015 and 15 May 2015 respectively, the Company has submitted the application to the Securities Commission Malaysia ("SC") and Bursa Securities in respect of the issuance of the Bonds pursuant to the Proposed SD1 Acquisition.

On 3 June 2015, SC has, via its letter dated 3 June 2015, authorised the issuance of the Bonds under subsection 256C(1) of the Capital Markets & Services Act 2007, subject to the compliance with the standard conditions and continuing obligations as stipulated in the Guidelines on Private Debt Securities issued by the SC ("Guidelines on PDS"). Prior to the issuance of the Bonds, HLIB is required to submit a checklist of compliance with the standard conditions and continuing obligations as stipulated in the Guidelines on PDS and any other condition imposed in any other letter issued in connection with the Bonds.

The Company and SORA had on 30 June 2015 mutually agreed to amend certain terms and conditions set out in the MOA 1. The amended salient terms and conditions for the MOA 1 are as follows:

Addendum No. 4 of MOA 1

As further security for the correct fulfillment of the MOA 1, the Company shall lodge the balance of the deposit of USD8,600,000 (equivalent to approximately RM32,542,400) ("Balance of the SD1 Deposit") in the same interest bearing account for the Parties with the deposit holder (i.e. SORA's bank) ("Deposit Holder") on or before 15 July 2015.

All other salient terms and conditions of the MOA 1 remain unchanged and shall remain valid and in full force and effect.

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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 13 August 2015, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report are summarised below (cont'd):

(v) Proposed acquisition of a vessel known as “Siem Daya 1” for a purchase consideration of USD120.0 million (cont'd)

On 9 July 2015, the Company had entered into Novation Agreement dated 9 July 2015 with SORA and Daya Global 1 Pte Ltd (“DG1PL”), a wholly-owned subsidiary of the Company and provided Parent Company Guarantee dated 9 July 2015 to SORA.

The salient terms and conditions for the Novation Agreement and Parent Company Guarantee are as follows:

Novation Agreement

- (a) DG1PL assumes all obligations and liabilities of the Company under the MOA1, Addendum No. 1, Addendum No. 2, Addendum No. 3 and Addendum No. 4 (collectively the “MOA”) and agrees to be bound by the terms of the MOA in every way as if DG1PL were a party to the MOA in place of the Company;
- (b) SORA releases and discharges the Company from all obligations, liabilities, claims and demands under the MOA and accepts the liabilities of DG1PL under the MOA in place of the liability of the Company;
- (c) DG1PL has the benefit of all rights and claims of the Company under the MOA and SORA agrees to be bound by the terms of the MOA in every way as if DG1PL were a party to the MOA in place of the Company; and
- (d) the Company releases and discharges SORA from all obligations, liabilities, claims and demands under the MOA.

Except as otherwise expressly provided in the Novation Agreement, nothing in the Novation Agreement shall subject SORA to any liability to which it would not otherwise be subject under the MOA or diminish in any way any rights or remedies to which SORA would otherwise be entitled under the MOA or modify in any respect SORA’s contractual rights and obligations under the MOA.

The Company shall issue a corporate guarantee to SORA in the terms as set out in the Parent Company Guarantee upon the execution of the Novation Agreement and in terms of Addendum No. 3 to the MOA.

Parent Company Guarantee

In consideration of SORA entering into the Novation Agreement with DG1PL and the Company in respect of novating the MOA to now be between SORA and DG1PL, the Company in its capacity as ultimate parent company of DG1PL hereby irrevocably and unconditionally guarantees as primary obligor the full, faithful and punctual performance by DG1PL of all obligations, responsibilities, and undertakings to be carried out by DG1PL under the Novation Agreement and MOA, including but not limited to DG1PL’s discharge of any and all liabilities under or pursuant to the Novation Agreement and MOA, and shall indemnify and hold harmless SORA from and against any and all losses, damages, claims, costs (including legal costs), charges and expenses arising out of or in connection with DG1PL’s breach of or non-compliance with any terms and conditions of the Novation Agreement and MOA. but always subject to the limitations set forth in the Novation Agreement and MOA.

If, at any time, DG1PL fails to perform any of its obligations, responsibilities, or undertakings, or fails to discharge any of its liabilities, as provided in the terms and conditions of the Novation Agreement and MOA, then the Company as guarantor shall, immediately upon demand by SORA, duly perform or observe, or cause to be performed or observed, any such obligation, responsibility, undertaking, or liability, as required pursuant to terms and conditions of the Novation Agreement and MOA, in each case as if the Company were itself the primary obligor under the Novation Agreement and MOA.

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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 13 August 2015, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report are summarised below (cont'd):

(v) Proposed acquisition of a vessel known as "Siem Daya 1" for a purchase consideration of USD120.0 million (cont'd)

The Company shall not be discharged or released from its undertakings hereunder by waiver or forbearance by SORA whether as to payment, time, performance or otherwise.

The Parent Company Guarantee and any liability or obligation created hereunder shall expire upon the expiration, discharge, or satisfaction in full of all liabilities and obligations of DG1PL under the Novation Agreement and MOA. Upon expiry, the Parent Company Guarantee shall be returned to the Company without any undue delay.

The Parent Company Guarantee is a guarantee of performance. In the event and for the duration that the Company assumes the obligations of DG1PL under the Novation Agreement and MOA as provided in the abovementioned paragraphs, the Company shall be entitled to all of the rights and benefits to which DG1PL is entitled under the Novation Agreement and MOA.

Barring any unforeseen circumstances, all the applications to the relevant authorities in relation to the Proposed SD1 Acquisition will be made within three (3) months and the Proposed SD1 Acquisition is expected to be completed by the third quarter of 2015.

(vi) Proposed disposal of 120,960 ordinary shares of RM1.00 each in Daya Secadyme Sdn. Bhd. ("DSSB") representing 12% of the issued and paid-up share capital of DSSB to Rancak Nikmat Sdn. Bhd.

On 21 May 2015, the Company entered into a Share Sale Agreement ("SSA") with Rancak Nikmat Sdn. Bhd. ("the Purchaser") to dispose 120,960 ordinary shares of RM1.00 each in DSSB ("the Sale Shares") representing 12% of the issued and paid-up share capital of DSSB to the Purchaser at a total cash consideration of RM10,800,000 ("Proposed Disposal").

The SSA is conditional upon the fulfilment of the following conditions:

- (a) the Company obtaining the approval or consent of its first third party legal charge over the Sale Shares ("First Charge"), Hong Leong Bank Berhad ("First Chargee") for the sale by the Company of the Sale Shares to the Purchaser; and
- (b) if applicable, the Company procuring that DSSB obtain the approval or consent of their financiers for the changes in its shareholdings arising from the sale and purchase of the Sale Shares envisaged in the SSA;

within Thirty (30) days from the date of the SSA or such other period as shall be mutually agreed between the parties hereto.

The Proposed Disposal is to meet the objectives of enhancing the Bumiputera equity ownership in DSSB. In its ordinary course of business, the Group requires certain licenses and permits to operate its business. The licenses issued enable the Group to market the Group's products and services and are subject to Bumiputera shareholding requirements and various employment and operating conditions. Therefore it is crucial and important for the Group to ensure that there is sufficient Bumiputera equity ownership in DSSB.

The Proposed Disposal will not have any effect on the issued and paid-up share capital and the shareholdings of the substantial shareholders of the Company and is not expected to have any material effect on the earnings and EPS of the Group for the financial year ending 31 December 2015 and in the future.

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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 13 August 2015, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report are summarised below (cont'd):

(vii) Proposed disposal of 102,000 ordinary shares of RM1.00 each ("Sale Shares") in Semangat Global Sdn. Bhd. ("SGSB") by Daya Land & Development Sdn. Bhd. ("DLD"), a subsidiary of Daya CMT Sdn. Bhd. ("DCMT"), which in turn is a 70% owned subsidiary of the Company, to Highstar Realty Sdn. Bhd. ("Highstar")

On 6 July 2015, Highstar offered to purchase 102,000 ordinary shares of RM1.00 each in SGSB ("Sale Shares") representing 51% of the issued and paid-up share capital of SGSB from DLD, for a total sale consideration of RM3,835,000.00 ("Proposed Disposal").

SGSB is principally engaged in the in the field of construction and development of industrial, commercial and housing project and other related industry. On 20 November 2012, entered into a Shareholders Agreement with Chang Cheng Realty Sdn. Bhd. ("CCR") to jointly develop and construct of One (1) block of 28 storey retail/showroom/service suites, forty (40) blocks of 4 storey shop office and eight (8) blocks of 3 storey shops on four (4) parcels of empty land held located at Jalan Pintas in the District of Penampang, Sabah, Malaysia ("the JV Project"). The Board of Directors, after assessing the future opportunities in respect of SGSB are of the opinion that it is in the best interest for the Group to dispose SGSB at the best price obtainable. The Proposed Disposal is also in line with our Group's overall objective of focusing our resources in the core Oil & Gas business.

On 21 July 2015, DLD had entered into a Sale and Purchase of Shares Agreement with the Purchaser in respect of the Proposed Disposal for a total sale consideration of RM 3,835,000.00.

B8 Status of utilisation of proceedsPrivate Placement Proceeds- Year 2014

As at 30 June 2015, the Company has raised gross proceeds of approximately RM43.395 million ("Gross Placement Proceeds") via the placement of 263,000,000 Placement Shares under the Proposed Placement exercise at an issue price of RM0.165 per share and the status of the utilisation proceeds is as follows:

	Original utilisation amount	Revised utilisation amount (Note 1)	Actual utilisation	Balance	Estimated timeframe for the utilisation of proceeds from the date of listing of the Placement Shares
	RM'000	RM'000	RM'000	RM'000	
Description	A	B	C	D = B-C	
Purchase of vessels	43,395	15,000	15,000	-	Within six (6) months
Working capital (including the estimated expenses for the Prproposals)	-	28,395	28,395	-	Within three (3) months
Total proceeds	43,395	43,395	43,395	-	

Note 1:

In the announcement to Bursa Malaysia Securities Sdn. Bhd. ("Bursa Malaysia") on 10 February 2015, the Board of Directors of the Company ("the Board") had resolved to revise the utilisation of proceeds from the Proposed Placement amounting to RM23,395 million or 65.43% of the Gross Placement Proceeds.

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B8 Status of utilisation of proceeds (cont'd)

The Company intends to use part of the proceeds raised from the Proposed Placement for general working capital purposes of DMB Group, including but not limited to payment of trade and other payables, management, employees and marketing expenses and other day-to-day expenses. The breakdown of proceeds to be utilised for each component of working capital has not been determined at this juncture. Moreover, the actual amount to be utilised by each component of working capital may differ subject to the operating requirements at the time of utilisation.

The Company intends to finance the shortfall in the Proposed Acquisitions either via bank borrowings and/or internally-generated funds of the Group and/or other forms of financing.

On 24 April 2015, Bursa Malaysia Securities Berhad approved the extension of time of six months to 25 October 2015 for the implementation of the Proposed Placement.

B9 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
<u>Secured borrowings</u>			
Trade facilities	79,556	40,000	119,556
Hire purchases	2,247	8,667	10,914
Overdraft	9,780	-	9,780
Term loans	7,567	30,140	37,707
	<u>99,150</u>	<u>78,807</u>	<u>177,957</u>
<u>Unsecured borrowing</u>			
Overdraft	4,961	-	4,961
	<u>104,111</u>	<u>78,807</u>	<u>182,918</u>

The secured 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.

The bank borrowings and other facilities are denoted in local currency, except for RM29,789,654 which is denoted in United States Dollars.

B10 Material litigations

Save for the following, there were no material litigation involving the Group since the last financial year ended 31 December 2014 and 13 August 2015, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report.

(a) Kuala Lumpur High Court Suit No. D3-22-360-2008 (Seca Dyme Sdn. Bhd. (now known as Daya Secadyme Sdn. Bhd.) vs Mohd. Akbar B Hj. Johari & 4 Others)

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 RM1,942,250 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) instalments, 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 instalments, the 1st and 2nd Defendants become liable for the payment of the entire sum claimed of RM1,942,250 less any instalments paid. The 1st and 2nd Defendants have also agreed to provide security for the instalments 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 instalments shall fall due as at the date of default. On 16 August 2011, the Court granted Judgment against the 3rd, 4th and 5th defendants for the sum claimed of RM1,942,250 with costs and interest. As of the date of this quarterly update, DSSB has not received the same.

The first instalment payment of RM100,000 from the 1st and 2nd Defendants, was due on or before the 31 December 2011. On 29 December 2011, the 1st and 2nd Defendants appealed for the deferment of first instalment payment of RM100,000 with a full settlement by end of April 2012. On 30 April 2012, the 1st and 2nd Defendants again appealed 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 pledge of commitments. On 16 May 2012 and 10 July 2012 respectively, DSSB received the cheque of RM10,000 from the 1st and 2nd Defendants on each date.

Thereafter, DSSB has not received the settlement as proposed by the 1st and 2nd Defendants. The 1st Defendant has made a fresh set of proposals in 2013 but has not been able to comply with his own terms. Subsequently on 24 December 2013, DSSB received a cheque of RM10,000 from the 1st and 2nd Defendants.

His last proposal in November 2013 was as follows:

- payment of RM160,000.00 by or before the end of December 2013;
- payment of RM150,000.00 a month beginning January 2014 till end of June 2014; and
- Final Payment of the balance due to DSSB in July 2014 (the difference between total amount due to DSSB and total amount paid till the end of June 2014).

The above proposal was not complied with, the 1st Defendant submitted a revised payment proposal in February 2014. DSSB has informed him repeatedly that he and the 2nd Defendant are in default of the Consent Judgment, and reserves its rights for further legal considerations on the matter, and that any payment made by the 1st Defendant will be received without prejudice to DSSB's rights to take steps to enforce the Consent Judgment.

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B10 Material litigations (cont'd)

(a) Kuala Lumpur High Court Suit No. D3-22-360-2008 (Seca Dyme Sdn. Bhd. (now known as Daya Secadyme Sdn. Bhd.) vs Mohd. Akbar B Hj. Johari & 4 Others) (cont'd)

On 16 February 2015, DSSB through its solicitors filed cause papers for bankruptcy proceedings against the 5th Defendant under Shah Alam High Court Bankruptcy No. 29NCC-1578-02/2015 and is currently pending extraction of the sealed Adjudication Order and Receiving Order in order to lodge a proof of debt form with the Insolvency Department of Malaysia against the 5th Defendant.

On 17 February 2015, DSSB through its solicitors, served on the 3rd and 4th Defendants a Notice pursuant to section 218 (2) (a) of the Companies Act 1965 ("said Notice"). The 3rd and 4th Defendants who have had 21 days from the date of the said Notice to respond did not respond to the same. As such, DSSB, through its solicitors, filed winding up petition against the 3rd and 4th Defendants on 15 May 2015 at Shah Alam High Court under Shah Alam High Court Winding Up 28NCC-231-05/2015 and Shah Alam High Court Winding Up 28NCC-232-05/2015 respectively. Both petitions were fixed for hearing on 10 August 2015. On 10 August 2015, the Court granted Order in Terms for both Winding Up Petitions with costs to be paid by the 3rd and 4th Defendants to the DSSB for each proceeding.

On 19 March 2015, DSSB through its solicitors successfully lodged a proof of debt form with the Insolvency Department of Malaysia against the 1st Defendant for the sum of RM1,912,250.00. The matter is currently kept in abeyance pending notification of creditors' meeting by the Insolvency Department of Malaysia.

On 28 March 2015, DSSB through its solicitors, served on the 2nd Defendant a Notice pursuant to section 218(2)(a) of the Companies Act 1965 ("said Notice"). The 2nd Defendant who have had 21 days from the date of the said Notice to respond did not respond to the same. As such, DSSB, through its solicitors, filed winding up petition against the 2nd Defendant on 19 May 2015 at Seremban High Court under Seremban High Court Winding Up 28NCC-13-05/2015. The petition was fixed for hearing on 3 August 2015 where the Court granted Order in Terms in relation to the petition and DSSB through its solicitors will be proceeding to file into Court the draft Winding Up Order.

B11 Other Litigations

(a) Kuala Lumpur High Court Suit No. 22NCC-90-03/2014 (Mark Leonard Midgley vs Daya Materials Berhad and Daya Offshore Construction Sdn. Bhd.)

On 18 March 2014, the Company and its wholly-owned subsidiary, Daya Offshore Construction Sdn. Bhd. ("DOCSB"), had been notified by their lawyers, Messrs. Zain Megat & Murad, of the said lawyers' receipt in the evening of 17 March 2014, of a letter dated 17 March 2014 from Messrs. Trevor George Partnership ("the Plaintiff's Solicitors"), the lawyers acting for and on behalf of Mark Leonard Midgley ("Plaintiff"), the former Chief Executive Officer and Director of DOCSB, together with a copy of the sealed Writ of Summons and Statement of Claim ("Writ of Summons and Statement of Claim") also dated 17 March 2014, where both the Company and DOCSB had been named as defendants in a civil suit filed by the Plaintiff in the High Court of Malaya at Kuala Lumpur ("the Suit").

The Plaintiff claims that the Company had allegedly breached a shareholders agreement dated 30 April 2013 ("Shareholders Agreement") in relation to DOCSB and the Plaintiff is claiming for inter alia a Declaration to that effect, valuation of the shares in DOCSB, damages and an injunction to restrain breach or further breach of the Shareholders Agreement.

On 2 April 2014, the Company and DOCSB had been notified by their lawyers that the said lawyers had been served on 1 April 2014 by the Plaintiff's Solicitors, with a Notice of Application and Affidavit in Support dated 31 March 2014 for interlocutory injunction ("Interlocutory Injunction Application").

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B11 Other Litigations (cont'd)

(a) Kuala Lumpur High Court Suit No. 22NCC-90-03/2014 (Mark Leonard Midgley vs Daya Materials Berhad and Daya Offshore Construction Sdn. Bhd.) (cont'd)

In the Interlocutory Injunction Application, the Plaintiff is seeking for inter alia the following reliefs:-

- (i) an injunction to restrain the Company and/or DOCSB from excluding the Plaintiff as a director of DOCSB and/or from curtailing, impeding and/or otherwise preventing the Plaintiff's exercise of all his rights as a director of DOCSB and pursuant to the Shareholders Agreement;
- (ii) an injunction to restrain the Company from selling, transferring and/or otherwise dealing in any manner whatsoever the 5 million ordinary shares in DOCSB that is currently held and registered in the name of the Company;
- (iii) an injunction to restrain the Company from requisitioning, calling, convening and/or otherwise holding any Board and/or Shareholder meeting of DOCSB without the Plaintiff's participation and/or consent;
- (iv) an injunction to restrain DOCSB from making, executing and/or otherwise implementing any decisions of DOCSB without the approval of the Plaintiff or court;
- (v) alternatively, that interim Receivers & Managers be hereby appointed to enter, and take control and have full management control of DOCSB.

The High Court granted an ad interim injunction only in relation to part of the reliefs sought for in the Interlocutory Injunction Application to preserve status quo pending the hearing of the Interlocutory Injunction Application. They are as follows:

- (i) an injunction to restrain the Company from selling, transferring and/or otherwise dealing in any manner whatsoever the 5 million ordinary shares in DOCSB that is currently held and registered in the name of the Company; and
- (ii) an injunction to restrain the Company from requisitioning, calling, convening and/or otherwise holding any Board and/or Shareholder meeting of DOCSB without the Plaintiff's participation and/or consent in contravention of the Shareholders Agreement.

On 17 April 2014, the Company and DOCSB vide their lawyers, filed in and served on the Plaintiff's Solicitors the following:

- (i) Defence and Counterclaim against the Plaintiff; and
- (ii) An Affidavit in Reply to resist the Plaintiff's Injunction Application.

Amongst others, the Company and DOCSB are counter claiming against the Plaintiff for:

- (i) a declaration that the Shareholders Agreement dated 30 April 2013 is not valid and/or not binding and/or otherwise void for total failure of consideration as the Plaintiff had never purchased the 20% shares in DOCSB from the Company as envisaged; and
- (ii) breach of his employment agreement, breach of his fiduciary duties, negligent management and/or mismanagement whilst the Plaintiff was the Chief Executive Officer of DOCSB.

The Company and DOCSB have appointed Messrs. Zain Megat & Murad to inter alia challenge and defend the Suit, counterclaim against the Plaintiff and resist the Plaintiff's Injunction Application.

DAYA MATERIALS BERHAD

(Company No: 636357-W)

(Incorporated in Malaysia)

B11 Other Litigations (cont'd)

(a) Kuala Lumpur High Court Suit No. 22NCC-90-03/2014 (Mark Leonard Midgley vs Daya Materials Berhad and Daya Offshore Construction Sdn. Bhd.) (cont'd)

On 5 May 2014, the Company had been notified by their lawyers that the said lawyers had received the Plaintiff's Affidavit in Reply on 2 May 2014 and in the circumstances, the hearing of the Plaintiff's Interlocutory Injunction Application on 5 May 2014 was adjourned to 3 June 2014 and the following directions were given by the Court:-

- (i) The Company and DOCSB to file and serve its Affidavit in Reply to the Plaintiff's Affidavit in Reply on or before 14 May 2014. The Company and DOCSB vide their lawyers on 14 May 2014, requested for an extension to file and serve its Affidavit in Reply to the Plaintiff's Affidavit in Reply from the Plaintiff's Solicitors. This was agreed by the Plaintiff's Solicitors and filed and served on 15 May 2014 and
- (ii) The Plaintiff to file his Affidavit in Reply to the aforesaid Company and DOCSB's Affidavit in Reply on or before 21 May 2014.

Pending the hearing of the Interlocutory Injunction Application, the ad interim injunction granted on 3 April 2014 is maintained.

On 3 June 2014, the Company and DOCSB had recorded a Consent Order before the High Court, on a without prejudice basis and without admission, for an interlocutory injunction to continue pending the disposal of trial, on the following terms ("Interlocutory Injunction"):-

- (i) an injunction to restrain the Company from selling, transferring and/or otherwise dealing in any manner whatsoever the 5 million ordinary shares in DOCSB that is currently held and registered in the name of the Company;
- (ii) an injunction to restrain the Company from requisitioning, calling, convening and/or otherwise holding any Board and/or Shareholder meeting of DOCSB without the Plaintiff's participation and/or consent, in relation to the following Reserved Matters pursuant to the Shareholders Agreement:-
 - (a) New loans and borrowing;
 - (b) Rights issues, capital reductions and any form of fund raising;
 - (c) Amendments to DOCSB's Memorandum and Articles of Association;
 - (d) Joint ventures, mergers and acquisitions and asset sales of or by DOCSB;
 - (e) New businesses which are not directly related to DOCSB's core business; and
 - (f) Change of Board Directors and Signatories.

This is to facilitate an early disposal of the trial of the matter as well as to have a clearer definition of the matters where participation and/or consent of the Plaintiff need to be sought. The liberty for parties to apply to Court in relation to the Interlocutory Injunction is maintained.

On 4 August 2014, the Plaintiff filed an application to strike out the Company and DOCSB's counterclaim along with an affidavit in support on the basis that the Company and DOCSB had not filed its Reply to Further and Better Particulars and a Reply to Interrogatories by 17 June 2014 ("Plaintiff's Striking Out Application").

On 13 August 2014, the Company and DOCSB filed its reply to Further and Better Particulars and Affidavit in reply to the Interrogatories. The hearing of the Plaintiff's Striking Out Application was set for 8 September 2014.

On 28 August 2014, the Company and DOCSB filed its Affidavit in Reply to the Plaintiff's Striking Out Application. The Plaintiff had on the same date, filed a second application to strike out the Company and DOCSB's counterclaim specifically on the issue of the Memorandum of Agreement ("MOA") between Daya Vessels Limited ("DVL"), a subsidiary of Daya OCI Sdn. Bhd. ("DOCI"), which in turn is a subsidiary of our Company and SBM Installer S.A.R.L Construction Vessel ("Plaintiff's Second Striking Out Application"). The hearing of the Plaintiff's Second Striking Out Application was also set for 8 September 2014.

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B11 Other Litigations (cont'd)

(a) Kuala Lumpur High Court Suit No. 22NCC-90-03/2014 (Mark Leonard Midgley vs Daya Materials Berhad and Daya Offshore Construction Sdn. Bhd.) (cont'd)

On 8 September 2014, the High Court dismissed the Plaintiff's Striking Out Application upon hearing both parties submissions and fixed the hearing of the Plaintiff's Second Striking Out Application for 25 September 2014.

On 25 September 2014, the High Court dismissed the Plaintiff's Second Striking Out Application upon hearing both parties submissions.

The matter was fixed for full trial on 18 to 20 November 2014. Further to the case management of the Suit on 11 November 2014, the matter is now fixed for full trial on 9 to 12 March 2015 with additional trial dates of 30 to 31 March 2015.

On 15 December 2014, the Plaintiff had served his application for the appointment of receivers and managers for DOCSB ("Application"), pending determination of the trial of this litigation suit, which was fixed from 9 March 2015 to 12 March 2015 and 30 March 2015 to 31 March 2015. The Application was fixed for Case Management on 6 January 2015 and then fixed for a hearing on 12 February 2015, where the Application was struck out with costs awarded to the Defendants.

The trial of this litigation suit was completed on 19 March 2015 and fixed for decision on 10 September 2015.

The solicitors of our Company are of the opinion that our Company and DOCSB have a good arguable case for its defence as well as the counterclaim against the Plaintiff based on the evidence at trial.

(b) Memorandum of Agreement ("MOA") between Daya Vessels Limited ("DVL"), a subsidiary of Daya OCI Sdn. Bhd. ("DOCI"), which in turn is a 67% owned subsidiary of the Company and SBM Installer S.A.R.L Construction Vessel ("VESSEL")

On 7 November 2013, the Board announced that DVL, a 100% owned subsidiary of DOCI, which in turn is a 67% owned subsidiary of the Company, allegedly entered into the MOA with SBM in relation to the acquisition of one newbuild Diving Support and Construction Vessel ("DSCV") named the "SBM Installer" for a purchase consideration of USD180 million, equivalent to approximately RM577 million.

The salient terms of the MOA are as follows:

(i) No deposit is required.

(ii) An irrevocable on demand bank guarantee of 10% of the Purchase Price ("Bank Guarantee") is to be issued in favour of SBM and called no earlier than 15 January 2013, by Fortress Bank or any other bank acceptable to SBM ("Bank Guarantor").

(iii) On delivery of the Vessel, but no later than three (3) banking days after the date that notice of readiness has been given, as set out in Clause 5 of the MOA, DVL is to pay the full amount of the Purchase Price and all other sums payable on delivery.

(iv) No later than five (5) banking days after the execution of the MOA, DVL shall provide SBM with a parent company guarantee ("PCG") from DMB and documentary evidence that DVL has secured the necessary loan and/or equity funding in order to allow it to purchase the Vessel ("Documentary Evidence of Financing").

(v) Should DVL fail to provide either the PCG or Documentary Evidence of Financing in accordance with Item (iv) above, SBM shall have the right to cancel the MOA and claim compensation for their direct losses and for all expenses incurred in relation to the transaction, together with interest.

(vi) Should the Bank Guarantee not be issued by the Bank Guarantor in accordance with Item (ii) above, SBM shall have the right to cancel the MOA and claim compensation for their direct losses and for all expenses incurred in relation to the transaction, together with interest.

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B11 Other Litigations (cont'd)

(b) Memorandum of Agreement ("MOA") between Daya Vessels Limited ("DVL"), a subsidiary of Daya OCI Sdn. Bhd. ("DOCI"), which in turn is a 67% owned subsidiary of the Company and SBM Installer S.A.R.L Construction Vessel ("VESSEL") (cont'd)

(vii) The Board of Directors of the Company wishes to clarify that:

(a) DVL had no intention to purchase the Vessel and as such has not attempted to meet any of the terms of the MOA.

(b) The MOA was signed without the knowledge or prior approval of the Board or board of directors of DVL.

(c) No shareholders' approval of DVL was sought or given.

(d) The press release issued by SBM on 11 November 2013 was inaccurate.

(e) DVL had notified SBM to terminate the MOA.

(f) No deposits, Documentary Evidence of Financing or other forms of payment in accordance with the salient terms of Items (ii) and (iv) mentioned above have been made.

Having obtained legal opinions from Lee Choon Wan & Co and Clyde & Co respectively, the Board decided to make an announcement confirming all the relevant facts of the matter and will continue to seek further legal advice.

On 7 August 2014, the Board announced that DVL had through its solicitors, received a letter from SBM's lawyers dated 6 August 2014 giving DVL notice that SBM has appointed its arbitrator in relation to all disputes arising out of and/or in connection with the MOA. DVL is to appoint its arbitrator within 14 calendar days, failing which SBM shall take steps to appoint its nominated arbitrator as sole arbitrator. DVL had appointed its arbitrator for this matter and SBM had twenty eight (28) days from 20 August 2014 to serve its pleadings.

On 28 November 2014, the Board announced that DVL had through its solicitors, received a letter from SBM's lawyers dated 27 November 2014 setting out SBM's claims submissions ("Claims Submissions").

In the Claims Submissions, SBM is claiming for:

(i) Damages in the amount of United States Dollars Forty Million (USD40,000,000), equivalent to approximately Ringgit Malaysia One Hundred and Thirty Four Million (RM134,000,000), being the difference between the purchase price of the Vessel under the MOA of United States Dollars One Hundred and Eighty Million (USD180,000,000) and the market value of the Vessel as at the date of cancellation of the MOA being 21 February 2014, being United States Dollars One hundred and Forty Million (USD140,000,000);

(ii) British Pound Sterling Twenty Nine Thousand and Eighteen (£29,018), equivalent to approximately Ringgit Malaysia One Hundred and Fifty Three Thousand (RM153,000), in legal costs and disbursements;

(iii) Singapore Dollars Thirty Two Thousand Six Hundred and Fifteen (S\$32,615), equivalent to approximately Ringgit Malaysia Eighty Four Thousand (RM84,000), in wasted third party costs representing SBM's direct losses incurred in connection with DVL's breach of the MOA;

(iv) Compound interest in accordance with Section 49 of the English Arbitration Act 1996, at such rate and compounded for such periods that the tribunal considers just; and

(v) Costs.

On 6 February 2015, DVL through its solicitors, served its defence submissions whilst on 10 March 2015, SBM served its reply submissions, together with a request for further information.

On 19 May, DVL served its Response to the Request for Further Information together with DVL's own Request for Further Information.

DVL's case is that the MOA was not validly entered into and has no contractual force (and was thus not breached). Having conducted a relatively detailed merits review, DVL regards its position to be strong and is robustly defending the arbitration.

The tribunal has been constituted and parties have exchanged their initial submissions, but the arbitration is at a relatively early stage. The tribunal has ordered that the proceedings be bifurcated between a jurisdiction/merits phase and (if relevant) a subsequent phase dealing with the extent of SBM's damages entitlement. The Tribunal have further ordered that SBM respond to DVL's Request for Further Information by 14 August 2015.

B11 Other Litigations (cont'd)

(c) Shah Alam High Court Suit No. 22NCVC-480-10/2014 (Tideway Alliance Sdn. Bhd. vs Daya OCI Sdn. Bhd.)

On 20 October 2014, Daya OCI Sdn Bhd ("DOCI") had received service of notice of an action being brought against it by Tideway Alliance Sdn Bhd (Company No. 607144-M) ("Plaintiff") together with a copy of the sealed copy of the Writ and Statement of Claim ("Suit").

The Plaintiff is claiming the sum of RM6,937,500 allegedly owing for services allegedly rendered at the request and instructions of DOCI. The Plaintiff's claim in the abovementioned civil suit was in relation to certain rock-dumping works and services allegedly provided to DOCI.

During the Case Management on 14 November 2014, the following directions were given by the Court:

- (i) DOCI was to file its defence by 21 November 2014;
- (iii) Tideway was to file its reply to the defence (if any) by 5 December 2014.

On 21 November 2014, in view of the abovementioned directions, DOCI filed its defence and counterclaimed RM132,539.14, general damages, costs, interest on all sums awarded until full and final settlement and such further and/or other relief as deemed fit and just by the Court and Tideway filed its reply to defence and defence to counterclaim on 3 December 2014.

Following the last Case Management on 20 April 2015, this litigation suit has been fixed for trial from 24 August 2015 to 27 August 2015.

DOCI's solicitors are of the opinion that DOCI has a good arguable case for its defence against Tideway's claim based on the evidence available and provided DOCI is able to lead the necessary oral evidence and documentary evidence during the trial of this litigation suit.

(d) Kuala Lumpur High Court Suit No. 23NCVC-56-10/2014 (Mark Leonard Midgley vs Daya Materials Berhad and Tham Jooi Loon and The Edge Communications Sdn. Bhd.)

On 3 November 2014, Mark Leonard Midgley ("Plaintiff") brought an action against our Company along with Tham Jooi Loon and The Edge Communications Sdn. Bhd. (collectively the "Defendants") for alleged libel in relation to an article published in The Edge newspaper on 22 September 2014. The Writ and Statement of Claim was served on our Company on 3 November 2014 wherein the Plaintiff, claims as follows:

- (i) an injunction restraining the Defendants, whether by themselves, their servants or agents or otherwise from further making any other defamatory statements, remarks and/or publications against the Plaintiff;
- (ii) damages of USD5,000,000 for libel;
- (iii) exemplary damages;
- (iv) aggravated damages;
- (v) interest at the rate of 4% for the damages awarded;
- (vi) cost (on an indemnity basis) to be paid by the Defendants; and
- (vii) such other, or further order or relief as is deemed appropriate and proper by the Court.

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B11 Other Litigations (cont'd)**(d) Kuala Lumpur High Court Suit No. 23NCVC-56-10/2014 (Mark Leonard Midgley vs Daya Materials Berhad and Tham Jooi Loon and The Edge Communications Sdn. Bhd.) (cont'd)**

On 8 December 2014, our Company filed and served its Defence.

Following the last Case Management on 12 January 2015, the final Case Management of this litigation suit has been fixed on 8 June 2015 and the trial has been fixed on 15 June 2015 to 17 June 2015. Further, The Edge Communications Sdn Bhd served an application for stay proceedings pending the disposal of the Kuala Lumpur High Court Suit No. 22NCC-90-03/2014 mentioned above and the said application was fixed for Case Management on 21 January 2015.

On 19 March 2015, the Court granted a stay order and this litigation suit is pending the final disposal of the Kuala Lumpur High Court Suit No. 22NCC-90-03/2014 mentioned above.

The solicitors of our Company are of the opinion that our Company has a good arguable case for defence against the Plaintiff based on instructions received and evidence reviewed thus far provided that our Company is able to lead the necessary oral evidence and documentary evidence during the trial of this litigation suit.

B12 Proposed Dividends

The Board of Directors did not recommend the payment of any dividends for the financial year ended 31 December 2014.

B13 Basic earnings per share**a) Basic earnings per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2015	PRECEDING YEAR CORRESPON- DING QUARTER 30.6.2014	CURRENT YEAR TO DATE 30.6.2015	PRECEDING YEAR CORRESPON- DING PERIOD 30.6.2014
Net (loss)/profit for the period attributable to ordinary equity holders of the company (RM'000)	8,774	4,675	8,514	5,624
Weighted average number of shares in issue ('000)	1,651,816	1,388,818	1,651,816	1,386,959
Basic earnings per share (sen)	<u>0.53</u>	<u>0.34</u>	<u>0.52</u>	<u>0.41</u>

No item, transaction or event has arisen in the interval between the end of the financial year and the date of this report which has dilutive effect on the ordinary shares. Hence, diluted earnings per share is not presented.

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B14 Additional disclosure as per Appendix 9B , Part A, Note 16 of Bursa Listing Requirement of Bursa Malaysia Securities Berhad

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2015 RM'000	PRECEDING YEAR CORRESPON- DING QUARTER 30.6.2014 RM'000	CURRENT YEAR TO DATE 30.6.2015 RM'000	PRECEDING YEAR CORRESPON- DING PERIOD 30.6.2014 RM'000
The following amounts have been included in arriving at profit before tax:				
Finance costs	2,201	2,290	4,727	4,300
Depreciation on property, plant and equipment	4,442	1,523	8,528	3,403
Depreciation on investment property	1	60	2	161
Amortisation on intangible assets	230	42	286	101
Loss on disposal of property, plant & equipment	4	-	11	-
Realised foreign exchange loss	135	-	-	282
and after crediting:				
Interest income	323	153	522	398
Rental income	107	265	227	384
Unrealised foreign exchange gains	4,530	9	13,806	179
Realised foreign exchange gains	-	115	383	-
Gain on disposal of property, plant & equipment	-	49	-	49
Gain on disposal of a joint venture company	76	-	76	-
Gain on disposal of investment property	-	685	-	685

Except as disclosed above, there is no any impairment of other assets and gain or loss on derivatives.

The comparative amounts have been reclassified to conform with audited financial statement's presentation.

B15 Realised and Unrealised Profits

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.

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B15 Realised and Unrealised Profits (cont'd)

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 30.6.2015 RM'000	AS AT 31.3.2014 # RM'000
Total retained earnings of DMB and its subsidiaries:		
- Realised profits	68,736	74,641
- Unrealised profits	16,793	15,379
	85,529	90,020
Less: Consolidated adjustments	(25,090)	(38,095)
Total group retained earnings as per consolidated accounts	60,439	51,925

The comparative amounts have been reclassified to conform with audited financial statement's presentation.

The breakdown of the retained profits into realised and unrealised is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

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.

B16 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2014 was unqualified.

By Order of the Board

Tham Jooi Loon
Executive Vice Chairman

Date: 19 August 2015