



# **DAYA MATERIALS BERHAD**

**Company No. 636357-W  
(Incorporated in Malaysia)**

## **Quarterly Report 31 March 2016**

# DAYA MATERIALS BERHAD

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

## CONDENSED CONSOLIDATED INCOME STATEMENT

### QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2015 RM'000	CURRENT YEAR TO DATE 31.03.2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2015 RM'000
Revenue	186,561	202,768	186,561	202,768
Cost of Sales	(191,190)	(196,924)	(191,190)	(196,924)
Gross Profit	<u>(4,629)</u>	<u>5,844</u>	<u>(4,629)</u>	<u>5,844</u>
Other Income	5,752	10,160	5,752	10,160
Operating Expenses	(21,618)	(12,377)	(21,618)	(12,377)
Profit from operations	<u>(20,494)</u>	<u>3,627</u>	<u>(20,494)</u>	<u>3,627</u>
Finance Costs	(6,873)	(2,526)	(6,873)	(2,526)
Share of results of jointly controlled entities	<u>158</u>	<u>217</u>	<u>158</u>	<u>217</u>
Profit before tax	(27,209)	1,318	(27,209)	1,318
Income tax expense	<u>(1,125)</u>	<u>(740)</u>	<u>(1,125)</u>	<u>(740)</u>
Profit for the period	<u><u>(28,334)</u></u>	<u><u>578</u></u>	<u><u>(28,334)</u></u>	<u><u>578</u></u>
Dividend	-	-	-	-
	<u><u>(28,334)</u></u>	<u><u>578</u></u>	<u><u>(28,334)</u></u>	<u><u>578</u></u>
Attributable to :				
Equity holders of the Company	(29,208)	(260)	(29,208)	(260)
Non-controlling interests	874	838	874	838
	<u><u>(28,334)</u></u>	<u><u>578</u></u>	<u><u>(28,334)</u></u>	<u><u>578</u></u>
Basic earnings per share (sen):	<u>(1.68)</u>	<u>(0.02)</u>	<u>(1.68)</u>	<u>(0.02)</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 2015.

# DAYA MATERIALS BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2015 RM'000	CURRENT YEAR TO DATE 31.03.2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2015 RM'000
Profit for the period	<u>(28,334)</u>	<u>578</u>	<u>(28,334)</u>	<u>578</u>
Other comprehensive income:				
Foreign currency translation differences for foreign subsidiaries	9,898	(1,600)	9,898	(1,600)
Fair value gain on investment in available -for-sales("AFS") assets				
Total comprehensive (loss)/income for the period, net of tax	<u>(18,436)</u>	<u>(1,022)</u>	<u>(18,436)</u>	<u>(1,022)</u>
Total comprehensive (loss)/income for the period attributable to:				
Equity holders of the Company	(19,310)	(1,860)	(19,310)	(1,860)
Non-controlling interests	874	838	874	838
	<u>(18,436)</u>	<u>(1,022)</u>	<u>(18,436)</u>	<u>(1,022)</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 2015.

DAYA MATERIALS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

(The figures have not been audited)

	UNAUDITED 31.03.2016 RM'000	AUDITED 31.12.2015 RM'000
<b>Non Current Assets</b>		
Property, plant and equipment	658,675	704,694
Inventories - non current	8,402	8,288
Investment properties	5,176	5,215
Intangible assets	84,866	84,901
Investment in joint ventures	3,992	4,235
Available-for-sale financial asset	16,000	15,333
Deferred tax assets	11,218	11,797
Long term receivables	28,000	28,000
	<b>816,329</b>	<b>862,464</b>
<b>Current Assets</b>		
Inventories	24,012	24,166
Trade receivables	159,507	172,131
Other receivables, deposits and prepaid expenses	65,893	58,229
Amount due from contract customers	10,242	-
Tax recoverable	2,528	2,855
Marketable securities	84	101
Cash and bank balances	95,874	143,658
	<b>358,141</b>	<b>401,140</b>
<b>Current Liabilities</b>		
Loans and borrowings	112,169	150,462
Trade payables	138,598	129,873
Other payables and accrued expenses	119,206	110,112
Amount due to contract customers	-	26,256
Tax liabilities	1,690	3,059
	<b>371,662</b>	<b>419,762</b>
<b>Net Current Assets</b>	<b>(13,521)</b>	<b>(18,622)</b>
	<b>802,808</b>	<b>843,842</b>
<b>Financed by:</b>		
Share capital	173,602	173,602
Reserves	67,442	86,085
	<b>241,044</b>	<b>259,687</b>
Non-controlling interests	36,410	35,536
	<b>277,453</b>	<b>295,223</b>
<b>Non Current Liabilities</b>		
Deferred tax liabilities	4,839	4,414
Loans and borrowings	520,516	544,205
	<b>802,808</b>	<b>843,842</b>
<b>Net assets per share (sen)</b>	<b>13.88</b>	<b>14.96</b>

These condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and accompanying explanatory notes attached to these interim financial statements.

# DAYA MATERIALS BERHAD

(Company No. 630327-W)  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

	Attributable to Equity Holders of the Company						Total	Non-controlling Interests	Total Equity
	Non-Distributable			Distributable					
	Share premium	Bond Reserve	Foreign Currency Translation Reserve	Treasury Shares	Fair Value Reserve	Retained earnings	RM'000	RM'000	
<b>Balance as at 1 January 2015</b>	165,182	71,440	(3,086)	(1)	5,333	51,925	290,794	311,045	
Total comprehensive (loss)/income for the period	-	-	(1,800)	-	-	(260)	(1,860)	(1,022)	
Transactions with owners:									
Purchase of treasury shares	-	-	-	-	-	-	-	(0)	
Issuance of shares	-	-	-	-	-	-	-	-	
Fair value gain on investment in AFS asset	-	-	-	-	333	-	333	333	
<b>Balance as at 31 March 2015</b>	165,182	71,440	(4,886)	(1)	5,666	51,665	289,287	310,356	
Total comprehensive (loss)/income for the period	-	-	(4,177)	-	-	8,774	4,597	5,321	
Transactions with owners:									
Purchase of treasury shares	-	-	-	-	-	-	-	(0)	
Issuance of shares	-	-	-	-	-	-	-	(93)	
Fair value gain on investment in AFS asset	-	-	-	-	(889)	-	(889)	(889)	
<b>Balance as at 30 June 2015</b>	165,182	71,440	(6,862)	(1)	4,777	60,439	282,975	314,594	
Total comprehensive (loss)/income for the period	-	-	(12,971)	-	-	9,886	(2,886)	(1,789)	
Transactions with owners:									
Purchase of treasury shares	-	-	-	-	-	-	-	(0)	
Issuance of shares	-	-	-	-	-	-	-	-	
Acquisition of subsidiaries	-	-	-	-	-	-	-	(70)	
Acquisition of minority interest	-	-	-	-	-	(546)	(546)	11,400	
Fair value gain on investment in AFS asset	-	-	-	-	(222)	-	(222)	(222)	
<b>Balance as at 30 September 2015</b>	165,182	71,440	(21,633)	(1)	4,555	69,679	289,223	324,003	
Total comprehensive (loss)/income for the period	-	-	(3,667)	-	-	(37,002)	(40,669)	(35,078)	
Transactions with owners:									
Purchase of treasury shares	-	-	-	(0)	-	-	(0)	-	
Issuance of shares	8,420	-	-	-	-	-	8,420	8,403	
Effect of FCSLN	-	4,713	-	-	-	-	4,713	4,823	
Winding up of a joint venture company	-	-	-	-	-	-	-	19	
Disposal of minority interest	-	-	-	-	-	(1,444)	(1,444)	(980)	
Acquisition of minority interest	-	-	-	-	-	-	-	(2,900)	
Realisation of foreign translation reserve	-	-	3,380	-	-	(3,380)	-	778	
Fair value gain on investment in AFS asset	-	-	-	-	(555)	-	(555)	1,609	
Recognition of deferred taxation	-	-	-	-	-	-	-	-	
<b>Balance as at 31 December 2015</b>	173,602	71,440	(22,120)	(1)	4,000	29,053	298,687	301,656	



# DAYA MATERIALS BERHAD

(Company No: 836357-W)

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 31.03.2016 RM'000	AUDITED FOR THE YEAR ENDED 31.12.2015 RM'000
Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(27,209)	(2,533)
Adjustments for:		
Amortisation on intangible assets	90	441
Amortisation of redeemable convertible secured bond		373
Depreciation on property, plant and equipment	5,760	18,692
Depreciation on investment property	1	5
Loss/(Gain) on disposal of property, plant & equipment	(18)	1,010
Property, plant and equipment written off		51
Fair value (gain) / loss on marketable securities		(3)
Bad debts written off		6
Finance costs	6,873	11,869
Interest income	(1,487)	(1,054)
Net unrealised foreign exchange gain		(13,752)
Allowance for impairment of receivables		148
Gain on appreciation of market value of marketable securities	17	
Gain on disposal of non current assets held for sale		(1,284)
Gain on disposal of shares in a joint venture		(72)
Share of result of joint venture's	(172)	(1,701)
Strike-off of a joint venture		(1)
Development expenditures incurred	(113)	
Operating profit / (Loss) before working capital changes	(16,258)	12,195
Changes in working capital:		
Amount due from contract customers		28,292
Inventories	153	(7,308)
Trade and other receivables	4,960	(65,930)
Other current assets	(10,242)	
Trade and other payables	(8,437)	83,262
Amount due to contract customers		26,256
Amounts due from / due to Intercompany	61,702	
Cash (used in) / generated from operations	31,878	76,765
Interest received	1,487	1,054
Interest paid	(6,873)	(11,869)
income tax (paid) / refunded	(2,429)	(10,401)
<b>Net Cash Used In Operating Activities</b>	<b>24,062</b>	<b>55,550</b>

# DAYA MATERIALS BERHAD

(Company No: 636357-W)

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

(The figures have not been audited)

### CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(272)	(536,908)
Disposal of partial interest in subsidiary that does not involve loss of control		11,409
Proceeds from disposal of property, plant and equipment	35	231
Proceeds from disposal of non current assets held for sale		4,978
Proceeds from disposal of shares in a joint venture		84
Purchase of Intangible assets	-	(103)
Purchase of partial interest in subsidiary from NCI		(2,424)
Increase in long term receivables		(28,000)
(Increase)/Decrease in pledged deposits placed with licensed banks	(156)	

### Net Cash Used In Investing Activities

(394) (550,734)

### CASH FLOWS FROM FINANCING ACTIVITIES

Net drawdown of loans and borrowings		373,294
Net proceeds from issuance of redeemable convertible secured bonds		123,579
Repayment of loans and borrowings	(70,991)	
Proceeds from loans and borrowings	25,306	
Proceeds from issuance of ordinary shares		8,420
Purchase of treasury shares		(0)
Reduction of share premium		(110)

### Net Cash Generated From Financing Activities

(45,685) 505,183

### NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

(22,016) 10,000

### Effect of exchange rate fluctuation on cash held

6,808 18,464

### CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD

71,215 42,752

### CASH AND CASH EQUIVALENTS AT END OF THE PERIOD

56,006 71,215

### CASH AND CASH EQUIVALENTS AT END OF THE PERIOD

Cash and bank balances	43,568	92,057
Fixed deposits with licenced banks	51,432	51,581
Short term investments	874	21
Bank overdraft	(10,071)	(25,751)
	85,804	117,908
Less: Fixed deposits pledged with licensed banks	(29,798)	(46,693)
	56,006	71,215



**DAYA MATERIALS BERHAD**

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**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 2015. 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 2015.

**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 2015, except for the adoption of the following Standards, Amendments and Interpretation from 1 January 2016:

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 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 2018

MFRS 9: Financial Instruments

MFRS 15: Revenue from Contracts with Customers

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 adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities.

**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.

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**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.

**Shares Buy-Back**

The Company had repurchased its issued share capital from the open market on 4 March 2016 for 1,000 ordinary shares at RM0.09 per share for a total cash consideration of RM 133.43 inclusive of brokerage, stamping and clearance fees. The repurchase transactions were financed by internally generated funds. The shares repurchased were held as treasury shares.

**A7 Dividends paid**

No dividend has been declared or paid for the financial year ended 31 December 2015.

**A8 Segment information**

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

<b>Business Segment</b>	<b>Polymer RM'000</b>	<b>Oil &amp; Gas RM'000</b>	<b>Technical Services RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
Revenue	<u>3,400</u>	<u>12,633</u>	<u>170,528</u>	<u>(0)</u>	<u>186,561</u>
Segment Results	(551)	(22,111)	3,734	(253)	(19,180)
Unallocated Results					<u>(1,314)</u>
Profit from Operations					(20,494)
Finance Costs					(6,873)
Share of results of jointly controlled entities					158
Profit Before Tax					<u>(27,209)</u>
Income Tax Expense					(1,125)
Profit After Tax					<u>(28,334)</u>

**A9 Valuation of property, plant and equipment**

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

**A10 Intangible assets**

	<b>Goodwill RM'000</b>	<b>Software RM'000</b>	<b>Patents and Trademarks RM'000</b>	<b>Development Costs RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>					
At 1 January 2015	84,321	1,597	152	360	86,430
Additions	-	103	-	-	103
Adjustment	-	24	-	-	24
Transfers	-	-	-	-	-
Exchange differences	-	148	-	-	148
At 31 December 2015/1 January 2016	<u>84,321</u>	<u>1,871</u>	<u>152</u>	<u>360</u>	<u>86,704</u>
Additions	-	-	-	-	-
At 31 March 2016	<u>84,321</u>	<u>1,871</u>	<u>152</u>	<u>360</u>	<u>86,704</u>

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	Goodwill RM'000	Software RM'000	Patents and Trademarks RM'000	Development Costs RM'000	Total RM'000
<b>Accumulated amortisation</b>					
At 1 January 2015	-	841	93	360	1,294
Amortisation	-	390	51	-	441
Adjustment	-	-	-	-	-
Transfers	-	-	-	-	-
Exchange differences	-	68	-	-	68
At 31 December 2015/1 January 2016	-	1,299	144	360	1,803
Amortisation	-	90	-	-	90
Exchange differences	-	41	-	-	41
At 31 March 2016	-	1,430	144	360	1,934
<b>Net carrying amount:</b>					
At 1 January 2015	84,321	756	59	(0)	85,136
At 31 December 2015/1 January 2016	84,321	572	8	(0)	84,901
At 31 March 2016	84,321	441	8	(0)	84,770

**A11 Subsequent Events**

Save for Section B7, there were no material events subsequent to the current financial quarter ended 31 March 2016 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

**A12 Changes in the composition of the Group**

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

**Deregistered of Daya NCHO International Limited**

On 18 December 2015, Daya NCHO International Limited has been deregistered. The company is accordingly dissolved as from the date of publication of the said Gazette Notice.

**A13 Contingent Assets and Contingent Liabilities**

As at 31 March 2016, the Company provides corporate guarantees up to a total amount of RM 685,394,155 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 RM 864,612,217.

As at 31 March 2016, the Company also provides corporate guarantees up to a total amount of RM 12,304,103 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 RM 1,694,947.

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