



# **DAYA MATERIALS BERHAD**

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

**Quarterly Report  
31 December 2018**

# DAYA MATERIALS BERHAD

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

## CONDENSED CONSOLIDATED INCOME STATEMENT QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 31 DECEMBER 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2017 RM'000 (Restated)	CURRENT YEAR TO DATE 31.12.2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2017 RM'000 (Restated)
Revenue	57,745	114,270	290,667	293,533
Cost of Sales	(63,597)	(102,646)	(275,285)	(253,770)
Gross (Loss)/Profit	<u>(5,852)</u>	<u>11,624</u>	<u>15,382</u>	<u>39,763</u>
Other Income	2,357	8,249	6,355	25,846
Operating Expenses	(120,824)	(38,766)	(178,631)	(90,569)
Loss from operations	<u>(124,319)</u>	<u>(18,893)</u>	<u>(156,894)</u>	<u>(24,960)</u>
Finance Costs	(2,849)	(7,142)	(15,473)	(29,497)
Share of results of joint ventures	<u>-</u>	<u>156</u>	<u>-</u>	<u>88</u>
Loss before tax	(127,167)	(25,879)	(172,367)	(54,369)
Income tax credit/(expense)	<u>1,229</u>	<u>(19,081)</u>	<u>1,965</u>	<u>(22,300)</u>
Loss for the period	<u><u>(125,939)</u></u>	<u><u>(44,960)</u></u>	<u><u>(170,402)</u></u>	<u><u>(76,669)</u></u>
Attributable to :				
Owners of the Company	(117,559)	(43,708)	(158,449)	(77,762)
Non-controlling interests	<u>(8,380)</u>	<u>(1,252)</u>	<u>(11,953)</u>	<u>1,093</u>
	<u><u>(125,939)</u></u>	<u><u>(44,960)</u></u>	<u><u>(170,402)</u></u>	<u><u>(76,669)</u></u>
Basic loss per share (sen):	<u>(5.75)</u>	<u>(2.31)</u>	<u>(7.76)</u>	<u>(4.15)</u>
Diluted loss per share (sen):	<u>(5.75)</u>	<u>(2.31)</u>	<u>(7.76)</u>	<u>(4.15)</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 2017

# DAYA MATERIALS BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 31 DECEMBER 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2017 RM'000 (Restated)	CURRENT YEAR TO DATE 31.12.2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2017 RM'000 (Restated)
Loss for the period	<u>(125,939)</u>	<u>(44,960)</u>	<u>(170,402)</u>	<u>(76,669)</u>
Other comprehensive (loss)/income:				
Items that may be subsequently reclassified to profit or loss:				
Gain arising from fair value of investment properties	-	1,705	-	1,705
Foreign currency translation differences for foreign subsidiaries	(490)	(5,508)	(1,423)	(2,359)
Recycling of foreign exchange differences upon disposal of a foreign operation	-	-	-	33,331
Total comprehensive loss for the period, net of tax	<u>(126,429)</u>	<u>(48,763)</u>	<u>(171,825)</u>	<u>(43,992)</u>
Total comprehensive (loss)/income for the period attributable to:				
Owners of the Company	(118,049)	(48,346)	(159,872)	(45,920)
Non-controlling interests	<u>(8,380)</u>	<u>(417)</u>	<u>(11,953)</u>	<u>1,928</u>
	<u>(126,429)</u>	<u>(48,763)</u>	<u>(171,824)</u>	<u>(43,992)</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 2017

# DAYA MATERIALS BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	UNAUDITED 31.12.2018 RM'000	AUDITED 31.12.2017 RM'000
<b>Non Current Assets</b>		
Property, plant and equipment	58,183	79,075
Inventories - non current	10,662	8,956
Investment properties	9,780	10,750
Intangible assets	1,120	84,477
Investment in joint ventures	549	549
Deferred tax assets	334	905
<b>Total Non Current Assets</b>	<b>80,628</b>	<b>184,712</b>
<b>Current Assets</b>		
Inventories	15,922	16,803
Trade receivables	81,587	90,130
Other receivables, deposits and prepaid expenses	33,784	78,007
Contract assets	19,716	9,102
Tax recoverable	5,383	3,149
Marketable securities	95	66
Cash and bank balances	68,211	71,721
	224,698	268,978
Assets classified as held for sale	-	7,522
<b>Total Current Assets</b>	<b>224,698</b>	<b>276,500</b>
<b>Current Liabilities</b>		
Loans and borrowings	200,360	126,261
Trade payables	47,480	52,300
Other payables and accrued expenses	120,092	79,254
Tax liabilities	468	3,299
<b>Total Current Liabilities</b>	<b>368,400</b>	<b>261,114</b>
<b>Net Current (Liabilities)/Assets</b>	<b>(143,702)</b>	<b>15,386</b>
	<b>(63,074)</b>	<b>200,098</b>
<b>Financed by:</b>		
Share capital	271,229	271,230
Reserves	(421,721)	(257,991)
	(150,492)	13,239
Non-controlling interests	23,319	37,200
<b>Total Equity</b>	<b>(127,173)</b>	<b>50,439</b>
<b>Non Current Liabilities</b>		
Deferred tax liabilities	3,724	5,398
Loans and borrowings	33,092	111,480
Trade payables	27,283	32,781
<b>Total Non Current Liabilities</b>	<b>64,099</b>	<b>149,659</b>
	<b>(63,074)</b>	<b>200,098</b>
<b>Net (liabilities)/assets per share (sen)</b>	<b>(7.37)</b>	<b>0.65</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 2017 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 UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 31 DECEMBER 2018

	Attributable to Equity Holders of the Company										
	Non-Distributable					Distributable					
	Share Capital RM'000	Share Premium RM'000	Bond Reserve RM'000	Translation Reserve RM'000	Treasury Shares RM'000	Revaluation reserve RM'000	AFS Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
<b>12 months ended 31 December 2018</b>											
<b>At 1 January 2018</b>	271,230	-	2,299	(5,588)	(1)	1,705	-	(256,406)	13,239	37,200	50,439
As previously reported	-	-	-	-	-	-	-	(2,072)	(2,072)	-	(2,072)
Effects of adoption of MFRS 15	-	-	-	-	-	(835)	-	(881)	(1,716)	-	(1,716)
Prior year adjustments	-	-	-	-	-	-	-	-	-	-	-
As restated	271,230	-	2,299	(5,588)	(1)	870	-	(259,359)	9,451	37,200	46,651
Loss for the period	-	-	-	-	-	-	-	(158,449)	(158,449)	(11,953)	(170,401)
Foreign currency translation differences	-	-	-	(1,423)	-	-	-	-	(1,423)	-	(1,423)
Total comprehensive loss for the period	-	-	-	(1,423)	-	-	-	(158,449)	(159,872)	(11,953)	(171,824)
Cancellation of treasury shares	(1)	-	-	-	1	-	-	-	-	-	-
Acquisition of interest from non controlling interest	-	-	-	-	-	-	-	(72)	(72)	(1,928)	(2,000)
<b>At 31 December 2018</b>	271,229	-	2,299	(7,011)	-	870	-	(417,880)	(150,493)	23,319	(127,173)
<b>12 months ended 31 December 2017</b>											
<b>At 1 January 2017</b>	185,302	71,423	4,713	(36,560)	(1)	-	1,331	(177,186)	49,022	36,198	85,220
(Loss)/Profit for the period:											
As previously reported	-	-	-	-	-	-	-	(45,266)	(45,266)	1,928	(43,338)
Prior year adjustment	-	-	-	33,331	-	(835)	-	(32,496)	-	-	-
As restated	-	-	-	33,331	-	(835)	-	(77,762)	(45,266)	1,928	(43,338)
Foreign currency translation differences	-	-	-	(2,359)	-	1,705	-	-	(654)	-	(654)
Total comprehensive (loss)/income for the period	-	-	-	30,972	-	870	-	(77,762)	(45,920)	1,928	(43,992)
Transfer in accordance with Section 618 (2) of Companies Act 2016	71,423	(71,423)	-	-	-	-	-	-	-	-	-
Share issuance expense	(23)	-	-	-	-	-	-	-	(23)	-	(23)
Issue of shares	14,528	-	-	-	-	-	-	-	14,528	-	14,528
Acquisition of interest from non controlling interest	-	-	-	-	-	-	-	(623)	(623)	(926)	(1,549)
Bonds surrendered	-	-	(2,414)	-	-	-	-	-	(2,414)	-	(2,414)
Disposal of investment in AFS asset	-	-	-	-	-	-	(1,331)	-	(1,331)	-	(1,331)
<b>At 31 December 2017</b>	271,230	-	2,299	(5,588)	(1)	870	-	(255,571)	13,239	37,200	50,439

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 31 DECEMBER 2018

	CURRENT YEAR TO DATE 31.12.2018 RM'000	PRECEDING YEAR TO DATE 31.12.2017 RM'000 (Restated)
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Loss before tax	(172,367)	(54,369)
Adjustments for:		
Amortisation on intangible assets	170	155
Depreciation of property, plant and equipment	4,548	5,013
Gain on disposal of property, plant & equipment	(2,342)	(263)
Property, plant and equipment written off	490	5,418
Allowance for doubtful debts on receivables	39,199	15,083
Finance costs	15,473	29,498
Interest income	(1,316)	(1,552)
Impairment loss on goodwill	83,264	-
Impairment loss on property, plant and equipment	15,999	-
Provision for fair value loss on investment properties	970	-
Gain on disposal of available-for-sale financial assets	-	(1,870)
Fair value gain on marketable securities	(29)	(3)
Loss on disposal of a subsidiary	-	30,482
Share of results of joint ventures	(0)	(88)
Net unrealised foreign exchange loss	(598)	(1,139)
Reinstatement of debts waived/(Waiver of debts)	3,227	(9,927)
Inventories written off	-	954
Reversal of allowance for doubtful debts on trade receivables	-	(218)
Operating Profit before working capital changes	(13,311)	17,174
(Increase)/Decrease in:		
Inventories	(825)	6,326
Trade receivables	(30,599)	34,501
Other receivables, deposits and prepaid expenses	45,436	4,044
Trade and other payables	30,842	31,192
Contract assets	(10,614)	(53,804)
Cash used in generated from operations	20,929	39,433
Tax paid (net of refund)	(4,527)	(1,523)
Interest paid	(15,473)	(29,498)
<b>Net Cash Used In Operating Activities</b>	<b>929</b>	<b>8,412</b>

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE UNAUDITED RESULTS FOR THE 4TH QUARTER ENDED 31 DECEMBER 2018

	CURRENT YEAR TO DATE 31.12.2018 RM'000	PRECEDING YEAR TO DATE 31.12.2017 RM'000 (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,507)	(1,986)
Proceeds from disposal of property, plant and equipment	10,391	326
Proceeds from disposal of a subsidiary	-	346,740
Proceeds from disposal of available-for-sale financial asset	-	6,019
Purchase of intangible assets	-	(194)
Addition in investment in subsidiary	(2,000)	(1,549)
Increase in pledged deposits placed with licensed banks	(3,431)	(378)
Interest received	1,316	1,552
<b>Net Cash From Investing Activities</b>	<b>4,769</b>	<b>350,530</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Net repayment of loans and borrowings	(14,151)	(380,671)
Conversion of bonds surrendered	-	(2,414)
Proceeds from issue of ordinary shares	-	14,528
Share issue cost paid	-	(23)
Purchase of treasury shares	-	(1)
<b>Net Cash Used In Financing Activities</b>	<b>(14,151)</b>	<b>(368,581)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(8,453)</b>	<b>(9,639)</b>
Effect of exchange rate fluctuation on cash held	(2,991)	9,848
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>5,036</b>	<b>4,827</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>(6,408)</b>	<b>5,036</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		
Cash and bank balances	15,192	22,112
Fixed deposits with licenced banks	53,019	49,588
Short term investments	-	21
Bank overdraft	(21,600)	(17,097)
	46,611	54,624
Less: Fixed deposits pledged with licensed banks	(53,019)	(49,588)
	<b>(6,408)</b>	<b>5,036</b>

**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 the Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("Bursa Securities"). The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2017.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

**A2 Significant Accounting Policies**

In the preparation of this condensed consolidated interim financial statements, the accounting policies and the method of computation of the most recent annual financial statements were followed except as disclosed below:-

**(a) Adoption of Standards, Amendments and Annual Improvements to Standards**

The Group adopted the following Standards, Amendments and Annual Improvements to Standards:-

Description	Effective for annual periods beginning on or after	
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contract with Customers	1 January 2018
Clarification of MFRS 15	Revenue from Contract with Customers	1 January 2018
IC Interpretation 22	Foreign Currency transactions and Advance Consideration	1 January 2018
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018
Amendments to MFRS 2	Share-based Payment - Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Insurance Contracts - Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 128	Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018
Amendments to MFRS 140	Investment Property - Transfers of Investment Property	1 January 2018

**MFRS 9 Financial Instruments**

Revised version of MFRS 9 was issued mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' measurement category for certain simple debt instruments.

Key requirements of MFRS 9:

**(a) Classification of financial assets**

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

MFRS 9 contains three principal classification categories for financial assets: measured at Amortised Cost, Fair Value through Other Comprehensive Income, and Fair value through Profit or Loss. The standard eliminates the previous MFRS 139 categories of Held-to-Maturity, Loans and Receivables and Available for Sale.

There were no measurement impacts to the carrying amount upon the adoption of MFRS 9 at the date of initial application on 1 January 2018. For these financial assets carried at FTOCI and FVTPL, the Group considers that the carrying amount recognised in the consolidated financial statements approximate its fair values.

**(b) Impairment of financial assets**

MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. The expected credit loss model ("ECL") requires an entity to account for expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

For trade receivables, the Group applies the simplified approach which permits the use of lifetime ECL. Provision rates are determined based on grouping of trade receivables sharing the same credit risk characteristics and days past due.

On the date of initial application of MFRS 9, it is assessed that the determination of ECL will have a relatively insignificant impact on trade receivables and profit before tax as the current policy on impairment of trade receivables are considered reasonably consistent with MFRS 9.

**MFRS 15 Revenue from Contract with Customers**

The Group has specifically considered MFRS 15's guidance on contract modifications arising from variation orders, identifying performance obligations, and the assessment of whether there is a significant financing component in the contracts, particularly taking into account the reasons for the difference in timing between transfer on control of services to the customer.



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The Group has assessed the following for its MFRS 15 adoption:-

(i) Infrastructure related construction works to build retail/commercial facility undertaken by Daya CMT Sdn Bhd ("DCMT")

Certain construction projects undertaken by DCMT have different sectional completion and phases indicated in the contracts. This represents a separate performance obligation for each section/phase and accordingly, revenue will be recognised for each of these performance obligations when control over the corresponding services is transferred to the customer.

(ii) Provision of marine heating, ventilation and air-conditioning ("HVAC") equipment and services undertaken by Daya OCI Sdn Bhd ("DOCI")

The Group has assessed that as the project price is split and allocated to 6 ships for the HVAC equipment supply and installation services, this represents a separate performance obligation for each ship and accordingly, revenue will be recognised for each of these performance obligations when control over the corresponding services is transferred to the customer.

(iii) Supplying industrial chemicals and catalysts for the oil and gas industry undertaken by Daya Secadyme Sdn Bhd ("DSSB")

In one of the contract for the provision of supply of chemicals and associated services undertaken by DSSB, a volume discount is applied for the chemical call-out under the contract. The volume discount is based on individual and combined cumulative of the chemical volume ordered based on the submitted invoices for the duration of the contract. One single discount is applied to the entire cumulative volume of work performed, where discounts for the combined annual cumulative contract value shall be based on submitted invoices for the contract. The Group has estimated the volume discount by using the "most likely amount" method.

The Group has adopted the standard using the modified retrospective approach where the cumulative impact of the adoption is recognised in accumulated losses as of 1 January 2018 and that comparatives will not be restated.

**(b) Standards issued but not yet effective**

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3 Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
MFRS 16 Leases	1 January 2019
Amendments to MFRS 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 11 Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 112 Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 119 Employee Benefits (Plan Amendments, Curtailment or Settlement)	1 January 2019
Amendments to MFRS 123 Borrowing Cost (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 128 Investments in Associates and Joint Ventures - Long Term Investments in Associates and Joint Ventures	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Consolidated Financial Statements Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be determined
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The Group is expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective. The Group is currently assessing the impact of adopting the above pronouncements.

**A3 Seasonal or Cyclical Factors**

The business of the Group is not subject to any seasonal or cyclical fluctuation.

**A4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the period under review except for impairment losses on goodwill and property, plant and equipment, and allowance for doubtful debts on receivables as disclosed in Note B12.

**A5 Changes in Significant Accounting Estimates and Judgements**

There were no significant changes in the estimates of the amount reported in the period under review except for impairment losses on goodwill and property, plant and equipment and allowance for doubtful debts on receivables as disclosed in Note B12.

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**A6 Debt and Equity Securities**

During the period under review, the Company repurchased 1,000 of its issued ordinary shares from the open market at an average price of RM0.045 per share. The total consideration paid for the repurchase was RM45. The shares repurchased are being held as treasury shares in accordance with Section 127 (4)(b) of the Companies Act, 2016. The Company holds a total of 9,000 treasury shares.

On 8 September 2018, the entire 9,000 treasury shares were cancelled pursuant to Section 127 of the Companies Act, 2016.

Other than the above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the period under review.

**A7 Dividends Paid**

No dividend has been declared or paid for current financial period. (2017: RM Nil)

**A8 Segment Information**

Segmental reporting of the Group's result for the financial quarter is as follows:

<b>Results for 3 months ended 31 December 2018</b>				
<b>Business Segment</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	24,293	33,482	(30)	57,745
Segment Results	(13,042)	(14,824)	(65)	(27,931)
Impairment loss on goodwill				(70,229)
Corporate/Unallocated Costs				(26,158)
Loss from Operations				(124,318)
Finance Costs				(2,849)
Share of results of jointly controlled entities				-
Loss Before Tax				(127,167)
Income Tax Credit				1,229
Loss AfterTax				(125,939)
<b>Results for 3 months ended 31 December 2017</b>				
<b>Business Segment</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	17,021	96,467	782	114,270
Segment Results	(13,664)	2,745	(2,509)	(13,428)
Corporate/Unallocated Income				(5,465)
Loss from Operations				(18,893)
Finance Costs				(7,142)
Share of results of jointly controlled entities				156
Loss Before Tax				(25,879)
Income Tax Expense				(19,081)
Loss AfterTax				(44,960)

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

<b>Results for 12 months ended 31 December 2018</b>				
<b>Business Segment</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	83,933	206,764	(30)	290,667
Segment Results	(7,736)	(24,226)	197	(31,765)
Impairment loss on goodwill				(83,264)
Corporate/Unallocated Costs				(41,864)
Loss from Operations				(156,893)
Finance Costs				(15,473)
Share of results of jointly controlled entities				-
Loss Before Tax				(172,366)
Income Tax Credit				1,965
Loss AfterTax				(170,401)

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**Results for 12 months ended 31 December 2017**

<b>Business Segment</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	81,778	206,587	5,168	293,533
Segment Results	4,352	8,058	(3,980)	8,430
Loss on disposal of a subsidiary (Note A8(i))				(30,482)
Corporate/Unallocated Income				(2,908)
Loss from Operations				(24,960)
Finance Costs				(29,497)
Share of results of jointly controlled entities				88
Loss Before Tax				(54,369)
Income Tax Expense				(22,300)
Loss After Tax				(76,669)

**(i) Prior year adjustments - Error in reclassification of cumulative exchange differences on disposal of a foreign subsidiary**

In the previous year, the cumulative amount of exchange differences relating to Daya Global 1 Pte Ltd ("DG1PL") recognised in other comprehensive income and accumulated in the separate components of equity as Foreign Translation Reserve, was not reclassified from equity to profit or loss when the gain on disposal was recognised.

The accumulated exchange differences relating to DG1PL in the Foreign Translation Reserve was inadvertently reclassified to Accumulated Losses.

During the current financial year, the Group accounted for the said error in reclassification as prior year adjustments and accordingly, certain accounts in prior year have been restated as follows:

**The Group**

<b>Year-to-date</b>	<b>Preceding Year Corresponding Period 31.12.2017 (As previously reported)</b>	<b>Prior year Adjustments</b>	<b>Preceding Year Corresponding Period 31.12.2017 (As restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Statement of profit or loss and other comprehensive income</b>			
Other operating income	28,695	(2,849)	25,846
Other operating expenses	(60,087)	(30,482)	(90,569)
Profit/(Loss) before tax	(21,038)	(33,331)	(54,369)
Profit/(Loss) after tax	(43,338)	(33,331)	(76,669)
Basic/Diluted loss per share (sen)	(0.04)	(1.78)	(4.15)
<b>Statement of cash flows</b>			
Profit/(Loss) before tax	(21,038)	(33,331)	(54,369)
Gain/(Loss) on disposal of a subsidiary	2,849	(33,331)	(30,482)

**A9 Valuation of Property, Plant and Equipment**

The Group does not adopt a revaluation policy on its property, plant and equipment.

**A10 Subsequent Events**

There were no material events subsequent to the current interim financial period up to the date of this report except as described below:

On 18 January 2019, the Company entered into a conditional debt restructuring agreement with Daya CMT Sdn Bhd ("DCMT"), a 51% owned subsidiary of DMB, and Perfect Propel Sdn Bhd ("PPSB"), which sets out the terms of the proposed assumption by DMB to PPSB for a total consideration of RM32,456,400.06, to be satisfied via a combination of the issuance of 534,000,000 new ordinary shares in DMB ("Shares") at an issue price of RM0.025 per Share, the set-off against the subscription monies payable to PPSB for its entitlement under the Proposed Rights Issue and the balance in Cash ("Proposed PPSB Debt Restructuring"). The Proposed PPSB Debt Restructuring is intended to be part of the Company's regularisation plan to regularise its financial position as mentioned in Note B7 (iv).

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**A11 Changes in the Composition of the Group**

On 14 January 2018 and 14 February 2018, Daya Petroleum Ventures Sdn. Bhd. ("DPV") acquired additional 195,800 ordinary shares of Daya Maxflo Sdn. Bhd. ("DMSB"), representing 13.79% of the share capital of DMSB for a cash consideration of RM2,000,000 and DMSB became a 86.44% owned subsidiary of DPV.

Other than the above, there were no other changes in the composition of the Group for the period under review.

**A12 Contingent Assets and Contingent Liabilities**

(i) On 7 April 2017, the Company and DG1PL entered into a Put Option Agreement as part of the terms of the financing obtained by Siem OCV Pte Ltd ("Siem OCV") to finance the proposed disposal of the entire equity interest in DG1PL for a disposal consideration of USD100 million. Pursuant to the Put Option Agreement, DG1PL will, effective from that date of the fulfilment of the conditions precedent set out in the relevant facility agreement between Siem OCV and the new financier in relation to the new facility (effective date is 14 September 2017), have the right during the option period (7 years) to require the Company to purchase SD1 from DG1PL for a sum equivalent to the amount of the new facility then outstanding.

(ii) As at 31 December 2018, the Company has provided corporate guarantee of RM324,654,236 (31 December 2017: RM331,061,008) for banking facilities and third party for supply of goods and services granted to certain subsidiaries. The utilization of the banking facilities by the subsidiaries are RM208,304,465 (31 December 2017: RM181,397,837).

Save as disclosed above and in Note B9 Material Litigation, there were no other material contingent assets and contingent liabilities as at the date of this report.

**A13 Capital Commitments**

	<b>As at 31.12.2018 RM'000</b>
Capital Expenditure:	
Approved but not contracted for:	6,041

**A14 Significant Related Party Transaction**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPON- DING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPON- DING PERIOD
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
<u>Transactions with related companies:</u>				
Management fees received/receivable	(978)	(867)	(3,646)	(3,692)
Interest received/receivable	(313)	103	(1,171)	(931)
Interest paid/payable	988	710	3,924	1,941
Rental paid/payable	28	126	114	340

**A15 Financial Instruments**

The carrying amounts of current financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of non-current borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Financial Instruments that are measured at fair value on a recurring basis

All assets for which fair value is disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in an active market for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA BERHAD ("BURSA SECURITIES") FOR THE MAIN MARKET**

**B1 Review of Performance**

For the current quarter and year-to-date, the Group recorded a lower revenue of RM57.7 million and RM290.7 million compared to RM114.2 million and RM293.5 million reported in the preceding year's corresponding quarter and year-to-date, representing an decrease of RM56.5 million or 49.5% and RM2.8 million or 1.0% respectively. The lower revenue reported was mainly due to lower revenue contribution from the Technical Services Segment as projects were at tail-end completion and delayed commencement of two new projects.

During the current financial quarter and year-to-date, the Group recorded a loss before tax ("LBT") of RM127.2 million and RM172.4 million compared to RM25.9 million and 54.4 million reported in the preceding year's corresponding quarter and year-to-date. Higher losses were mainly due to impairment loss on goodwill, impairment loss on property, plant and equipment and allowance for doubtful debts in relation to a receivable that is currently subject to a legal action.

The review of the Group's performance by each segment is as follows:

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

Quarter

The O&G segment reported a loss before interest and tax ("LBIT") of RM13.0 million in the current financial quarter compared to RM13.7 million in the preceding year's corresponding quarter, representing a positive variance of RM0.7 million as previous year's results included costs charged out in relation to the termination of offshore business, partly offset by impairment loss on crane and forklifts during the current quarter.

Year-to date

The O&G segment reported a LBIT of RM7.7 million in the current financial year-to-date compared to profit before interest and tax ("PBIT") of RM4.3 million in the preceding year representing a negative variance of RM12.0 million mainly due to impairment loss on crane and forklifts during the year.

**(ii) Technical Services ("TS") Segment**

Quarter

The TS Segment reported a LBIT of RM14.8 million in the current financial quarter compared to PBIT of RM2.7 million in the preceding year's corresponding quarter, representing a negative variance of RM17.5 million mainly due to provision for additional costs in relation to its ongoing construction contracts.

Year-to date

The TS Segment reported a LBIT of RM24.2 million in the current financial year-to-date compared to a PBIT of RM8.1 million in the preceding year, a negative variance of RM32.3 million. The segment was adversely affected by project loss upon final settlement of a construction contract and provision for additional costs in relation to its ongoing construction contracts.

**(iii) Other Segment**

The Other Segment reported LBIT of RM0.07 million in the current quarter compared to RM2.5 million in the preceding year, representing a positive variance of RM2.4 million. For the year-to-date, the Other Segment reported a PBIT of RM0.2 million in the current period compared to LBIT of RM4.0 million in the preceding year. The positive variance was mainly due to gain on disposal of land and factory building of the Specialised Polymer business which ceased business in 2017.

**B2 Comparison of Loss Before Taxation with the Immediate Preceding Financial Quarter**

	<b>Quarter ended 31.12.2018 RM'000</b>	<b>Quarter ended 30.09.2018 RM'000</b>
Revenue	57,745	62,104
Loss before tax	(127,167)	(33,798)

The Group reported loss before tax of RM127.2 million for the current financial quarter compared to RM33.8 million in the immediate preceding financial quarter, negative variance of RM93.4 million, mainly due to impairment loss of goodwill amounting to RM70.2 million and allowance for doubtful debts of RM30.6 million in relation to a receivable that is currently subject to a legal action by a subsidiary.

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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 existing O&G business will remain the key business of the Group. This segment is continuously looking to expand its operations in areas related to its core businesses and competencies, both locally and abroad from prospective customers. The Group maintains a cautious outlook as the segment is expected to see some form of recovery driven by higher oil price.

**(ii) Technical Services Segment**

On the construction sector, the Group will continue to be involved in industrial, commercial and residential construction related projects. The Group is focused on the execution of its ongoing construction contracts and will continue to improve its operational efficiency and tender for new projects to enhance its order books.

**B4 Variances from Profit Forecast and Profit Guarantee**

The disclosure requirements for explanatory notes for variances from profit forecast or profit guarantee are not applicable.

**B5 Income Tax (Credit)/Expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT 31.12.2018 RM'000	PRECEDING 31.12.2017 RM'000	CURRENT 31.12.2018 RM'000	PRECEDING 31.12.2017 RM'000
In respect of the current period:				
Income tax				
- Current year	(1,229)	3,730	1,361	6,494
- Over provision in prior year	-	(335)	(3,326)	(335)
Deferred tax				
- Current year	-	16,585	-	17,040
- Overprovision in prior years	-	(899)	-	(899)
	<u>(1,229)</u>	<u>19,081</u>	<u>(1,965)</u>	<u>22,300</u>

The effective tax rate of the Group for the current financial year-to-date was lower than the Malaysian statutory tax rate mainly due to non-deductible allowances and expenses incurred.

**B6 Sale of Unquoted Investments and Properties**

Daya Polymer Sdn Bhd, a wholly-owned subsidiary of the Company, had on 29 January 2018 entered into a Sale and Purchase Agreement with GB Chemical (M) Sdn Bhd for the disposal of a piece of freehold land and factory building for a consideration of RM10.0 million. The disposal was completed on 17 May 2018, realising a gain on disposal of RM2.6 million in the current period.

Other than the above, there were no other disposal of unquoted investments and properties during the period under review.

**B7 Status of Corporate Proposals**

**(i) Proposed further disposal of up to 31% equity interest in Daya CMT Sdn Bhd ("DCMT") pursuant to a call option**

The Company had on 28 April 2014 entered into a Share Sale Agreement ("SSA") with Perfect Propel Sdn Bhd ("PPSB") (Company No. 1087981-W) in respect of the disposal of 2,400,000 ordinary shares of RM1.00 each in Daya CMT Sdn Bhd ("DCMT") ("Sale Shares") representing 30% of the issued and paid up share capital of DCMT.

Pursuant thereto, the Company has, inter alia, granted the call option ("Call Option") to PPSB in respect of up to 50% of issued and paid up share capital of DCMT held by the Company other than the Sale Shares and PPSB is entitled to exercise the Call Option at any time and from time to time within 24 months from the Completion Date, being 17 July 2014 ("Call Option Period").

On 13 May 2015, PPSB has exercised the Call Option and acquired One Million Five Hundred and Twenty Thousand (1,520,000) issued and paid up ordinary shares of DCMT, representing 19% of the issued and paid up share capital in DCMT ("Initial Disposal"), for a total consideration of RM11,400,000.

Subsequent to the Initial Disposal, a remaining of Two Million Four Hundred and Eighty Thousand (2,480,000) issued and paid up ordinary shares of DCMT, representing 31% of the issued and paid up share capital in DCMT, are still available to PPSB.

The Company had, on 21 April 2016, agreed to PPSB's request in writing to extend the Call Option Period by a further 6 months to 17 January 2017, being 30 months from the Completion Date ("1st Revised Call Option Period").

The Company had, on 7 December 2016 agreed to PPSB's request in writing to further extend the 1st Revised Call Option Period by a further 12 months up to 17 January 2018 ("2nd Revised Call Option Period").

On 15 September 2017, PPSB and the Company had mutually agreed, vide the Company's letter dated 15 September 2017 to further extend the 2nd Revised Call Option Period to 31 August 2018. ("3rd Revised Call Option Period").

On 28 August 2018, PPSB and the Company had mutually agreed, vide the Company's letter dated 28 August 2018 to further extend the 3rd Revised Call Option Period to 31 August 2019.

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

**(ii) Memorandum of Understanding between DOCI, a subsidiary of the Company and MIMOS Semiconductor Sdn Bhd ("MSSB")**

On 15 September 2017, the Board of Directors of the Company announced that DOCI had entered into a MOU with MSSB.

The purpose of the MOU is to establish collaborative and/or partnership engagements in areas of technology which includes but not limited to the provision of a crowd management and passenger system comprising information technology data transfer, security information capabilities, monitoring, management and recording of mass people and materials movements and other potential similar crowd management systems to be applied in rail or non-rail systems such as port entry and stadiums.

MSSB is a wholly owned subsidiary of MIMOS Berhad (a government funded research and development organisation that has developed certain technologies which it wishes to commercialise), set up as a commercial arm to manage, develop and commercialise MIMOS' technologies.

There have been no further developments from the date of the MOU up to the date of this interim report.

**(iii) Memorandum of Understanding between Daya Materials Berhad and Kumul Petroleum Holdings Limited ("KPHL")**

On 8 February 2018, the Board announced that the Company had entered into a MOU with KPHL for provision of services (ie. exploration, development, production and decommission) and products to KPHL for oil and gas project(s) in Papua New Guinea ("PNG").

KPHL is a company incorporated under the Companies Act 1997 of Papua New Guinea and authorised under the Kumul Petroleum Holdings Limited Authorization Act 2015 as the national oil & gas company of the Independent State of PNG, with its office located at 7th Floor, The Tower, Douglas Street, Port Moresby.

The MOU is intended to reflect the intentions of the Company and KPHL to participate in oil and gas project(s) in PNG as a joint-venture. There have been no further changes arising from the date of the MOU up to the date of this interim report.

The MOU has since lapsed without renewal.

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**(iv) Practice Note 17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

Pursuant to Paragraph 8.04 and Paragraph 2.1 (a) of Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company has triggered the prescribed criteria under paragraph 2.1 (a) of PN17.

Pursuant to PN17, the Company is currently formulating a plan to regularise its financial condition ("Regularisation Plan") to the Securities Commission and Bursa Securities for approval. The Company is required to comply and submit the Regularisation Plan to the relevant authorities by 27 February 2019, being 12 months from 28 February 2018 (first announcement pursuant to PN17) and will make the necessary announcement on the Regularisation Plan in accordance with the requirements under the PN17.

On 2 July 2018, the Board announced that the Company has appointed Hong Leong Investment Bank Berhad as the Principal Advisers to assist in the formulation of a regularisation plan and its submission.

On 15 February 2019, the Company submitted an application to Bursa Securities seeking its approval for an extension of time of 6 months until 27 August 2019 for the Company to submit its proposed regularisation plan to Bursa Securities. The extension of time is currently pending approval from Bursa Securities

**B8 Group's borrowings and debt securities**

The Group's borrowings are as follows:

<u>Secured borrowings</u>	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total Outstanding RM'000</b>
Trade facilities	25,509	-	25,509
Hire purchase	2,963	2,555	5,518
Bank overdrafts	21,600	-	21,600
Term loans	71,895	30,537	102,432
Redeemable convertible unsecured bonds	78,393	-	78,393
<b>As at 31 December 2018</b>	<b>200,360</b>	<b>33,092</b>	<b>233,452</b>
<b>As at 31 December 2017</b>	<b>126,261</b>	<b>111,480</b>	<b>237,741</b>

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

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

The bank borrowings and other facilities are denoted in local currency, except for RM51,445,553 which is denoted in United States Dollars.

**B9 Material litigations**

**(a) (i) Kuala Lumpur High Court Suit No. 22C-61-12/2015**

The abovementioned suit by Yuk Tung Construction Sdn. Bhd. ("YT") arose out of a construction contract executed between Daya CMT Sdn. Bhd. ("DCMT"), a subsidiary of the Company, and YT on 23 November 2012. DCMT was appointed as Principal Sub-Contractor to carry out the construction and completion of building works ("Contract"). The Contract Sum for the works was RM270,000,000 on a lump sum basis. The completion date for the works under the Contract was 14 November 2014. The liquidated damages imposable for delay in completion of the works was agreed at RM70,000 per day.

On 22 December 2015, YT terminated DCMT's employment under the Contract relying on the alleged reason that DCMT had failed to proceed with works regularly and diligently. YT had also called on the performance bond given under the Contract. On 23 December 2015, DCMT filed and claimed against YT on the basis that (i) the Contract was wrongfully terminated, (ii) the performance bond was wrongfully called upon; and (iii) DCMT is entitled to significant extension of time under the Contract. DCMT has also initiated a claim under the Construction Industry Payment and Adjudication Act 2012 ("CIPAA") for outstanding payment inclusive of value of works done, works certified, non-release of retention sum, among others.



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On 30 January 2018, the Kuala Lumpur High Court ("High Court") delivered the judgement for the above suit where the High Court awarded net damages of RM14,282,880.05 to DCMT comprising the following with judgement interest of 5% per annum commencing from the date of filing of DCMT's Statement of Claim on 9 June 2016:

	RM
Damages in favour of DCMT (variation works submitted pre and post termination, rental expenses and return of part retention sum)	31,534,895
Performance bond to the credit of DCMT	13,500,000
Damages in favour of YT (additional costs of completion and liquidated ascertained damages for delay)	<u>(30,752,015)</u>
<b>Net damages awarded in favour of DCMT</b>	<b><u>14,282,880</u></b>

From the above said judgement sum, on 9 November 2018, YT paid the amount of RM7,662,194 being payment to DCMT for the principal sum plus interest which was made to the bank account of DCMT, with DCMT's bank undertaking to pay YT the same in the event of YT succeeds in overturning the judgement of DCMT in the Court of Appeal.

High Court further awarded an indemnity of RM2,643,353 to DCMT for Goods and Services Tax ("GST") that has been paid to Royal Malaysian Customs by DCMT in regards to the performance of work related to the Contract, where DCMT will have the right to recover the same from YT in the event that DCMT is unable to obtain a refund or relief from the Royal Malaysian Customs within 6 months from the date of the judgment. The GST refund was subsequently approved by the Royal Malaysian Customs on 21 June 2018.

DCMT has filed a Notice of Appeal on 27 February 2018, to appeal for the Court to set aside the damages awarded to YT and to uphold that the Contract had been wrongfully and prematurely terminated by YT. The hearing of the Appeal is fixed on 20 June 2019. Upon considering the Group's lawyer's legal opinion, the directors are of the opinion that DCMT would have a strong chance of success in the Appeal.

Included in the statements of financial position of the Group are the following balances which are subject to the above suit:

	<b>The Group</b>	
	31.12.2018 RM	31.12.2017 RM
Trade receivables	22,358,770	25,002,124
Prepaid expenses	22,891,444	22,891,444
Amount due from sub-contractor	30,576,132	30,576,132
	53,467,576	53,467,576
Less: Allowance for doubtful debts	(44,551,469)	(13,975,338)
	8,916,107	39,492,238
	31,274,877	64,494,362

The recoverability of the said amounts as disclosed above, including the amount of allowance for doubtful debts, is highly dependent on the success of the Appeal and legal suit.

**(b) In the Matter of Arbitration between Yuk Tung Construction Sdn Bhd (Claimant) and Daya CMT Sdn Bhd (Respondent) pursuant to Kuala Lumpur High Court Suit No.: WA-22C-25-04/2018**

On 19 April 2018, the Company announced that Daya CMT Sdn. Bhd. ("DCMT") had, via its lawyers Messrs Zain Megat and Murad ("ZMM"), received a Writ of Summons and Statement of Claim in Kuala Lumpur High Court Suit No. WA-22C-25-04/2018 ("High Court Suit") from Messrs William Leong & Co., the lawyers acting for Yuk Tung Construction Sdn Bhd ("YT") claiming for rectification costs arising from the purported defects in DCMT's scope of works.

DCMT then filed an application for stay of proceedings pending reference to arbitration on 22 June 2018. The parties then agreed for the High Court Suit to be stayed and to be referred to arbitration ("Arbitration"), by entering into a Consent Order of the High Court dated 7 September 2018.

YT has now filed a points of claim in arbitration proceedings on 28 January 2019 claiming for amongst others, rectification costs arising from the purported defects in DCMT's scope of work amounting to RM7,258,367.89.

DCMT is now required to file its statement of defence on/before 4 March 2019, where the hearing of Arbitration is now fixed on 11 November 2019 to 15 November 2019 and 25 November 2019 to 29 November 2019.

**(c) Kuala Lumpur High Court Writ of Summons No: WA-22M-532-11/2018**

On 27 February 2019, the Company announced that its subsidiary, Daya Maritime Limited ("DML") and the Company, as corporate guarantor, had on 16 November 2018 received a Writ of Summons together with the Statement of Claim dated 8 November 2018 from Messrs Skrine, the solicitors acting for Export-Import Bank of Malaysia Berhad ("EXIM Bank").

In the said Writ of Summons and Statement of Claims, EXIM Bank is claiming for:-

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- (i) Principal outstanding amounting to USD12,650,111.87 up to 30 September 2018 under Islamic financing facility granted by EXIM Bank to DML and guaranteed by the Company which is the Term Financing-i Facility ("TF-i Facility");
- (ii) Late payment penalty (ta'widh) on USD12,650,111.87 up to 30 September 2018 under the TF-i Facility;
- (iii) Principal outstanding amounting to USD1,840,656.29 up to 30 September 2018 under the Islamic financing facility granted by EXIM Bank to DML and Guaranteed by the Company which is the Overseas Investment Financing-i Facility ("OIF-i Facility");
- (iv) Late payment penalty (ta'widh) on USD1,840,656.29 up to 30 September 2018 under the OIF-i Facility;
- (v) Costs; and
- (vi) Such further or other relief as the Court deems fit to order.

DML and the Company have on 12 December 2018 appointed Messrs Ringo Low ("RL") and Associates to represent DML and the Company. DML and the Company are working with RL to defend against the above claim.

**(d) Kuantan Sessions Court Writ of Summons No:**

1. CA-B52NCC-23-12/2018
2. CA-B52NCC-24-12/2018
3. CA-B52NCC-25-12/2018
4. CA-B52NCC-26-12/2018
5. CA-B52NCC-27-12/2018

On 27 February 2019, the Company announced that Daya Proffscorp Sdn Bhd ("DPRO") and the Company, as corporate guarantor, as the case may be, had defaulted the principal payment to Malayan Banking Berhad ("MBB") and on 28 December 2018 received the abovementioned Writ of Summons together with the Statement of Claim from Messrs C. Sukumaran & Co, the solicitors acting for MBB.

DPRO and the Company have not appointed any solicitors to defend the matter. DPRO and the Company have been in discussion with MBB to regularize the outstanding payment of the hire purchase where the understanding is that if DPRO can keep all accounts at one month-in-arrears, then MBB will hold back and withdraw all legal actions against DPRO and the Company, as guarantor for certain of the hire purchase facilities.

The Case Management for suits have all been postponed to 18 March 2019 pending regularization of the hire purchase facility with MBB.

**B10 Proposed Dividends**

No dividend has been proposed or declared for the current financial year-to-date (2017: RM Nil).

**B11 Loss per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2018	PRECEDING YEAR CORRESPON- DING QUARTER 31.12.2017 (Restated)	CURRENT YEAR TO DATE 31.12.2018	PRECEDING YEAR CORRESPON- DING PERIOD 31.12.2017 (Restated)
<b>a) Basic loss per share</b>				
Net loss for the period attributable to ordinary equity holders of the company (RM'000)	(117,559)	(43,708)	(158,449)	(77,762)
Weighted average number of shares in issue ('000)	2,042,951	1,891,024	2,042,947	1,872,125
Basic loss per share (sen)	<u>(5.75)</u>	<u>(2.31)</u>	<u>(7.76)</u>	<u>(4.15)</u>
<b>b) Diluted loss per share</b>				
Net loss for the period attributable to ordinary equity holders of the company (RM'000)	(117,559)	(43,708)	(158,449)	(77,762)
Weighted average number of shares in issue ('000)	2,042,951	1,891,024	2,042,947	1,872,125
Conversion of Redeemable Convertible Unsecured Bonds ('000)	830,783	840,000	830,783	840,000
	<u>2,873,734</u>	<u>2,731,024</u>	<u>2,873,730</u>	<u>2,712,125</u>
Diluted loss per share (sen) *	<u>(5.75)</u>	<u>(2.31)</u>	<u>(7.76)</u>	<u>(4.15)</u>

\* The diluted loss per share is equal to the basic loss per share due to the anti-dilutive effect.

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**B12 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 31.12.2018 RM'000	PRECEDING YEAR CORRESPON- DING QUARTER 31.12.2017 RM'000 (Restated)	CURRENT YEAR TO DATE 31.12.2018 RM'000	PRECEDING YEAR CORRESPON- DING PERIOD 31.12.2017 RM'000 (Restated)
The following amounts have been included in arriving at loss before tax:				
Interest expenses	2,849	7,142	15,473	29,497
Depreciation on property, plant and equipment	1,109	(2,944)	4,548	5,013
Amortisation on intangible assets	32	73	170	155
Allowance for doubtful debts on receivables	31,264	15,083	39,199	15,083
Allowance for MFRS 9	498	-	498	-
Impairment loss of goodwill	70,229	-	83,264	-
Impairment loss on property, plant and equipment	10,921	-	15,999	-
Reversal of Impairment loss on land held for property development	(1,502)	-	-	-
(Reversal of)/Provision for fair value loss on investment properties	(2,080)	-	970	-
Unrealised foreign exchange loss/(gain)	(1,896)	(851)	(598)	(1,139)
Realised foreign exchange loss/(gain)	-	82	3	-
Reinstatement of debts previously waived	-	-	3,227	-
Loss on disposal of subsidiary	-	-	-	30,482
Property, plant and equipment written off	490	1,383	490	5,418
and after crediting:				
Interest income	366	215	1,316	1,552
Rental income	(0)	13	56	85
Gain on disposal of property, plant and equipment	(26)	121	2,342	263
Fair value gain on marketable securities	-	-	51	-
Gain on disposal of available-for-sale financial assets	-	-	-	1,870
Waiver of debts	-	6,701	-	9,927
Writeback of provisions	-	-	-	10,793

**B13 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2017 were not subject to any qualification.

By Order of the Board

Datuk Lim Thean Shiang  
Executive Vice Chairman / Group Chief Executive Officer  
28 February 2019

