



DAYA MATERIALS BERHAD

DAYA MATERIALS BERHAD

(Company No.: 636357-W)
(Incorporated in Malaysia under the Companies Act, 1965)



PUBLIC ISSUE OF 56,890,000 NEW ORDINARY SHARES OF RM0.10 EACH AT AN ISSUE PRICE OF RM0.23 PER ORDINARY SHARE PAYABLE IN FULL UPON APPLICATION COMPRISING:

- (I) 3,000,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- (II) 4,000,000 NEW ORDINARY SHARES OF RM0.10 EACH AVAILABLE FOR APPLICATION BY ELIGIBLE DIRECTORS, EMPLOYEES, CUSTOMERS, SUPPLIERS AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF DAYA MATERIALS BERHAD AND ITS SUBSIDIARY COMPANY; AND
- (III) 49,890,000 NEW ORDINARY SHARES OF RM0.10 EACH BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED INVESTORS

IN CONJUNCTION WITH THE LISTING OF DAYA MATERIALS BERHAD ON THE MESDAQ MARKET OF BURSA MALAYSIA SECURITIES BERHAD

Adviser, Sponsor and Joint Managing Underwriter



MIMB

MALAYSIAN INTERNATIONAL MERCHANT BANKERS BERHAD

(Company No. : 10209-W)
(A member of EON Bank Group)

Joint Managing Underwriter and Sole Placement Agent



OSK SECURITIES BERHAD

(Company No. 14152-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" IN SECTION 4.0 HEREIN

THIS PROSPECTUS IS DATED 30 JUNE 2005

This prospectus has been seen and approved by the directors and promoters of Daya Materials Berhad (“DMB” or the “company”) and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

Malaysian International Merchant Bankers Berhad (10209-W), being the Adviser, Sponsor and Joint Managing Underwriter, acknowledges that, based on all available information and to the best of its knowledge and belief, this prospectus constitutes a full and true disclosure of all material facts concerning the Public Issue (as herein defined).

The Securities Commission (“SC”) and Bursa Malaysia Securities Berhad (“Bursa Securities”) have approved the issue, offer or invitation in respect of the Public Issue and that the approval shall not be taken to indicate that the SC and Bursa Securities recommend the Public Issue. The SC and Bursa Securities shall not be liable for any non-disclosure on the part of the company and take no responsibility for the content of this document, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. Admission to the Official List of the MESDAQ Market of Bursa Securities is not to be taken as an indication of the merits of the invitation, the Company or of its securities. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

The Issue Price was entirely determined and agreed upon by the Company, the Adviser and the Joint Managing Underwriters based on various relevant factors. Investors should form their own views on the valuation of the Issue Shares and the reasonableness of the bases used.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus, together with the form of application, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Characteristics of the MESDAQ Market of Bursa Securities:-

Investors should be aware that MESDAQ is a distinct market from the Main and Second Boards in many respects. In particular, companies listed on MESDAQ are subject to different quantitative and qualitative requirements, which have been primarily designed to accommodate high-growth and/or technology companies. Companies that are listed on MESDAQ may not have an operating history or any profit track record prior to listing. As such, whilst potential investment returns may be relatively high, companies listed on MESDAQ may be of higher investment risk. The regulatory philosophy underlying the MESDAQ Market is that the market should be allowed to determine the merits of the securities/instruments in a particular company. Hence, as with all investments, prospective investors should be aware of all potential risks in investing in such companies and should make the decision to invest after due and careful consideration by referring to, amongst others, the Prospectus, latest financial statements and corporate announcements. In this respect, advice from a securities professional/adviser is strongly recommended.

Securities listed on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning the issue for which any of the persons set out in section 45 of the Securities Commission Act, 1993, e.g. directors and advisers, are responsible.

This Prospectus can also be viewed or downloaded from Bursa Securities’ website at www.bursamalaysia.com.

INDICATIVE TIMETABLE

Issue of Prospectus/Opening date of the Public Issue	:	30 June 2005
Closing date of the Public Issue	:	8 July 2005
Tentative date for balloting of Applications	:	13 July 2005
Tentative date for despatch of notices of allotment to successful applicants	:	22 July 2005
Tentative listing date	:	25 July 2005

The Directors of the Company and the Joint Managing Underwriters may in their absolute discretion mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the date for the allotment and listing of the Company's entire enlarged issued and paid-up share capital on the MESDAQ Market of Bursa Securities would be extended accordingly.

In the event that the Directors of the Company and the Joint Managing Underwriters decide to extend the closing date of the application, appropriate press releases will be made to local news agencies and an advertisement will be placed in a widely circulated Bahasa Malaysia and English newspaper.

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DEFINITIONS

Unless otherwise indicated, the following definitions apply throughout this Prospectus:-

“Act”	: Companies Act, 1965, as amended from time to time and any re-enactment thereof
“ADA”	: Authorised Depository Agent
“ADA Code”	: ADA (Broker) Code
“Application”	: Application for the Issue Shares
“Application Form(s)”	: The printed application form(s) for the purpose of applying for the Issue Shares
“ASEAN”	: Association of Southeast Asian Nations
“ATM”	: Automated teller machine
“Board”	: Board of Directors
“BNM”	: Bank Negara Malaysia
“Bursa Securities” or “the Securities Exchange”	: Bursa Malaysia Securities Berhad (635998-W)
“CCM”	: Companies Commission of Malaysia
“CDS”	: Central Depository System
“CD-ROM DVD”	: Compact disc-read only memory digital versatile disc
“CNSB”	: Capital Nexus Sdn Bhd (608520-A)
“DCSB”	: Daya Capital Sdn Bhd (324505-T)
“DMB” or “the Company”	: Daya Materials Berhad (636357-W)
“DMB Group” or “the Group”	: DMB and its subsidiary company, DPSB
“DPSB”	: Daya Polymer Sdn Bhd (324073-U)
“DYM”	: Dae Yang Material Co. Ltd (312-81-17816)
“EBITDA”	: Earnings before interest, taxation, depreciation and amortisation
“Electronic Share Application”	: Application for the Issue Shares through a Participating Financial Institution’s ATM
“EPS”	: Earnings per Share
“FIC”	: Foreign Investment Committee
“FYE”	: Financial year ended
“HDPE”	: High-density polyethylene

DEFINITIONS (Cont'd)

“HV”	: High Voltage
“Independent Market Research Report”	: Strategic Insight of Polymer Insulation for the Power Cable Industry in Malaysia Report by Frost & Sullivan (M) Sdn Bhd dated 29 April 2005
“Issue Price”	: Issue price of RM0.23 for each Issue Share
“Issue Shares”	: The 56,890,000 new Shares to be issued by DMB pursuant to the Public Issue
“Joint Managing Underwriters” or “Underwriters”	: MIMB and OSKS collectively
“kV”	: Kilovolt
“kWh”	: Kilowatt-hour
“LCIB”	: Leader Cable Industry Berhad (26936-P)
“LDPE”	: Low density polyethylene
“Listing”	: Listing of and quotation for the entire enlarged issued and paid-up share capital of DMB comprising 189,630,000 Shares on the MESDAQ Market of Bursa Securities
“Listing Requirements”	: Listing Requirements of Bursa Securities for the MESDAQ Market
“LPS”	: Loss per share
“LV-XLPE”	: Low-voltage XLPE
“MDPE”	: Medium-density polyethylene
“MEPS”	: Malaysian Electronic Payment System (1997) Sdn Bhd (412829-K)
“MESDAQ”	: Malaysian Exchange of Securities Dealing & Automated Quotations
“MESDAQ Market”	: MESDAQ Market of Bursa Securities
“MI”	: Minority interest
“MIDA”	: Malaysian Industrial Development Authority
“MIMB”	: Malaysian International Merchant Bankers Berhad (10209-W)
“MIH”	: Malaysian Issuing House Sdn Bhd (258345-X)
“MT”	: Metric Tonne
“MV-XLPE”	: Medium-voltage XLPE
“N/A”	: Not applicable
“NOL”	: No Objection Letter
“NTA”	: Net tangible assets

DEFINITIONS (Cont'd)

“OIC”	: Organisation of Islamic Conference
“OSKS”	: OSK Securities Berhad (14152-V)
“Participating Financial Institution(s)”	: The participating financial institution(s) for Electronic Share Application as listed in Section 16.5(ii) of this Prospectus
“PAT”	: Profit after taxation
“PBT”	: Profit before taxation
“PDA”	: Personal digital assistant
“PE”	: Polyethylene
“PE Multiple”	: Price earnings multiple
“Promoters”	: DCSB, CNSB and Song Tae Chin collectively
“Public Issue”	: The issue of 56,890,000 new Shares by DMB at the Issue Price subject to the terms and conditions of this Prospectus
“R&D”	: Research and development
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“ROC”	: Registrar of Companies
“SC”	: Securities Commission
“SC Guidelines”	: Policies and Guidelines on Issue/Offer of Securities issued by the SC
“Semicon”	: Semi-conductive compounds
“Share(s)”	: Ordinary shares of RM0.10 each in DMB
“SPA”	: Sale and purchase agreement
“Technical Assistance Agreements”	: Technical Assistance Agreement dated 19 November 1994 between DPSB and DYM and Technical Assistance Agreement dated 1 July 2002 between DPSB and Song Ha Hyung collectively
“the Depository”	: Bursa Malaysia Depository Sdn Bhd (165570-W)
“UCMB”	: Universal Cable (M) Bhd (7042-D)
“USM”	: Universiti Sains Malaysia
“US”	: United States of America
“USD”	: United States Dollar
“UV”	: Ultra-violet
“XLPE”	: Cross-linkable polyethylene

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