



DAYA MATERIALS BERHAD

(Company No. 636357-W)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting ("EGM") of Daya Materials Berhad will be held at MTD Group Building, Ground Floor, No. 1, Jalan Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan on Tuesday, 30 June 2015 at 10.30 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions set out below:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION OF A DYNAMIC POSITIONING CLASS 2 OFFSHORE SUBSEA CONSTRUCTION VESSEL KNOWN AS "SIEM DAYA 1" INCLUDING 50 METRIC TONNES ACTIVE HEAVE COMPENSATION 3,000 METRES CRANE AND LIST OF STORES AND SPARES

"THAT, subject to the approvals of all relevant authorities being obtained and the terms and conditions stipulated in the memorandum of agreement, which was entered into by Daya Materials Berhad ("DMB" or the "Company") on 22 August 2014 (as supplemented by addenda dated 19 January 2015, 19 April 2015 and 24 April 2015), the Board of Directors of DMB ("Board") be and is hereby authorised to acquire:

- (i) a dynamic positioning class 2 offshore subsea construction vessel known as "Siem Daya 1" ("SD1") ("Proposed SD1 Acquisition") from Siem Offshore Rederi AS ("SORA") for a total consideration of USD120,000,000 ("Purchase Consideration") to be satisfied in the following manner:
 - (a) cash consideration of USD90,000,000; and
 - (b) issuance of such amount of Ringgit Malaysia (RM) denominated four (4)-year redeemable convertible secured bonds equivalent to USD30,000,000 in nominal value ("Bonds") (based on the closing middle exchange rate as quoted by Bank Negara Malaysia on the business day prior to the date of issuance of the issue request) ("Amount-Fixing Date") to Siem Offshore Invest AS and/or such other nominee(s) as may be nominated by SORA as consideration for the remaining Purchase Consideration, whereby in any event, the nominal value of Bonds shall not exceed RM126,000,000;

In the event such exchange rate on the Amount-Fixing Date results in a nominal value amount of higher than RM126,000,000, the difference between the issue amount and USD30,000,000 shall be paid by DMB in cash;

- (ii) a 50 metric tonnes active heave compensation 3,000 metres crane for a cash consideration of USD2,300,000; and
- (iii) the stores and spares (including spares required by class notation) to be agreed between DMB and SORA for an estimated cash consideration of USD1,600,000;

THAT the coupon rate for the Bonds shall be 5% per annum, payable in arrears annually during the tenure of the Bonds prior to the conversion of the same;

THAT the Bonds shall be convertible into new ordinary shares of RM0.10 each in DMB ("DMB Shares") at a conversion price of RM0.15;

THAT such new DMB Shares to be issued pursuant to the conversion of the Bonds shall, upon allotment and issue, rank *pari passu* in all respects with the then existing DMB Shares, except that the holders of new DMB Shares to be issued pursuant to the conversion of Bonds will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared by DMB in respect of which the entitlement dates are prior to the date of allotment of the new DMB Shares to be issued pursuant to the conversion of Bonds;

THAT the Bonds will be secured by a third party second legal charge over SD1;

THAT the Bonds shall be represented by a Global Certificate to be deposited with Bank Negara Malaysia and shall be in bearer form, and no physical delivery of the Bonds is permitted;

THAT the Bonds shall be issued in denomination and multiples of RM1.00 each or such other denomination as shall be agreed upon between Hong Leong Investment Bank Berhad (being the Lead Arranger) and the Company;

AND THAT the Board be and are hereby empowered and authorised to enter into and execute the trust deed constituting the Bonds, to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company's Common Seal, where necessary), arrangements, deeds, undertakings, indemnities, transfers, extensions, assignments, confirmations, declarations, guarantees and/or other documents to or with any party or parties as the Board may consider necessary to give effect to and complete the Proposed SD1 Acquisition and with full power to assent to any conditions, modifications, variations and/or amendments in any manners as may be required by the relevant authorities or as the Board may deem necessary or expedient in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed SD1 Acquisition and the aforesaid trust deed.

ORDINARY RESOLUTION 2

PROPOSED DISPOSAL OF UP TO 50.0% EQUITY INTEREST IN DAYA CMT SDN BHD ("DCMT")

"THAT, subject to the approvals of all relevant authorities being obtained, the Board of Directors of Daya Materials Berhad ("DMB" or the "Company") ("Board") be and is hereby authorised to dispose of up to 50.0% equity interest in DCMT as follows:

- (i) 1,520,000 ordinary shares of RM1.00 each ("DCMT Shares") representing 19.0% equity interest in DCMT to Perfect Propel Sdn Bhd ("PPSB") for a cash consideration of RM11,400,000 based on the revised call option price of RM7.50 per DCMT Share pursuant to the letter from PPSB dated 13 May 2015 ("Revised Letter from PPSB") whereby PPSB exercises the call option which requires DMB to sell 1,520,000 DCMT Shares representing 19.0% equity interest in DCMT in accordance with the terms and conditions of the share sale agreement dated 28 April 2014 between PPSB and the Company ("SSA") ("Proposed Initial Disposal"); and
- (ii) up to 2,480,000 DCMT Shares representing up to 31.0% equity interest in DCMT to PPSB at the revised call option price of RM7.50 per DCMT Share, in the event PPSB exercises the call option subsequent to the completion of the Proposed Initial Disposal ("Proposed Further Disposal"),

(collectively referred to as the "Proposed Disposal").

THAT the Revised Letter from PPSB shall commit and bind PPSB and commit and bind the Company to sell the up to 4,000,000 DCMT Shares representing up to 50.0% equity interest in DCMT to PPSB at the revised call option price of RM7.50 per DCMT Share, in accordance with the terms and conditions of the SSA;

THAT pursuant to the SSA, the Company hereby undertakes to provide continued financial guarantees and support to all of DCMT's existing and new banking facilities such that existing facilities are not unduly withdrawn or terminated and new facilities can be secured, remain valid and binding on the Company;

THAT the Company hereby agrees that DCMT is not permitted to declare and/or pay any dividends without PPSB's written consent;

THAT the proceeds of the Proposed Initial Disposal shall be utilised for the purposes as set out in the circular to the shareholders of DMB dated 15 June 2015 and the Board be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds raised from the Proposed Initial Disposal and Proposed Further Disposal in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities, where required;

AND THAT the Board be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company's Common Seal, where necessary), arrangements, deeds, undertakings, indemnities, transfers, extensions, assignments, confirmations, declarations, guarantees and/or other documents to or with any party or parties as the Board may consider necessary to give full effect to and complete the Proposed Disposal and with full power to assent to any conditions, modifications, variations and/or amendments in any manners as may be required by the relevant authorities or as the Board may deem necessary or expedient in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Disposal.

BY ORDER OF THE BOARD

CHIN NGEOK MUI (MAICSA 7003178)

CHEN BEE LING (MAICSA 7046517)

Company Secretaries

Selangor Darul Ehsan

15 June 2015

Notes:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors as at 24 June 2015 ("Record of Depositors") shall be eligible to attend, speak and vote at the Meeting.
2. A member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote at the EGM on his/her behalf. In the case of a corporation, a duly authorised representative to attend and vote in its stead. The proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation. A proxy/representative appointed to attend and vote at the EGM shall have the same rights as the member to speak at the EGM.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or if such appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 8, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the EGM or adjourned meeting.
6. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.