

DAYA MATERIALS BERHAD

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

CONDENSED CONSOLIDATED INCOME STATEMENT

Quarterly report on the results for the fourth quarter ended 31.12.2007

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2006 RM'000	CURRENT YEAR TO DATE 31/12/2007 RM'000	(As restated) PRECEDING YEAR CORRESPONDING PERIOD 31/12/2006 RM'000
Revenue	15,608	8,043	62,442	29,340 #
Cost of Sales	(11,790)	(6,548)	(48,942)	(23,184) #
Gross Profit	3,818	1,495	13,500	6,156
Other Net Operating Income	320	221 #	767	361 #
Operating Expenses	(2,101)	(706) #	(6,094)	(2,409) #
Profit from operations	2,037	1,010	8,173	4,108
Finance Costs	(92)	(29) #	(253)	(85) #
Share of results of an associate	637	-	637	-
Profit before tax	2,582	981	8,557	4,023
Income tax expenses-Company	(613)	(685)	(1,523)	(1,078)
Income tax expenses-Associate	(193)	-	(193)	-
Net profit for the period	1,776	296	6,841	2,945
Attributable to :				
Equity holders of the Company	1,771	296	6,844	2,945
Minority Interests	5	-	(3)	-
	1,776	296	6,841	2,945
Basic earnings per share (sen)	0.60	0.16	2.92	1.55

Notes :

The Group completed its acquisition of Seca Dyme Sdn Bhd and its subsidiaries on 1 August 2007 and accordingly, the Group's quarterly report for the fourth quarter ended 31 December 2007 covers the results of Seca Dyme Sdn Bhd and its subsidiaries from 1 August 2007 to 31 December 2007.

The comparative amounts have been reclassified to conform with current year's presentation and change in accounting policy. The accompanying notes form an integral part of, and should be read in conjunction with this interim financial report.

DAYA MATERIALS BERHAD

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

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

Quarterly report on the results for the fourth quarter ended 31.12.2007

(The figures have not been audited)

	UNAUDITED AS AT END OF CURRENT QUARTER 31/12/2007 RM'000	(As restated) AUDITED AS AT END OF FINANCIAL YEAR 31/12/2006 RM'000
Non Current Assets		
Property, plant and equipment	14,095	11,962 #
Prepaid lease payment	1,268	-
Development expenditure	204	276
Investment in Associate Companies	7,644	-
Goodwill arising from consolidation	48,199	-
	71,410	12,238
Current Assets		
Inventories	9,667	3,570
Trade receivables	9,388	9,219
Other receivables, deposits and prepaid expenses	5,090	3,205
Amount owing to related companies	157	-
Tax recoverable	583	-
Short term investments	11,511	9,359
Marketable securities	463	181
Fixed Deposits	2,301	37
Cash and bank balances	3,050	1,924
	42,210	27,495
Current Liabilities		
Trade payables	3,326	1,436
Other payables and accrued expenses	6,459	903
Hire purchase payables	338	-
Tax payables	-	108
Bank borrowings (secured)	734	3,538
	10,857	5,985
Net Current Assets	31,353	21,510
	102,763	33,748
Financed by:		
Issued share capital	29,519	18,963
Reserves	71,751	13,614 #
	101,270	32,577
Minority Interest	17	-
Non Current Liabilities		
Deferred tax liabilities	786	667
Hire purchase payables	341	-
Term loan	349	504
	1,476	1,171
	102,763	33,748
Net assets per share (sen)	34.31	17.18

The comparative amounts have been reclassified to conform with the change in accounting policy
The accompanying notes form an integral part of, and should be read in conjunction with this interim financial report.

DAYA MATERIALS BERHAD

(Company No: 636357-W)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Quarterly report on the results for the fourth quarter ended 31.12.2007

(The figures have not been audited)

	Share capital RM'000	Non- Distributable - Share premium RM'000	Distributable reserve / Unappropriated profit RM'000	Minority Interest RM'000	Total RM'000
Balance as at 1 Jan 2006	18,963	5,959	4,710	-	29,632
Net profit for the period	-	-	971	-	971
Balance as at 31 Mar 2006	18,963	5,959	5,681	-	30,603
Net profit for the period	-	-	806	-	806
Balance as at 30 June 2006	18,963	5,959	6,487	-	31,409
Net profit for the period	-	-	877	-	877
Balance as at 30 Sept 2006	18,963	5,959	7,364	-	32,286
Net profit for the period	-	-	296	-	296
Balance as at 31 Dec 2006	18,963	5,959	7,660	-	32,582
Changes in accounting policy As restated	- <u>18,963</u>	- <u>5,959</u>	(5) # <u>7,655</u>	- <u>-</u>	(5) <u>32,577</u>
Balance as at 1 Jan 2007	18,963	5,959	7,655	-	32,577
Net profit for the period	-	-	1,377	-	1,377
Balance as at 31 Mar 2007	18,963	5,959	9,032	-	33,954
Net profit for the period	-	-	962	-	962
Balance as at 30 June 2007	18,963	5,959	9,994	-	34,916
Issued as consideration for the acquisition of the subsidiary	8,356	41,782	-	20	50,158
Private placement	2,200	9,570	-	-	11,770
Listing expenses	-	(59)	-	-	(59)
Net profit for the period	-	-	2,734	(8)	2,726
Balance as at 30 Sept 2007	29,519	57,252	12,728	12	99,511
Net profit for the period	-	-	1,771	5	1,776
Balance as at 31 Dec 2007	<u>29,519</u>	<u>57,252</u>	<u>14,499</u>	<u>17</u>	<u>101,287</u>

The comparative amounts have been reclassified to conform with change in accounting policy
The accompanying notes form an integral part of, and should be read in conjunction with this interim report.

DAYA MATERIALS BERHAD

(Company No: 636357-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Quarterly report on the results for the fourth quarter ended 31.12.2007
(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 31/12/2007 RM'000	(As restated) AUDITED FOR THE YEAR ENDED 31/12/2006 RM'000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	8,557	4,023	#
Adjustments for:			
Share of results of an associate	(637)	-	
Amortisation on development expenditure	72	72	
Depreciation	886	481	#
Loss on disposal of properties, plant & equipment ("PPE")	50	-	
Gain on disposal of investment	(301)	(62)	
PPE written off	3	8	
Provision for doubtful debts	87	95	
Dividend income	(5)	-	
Interest expenses	253	85	
Interest income	(528)	(356)	
Unrealised foreign exchange gain/(loss)	1	(11)	
	<hr/>	<hr/>	
Operating profit before working capital changes	8,438	4,335	
Changes in working capital:			
Net change in inventories	(1,906)	82	
Net change in trade & other receivables	167	(2,314)	#
Net change in trade & other payables	5,377	(2,012)	
Net change in amount owing from related companies	(157)	-	
	<hr/>	<hr/>	
Cash used in operations	11,919	91	
Interest paid	(253)	(85)	
Income tax paid	(2,573)	(1,039)	
	<hr/>	<hr/>	
Net Cash Used In Operating Activities	9,093	(1,033)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Listing Expenditure	(59)	-	
Purchase of PPE	(1,188)	(2,570)	#
Proceeds from disposal of PPE	158	-	
Acquisition of marketable securities	(4,863)	(181)	
Acquisition of subsidiaries (Note 1)	(2,827)	(5,030)	
Acquisition of associate company	(7,200)	-	
Proceeds from disposal of investment	4,882	5,092	
Proceeds from issuance of shares	11,790	-	
Dividend received	5	-	
Interest received	528	356	
	<hr/>	<hr/>	
Net Cash From Investing Activities	1,226	(2,333)	

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Quarterly report on the results for the fourth quarter ended 31.12.2007

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 31/12/2007 RM'000	(As restated) AUDITED FOR THE YEAR ENDED 31/12/2006 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(313)	-
Change in trade facilities	(4,309)	1,515
Change in term loan	(155)	(155)
Net Cash From Financing Activities	<u>(4,777)</u>	<u>1,360</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,542	(2,006)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>11,320</u>	<u>13,326</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>16,862</u></u>	<u><u>11,320</u></u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash & bank balances	3,050	1,924
Fixed deposits with licenced banks	2,301	37
Short term investments	11,511	9,359
	<u><u>16,862</u></u>	<u><u>11,320</u></u>

The comparative amounts have been reclassified to conform with the change in accounting policy
The accompanying notes form an integral part of, and should be read in conjunction with this interim financial report.

Note 1: The Group completed its acquisition of Seca Dyme Sdn Bhd and its subsidiaries on 1 August 2007. The fair value of assets acquired and liability assumed were as follows:

	RM'000
Assets	
Property, plant and equipment	2,772
Inventories	4,191
Trade receivables	1,388
Other receivables	443
Cash & bank balances	2,647
Liabilities	
Trade payables	(1,511)
Other payables	(71)
Amount due to directors	(8)
Tax payable	(469)
Borrowings	(1,959)
Deferred taxation	(9)
Net assets acquired	<u>7,414</u>
Goodwill arising from consolidation	<u>48,199</u>
Total purchase consideration	55,613
Less: Portion discharged by issuance of DMB shares	<u>(50,139)</u>
Portion discharge by cash	5,474
Less : Cash of Seca Dyme Sdn Bhd	<u>(2,647)</u>
Cash flow on acquisition, net of cash acquired	<u><u>2,827</u></u>

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A EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

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

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006. These 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 2006.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2006 except for the following:

(i) FRS 117 Leases

Prior to 1 August 2007, leasehold land held for own use in one of the newly acquired subsidiary company was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings upon acquisition of the said subsidiary. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and buildings elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term. The Group has applied the

Effects on balance sheet as at 31 December 2007

	Increase/(Decrease)
	RM'000
Group	
Property, plant & equipment	(1,268)
Prepaid land lease payments	<u>1,268</u>

(ii) Operating Leases Commitments

The Group has entered into commercial equipment leases on its logging equipment. The Group has determined that it will transfer substantially all the risks and rewards of ownership of these equipment to the lessee which are leased out as finance lease. However, in the financial year ended 31 December 2007, the Group has applied the change in accounting policy in accordance with the judgement that it retains substantially all the significant risks and rewards of ownership of these logging equipment and therefore the Group decided to reclassify it as operating lease. The change in accounting policy has been accounted for retrospectively and certain comparatives have been restated. The effects on the Group's income statement and balance sheet as at 31 December 2007 are set out below. There were no effects on the Company's balance sheets and income statement for the financial year ended 31 December 2007.

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Effects on income statement for the financial year ended 31 December 2007

	Increase/(Decrease) RM'000
Group	
Revenue	59
Administrative and general expenses	<u>111</u>

Effects on balance sheet as at 31 December 2007

	Increase/(Decrease) RM'000
Group	
Property, plant & equipment	990
Finance lease receivables	(1,047)
Retained earnings	<u>(52)</u>

The following comparative amounts have been restated as a result of changing in accounting policy:

	As restated RM'000	Adjustment RM'000	Previously Stated RM'000
At 31 December 2006			
Group			
Income statement			
Revenue	29,340	20	29,320
Other net operating income	361	(16)	377
Operating expenses	<u>(2,409)</u>	<u>(9)</u>	<u>(2,400)</u>
Balance Sheet			
Property, plant & equipment	11,962	1,101	10,861
Finance lease receivables	-	(1,106)	1,106
Retained earnings	<u>7,655</u>	<u>5</u>	<u>7,660</u>

(iii) The adoption of the following new/revised FRSs effective for the financial period which are relevant to its operations:

FRS 107	Cash Flows Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

FRS 139, Financial Instruments : Recognition and Measurement has been issued by MASB. However, MASB has yet to determine the effective date for FRS 139.

The adoption of the new/revised FRSs did not result in substantial changes to the Group's accounting policies.

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A2 Qualification of Annual Financial Statements

The preceding year annual audited financial statements were not subject to any qualification.

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

During the quarter under review, 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.

A5 Changes in estimates, significant accounting estimates and judgements

Operating lease commitments - the Group as lessor

The Group has entered into commercial equipment leases on its logging equipment. The Group has determined that it will transfer substantially all the risks and rewards of ownership of these equipment to the lessee which are leased out as finance lease. However, in the financial year ended 31 December 2007, the Group has applied the change in accounting policy in accordance with the judgement that it retains substantially all the significant risks and rewards of ownership of these logging equipment and therefore the Group decided to reclassify it as operating lease. The change in accounting policy has been accounted for retrospectively as disclosed in Note A1(ii) and certain comparatives have been restated.

FRS 127 Consolidated and Separate Financial Statements

Under FRS 127, investment in subsidiaries shall be accounted for either at cost or in accordance with FRS 139. The Company has applied the cost method and the cost of investment is measured based on the fair value of the shares issued. The Company has measured the cost of investment in newly acquired subsidiary, Seca Dyme Sdn Bhd("SDSB") based on the issue price of approximately RM0.23 per DMB share and cash consideration of RM4.78 million based on the Sale and Purchase Agreement relating to the acquisition of SDSB in the Group's quarterly report for the third quarter ended 30 September 2007. However, the Group has changed its judgement on the measurement of the fair value of the shares issued to RM0.60 i.e.the market price during the completion date of the acquisition on 1 August 2007. The change in the judgement has been accounted for in the Group's quarterly report for the fourth quarter ended 31 December 2007. The effects on the Group's balance sheet as at 31 December 2007 are set out below. There were no effects on the Group's income statements for the financial year ended 31 December 2007.

Effects on balance sheet as at 31 December 2007

	Quarter ended 30/09/2007	Increase RM'000 *	Quarter ended 31/12/2007
Group			
Goodwill arising from consolidation	16,578	31,621	48,199

* Including the adjustment in the capitalisation of costs directly attributable to the combination.

A6 Debt and equity securities

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

A7 Dividends paid

The Board has not recommended any payment of dividend for the quarter under review.

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A8 Segment information

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

Business Segment	Oil & Gas RM'000	Polymer RM'000	Others RM'000	Total RM'000
Revenue	24,366	37,874	202	62,442
Segment Results	3,031	3,898	329	7,258
Unallocated Results				915
Profit from Operations				8,173
Finance Costs				(253)
Share of results of associates				637
Profit Before Tax				8,557
Taxation				(1,716)
Profit AfterTax				6,841
Geographical Segment				Revenue RM'000
Malaysia				59,412
Foreign Countries				3,030
Consolidated				62,442

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 Subsequent Events

Save for the following and as disclosed under Section B8, there were no material events subsequent to the current financial quarter ended 31 December 2007 up to the date of this report which is likely to substantially affect the results of the operations of the Company:-

The acquisition by Meridian Orbit Sdn Bhd, a 60% owned subsidiary of DMB, of 275,000 ordinary shares of RM1.00 each representing 55% of the issued and paid-up share capital of Clarimax Consolidated Sdn Bhd ("CCSB") from Mr Ishar Singh Gill S/O Jiwa Singh Gill, a Singaporean, for a cash consideration of RM366,667 ("Acquisition of CCSB")

The Acquisition of CCSB had been duly completed on 4 January 2008.

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A11 Changes in the composition of the Group

Save for the following, there were no changes in the composition of the Group for the quarter under review.

(i) Acquisition of CMT (Penang) Sdn Bhd

The Group had, on 31 October, 2007, acquired 750,000 ordinary shares of RM1.00 each representing 30% of the issued and paid-up share capital of CMT (Penang) Sdn Bhd ("CMT") from Goo Bak Hoo @ Goh Bak Hoe, Bong Hock Kim, Chan Thiam Fook, Chin Choon Guan and Chen Soon Loy (collectively "CMT Vendors") for a cash consideration of RM7,200,000 ("Acquisition of CMT").

The effect of the Acquisition of CMT on the financial results of the Group from 31 October 2007 to 31 December 2007 is as follows:-

	RM'000
Profit after tax	<u>444</u>

The assets and liabilities arising from the Acquisition of CMT are as follows:-

	Fair value RM'000	Carrying Value RM'000
Property, plant and equipment	7,086	6,095
Investment in unquoted Associate Co	50	50
Inventories	7,313	7,313
Trade receivables	10,231	10,231
Other receivables	224	224
Fixed Deposits	6,989	6,989
Cash & bank balances	2,447	2,447
Trade payables	(11,790)	(11,790)
Other payables	(7,541)	(7,541)
Borrowings	(155)	(155)
Deferred taxation	(108)	(108)
Minority interest	<u>(470)</u>	<u>(470)</u>
	14,276	13,285
NBV @ 30%	4,283	3,986
Goodwill arising on acquisition	<u>2,917</u>	<u>3,215</u>
	<u>7,200</u>	<u>7,200</u>

The cash out flow arising from the Acquisition of CMT are as follows:-

	RM'000
Purchase consideration satisfied by cash	<u>7,200</u>
Net cash out flow of the Group	<u>7,200</u>

(ii) Acquisition of Daya Hightech Sdn Bhd

The Company had on 29 October 2007, via Daya Polymer Sdn Bhd, a wholly owned subsidiary of DMB acquired two (2) ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Daya Hightech Sdn. Bhd. from Chai Churn Hwa, a Malaysian and Tan Poh Sim, a Malaysian.

(iii) Additional acquisition of shareholding in Metriwell Sdn Bhd

The Company had on 5 October 2007, via Seca Engineering and Manpower Services Sdn Bhd, an ultimate wholly owned subsidiary of DMB acquired additional two hundred and fifty (250) ordinary shares of RM1.00 each representing 25% of the issued and paid-up share capital of Metriwell Sdn Bhd. from Ko Wi Son, a Malaysian.

A12 Contingent Assets and Contingent Liabilities

	RM'000
Corporate guarantee given to licensed banks for banking facilities granted to its subsidiary as at 22 February 2008	1,408

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

A13 Capital commitments

	RM'000
Approved but not contracted for:	3,392

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE MESDAQ MARKET

B1 Review of performance

Current Year Quarter versus Preceding Year Corresponding Quarter

The Group achieved higher revenue of RM15.608 million for the quarter ended 31 December 2007, an increase of 94% from RM8.043 million recorded in the previous year corresponding quarter. The significant revenue growth was mainly attributed to the oil & gas sales segment contributed by the newly acquired subsidiary, Seca Dyme Sdn Bhd("SDSB") and improvement in the polymer sales segment. The Group recorded a profit before taxation of RM2.582 million for the quarter ended 31 December 2007, which represents a 163% increase over RM0.981 million profits before tax recorded for the corresponding quarter in the previous financial year. The improved performance was largely due to the profit contributed by oil & gas sector and share of profits from newly acquired associates company, CMT(Penang) Sdn Bhd ("CMT").

Current Year-to-Date versus Preceding Year Corresponding Period

The Group achieved higher revenue of RM62.442 million for the financial year ended 31 December 2007, an increase of 113% from RM29.340 million recorded in financial year ended 31 December 2006. The significant revenue growth was mainly attributed to the oil & gas sales segment, i.e.its newly acquired subsidiary, SDSB and improvement in the polymer sales segment. The Group recorded a profit before taxation of RM8.557 million for the financial year ended 31 December 2007, which represents an 113% increase over RM4.023 million profits recorded for previous year. The improved performance is in correspondence with the significant growth in oil & gas sales segment contributed by SDSB, polymer sales segment which is predominantly in the sales of Semicon and LV-XLPE and share of profits from newly acquired associates company, CMT.

B2 Variation of results against preceding quarter

	Quarter ended 31/12/2007 RM'000	Quarter ended 30/09/2007 RM'000
Revenue	15,608	29,362
Profit before tax	2,582	3,425

For the fourth quarter ended 31 December 2007, the Group achieved lower revenue of RM15.608 million as compared to RM29.362 million recorded in the preceding quarter. The lower revenue was mainly attributed to the decrease in revenue from the oil & gas sales segment. As a result, the Group recorded a lower profit before taxation of approximately RM2.582 million for the current quarter as compared to approximately RM3.425 million in the preceding quarter, represent a decrease of 25%.

B3 Prospects

The Board expects the positive financial performance of the Group to continue for the coming financial year after taking into consideration the Group's current level of operations and prevailing market conditions. The Polymer Divisions expects positive growth in revenue and earnings in the coming financial year in light of the positive outlook for the cable and wire business in Malaysia, which is one of the major markets served by DMB's customers.

With the completion of the acquisition of SDSB, the contribution from the oil and gas sector is expected to contribute to the results of the Group and will further enhance the market strength and market position of the Group in the petrochemical industries.

The acquisition of CMT is undertaken to enable the DMB Group to further expand its business activities within the oil & gas industry. It will allow the DMB Group to combine the strengths of its wholly-owned subsidiary, SDSB, in oil & gas and the proven capabilities of CMT in engineering and construction to further capture new opportunities in the services sector of the oil and gas industry. DMB believes that it can leverage on CMT's core competencies to service its existing customers in the oil & gas industry, especially in the area of warehouse and facility construction and project and property management. With the expected increase in activities in the domestic oil & gas industry, the Company expect CMT to play an increasingly active role in contributing to the Group's bottomline.

The Board is optimistic that the Group's operational results for the next financial year will be satisfactory, barring any unforeseen circumstances.

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B4 Profit forecast

Not applicable.

B5 Taxation

INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
31/12/2007	31/12/2006	31/12/2007	31/12/2006
RM'000	RM'000	RM'000	RM'000

In respect of the current period:

Current tax payable	806	685	1,716	1,078
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The effective tax rate for the quarter under review was higher than the statutory income tax rate mainly due to adjustment on underprovision of taxation in prior quarters by a subsidiary. The effective tax rate for the financial year ended 31 December 2007 was lower than the statutory income tax rate. This is attributed to the anticipated tax benefits principally the reinvestment allowances incentives pertaining to the new factory building which was in used partly as a warehouse in the first half of year 2007.

B6 Sale of unquoted investments and properties

There were no disposals of unquoted investments and properties during the quarter under review and financial year ended 31 December 2007.

B7 Quoted securities

Details of purchases and disposals of quoted securities were as follows:

	INDIVIDUAL QUARTER		CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER		
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	RM'000	RM'000	RM'000	RM'000
Purchases (at cost)	948	-	4,568	-
Disposal proceeds	789	-	4,869	-
Gain on disposal	(159)	-	301	-

The investment in quoted securities as at 31 December 2007 are summarised below:

	CURRENT YEAR TO DATE
	RM'000
Total investment at cost/carrying value	464
Total investment at market value	475

DAYA MATERIALS BERHAD

(Company No: 636357-W)

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B8 Status of corporate proposals

There was no corporate proposals announced by the Company but not completed as at 22 February 2008, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report.

B9 Status of utilisation of proceeds

Initial Public Offering

The Public Issue of 56,890,000 new ordinary shares of RM0.10 each at an issue price of RM0.23 per share which was implemented on 25 July 2005, raised a total gross proceeds of approximately RM13.085 million.

As at 31 December 2007, the Company has utilised approximately 76% of the total gross proceeds raised and the status of the utilisation of proceeds is as follows:-

	Utilisation schedule per prospectus RM'000	Revised Utilisation Schedule* RM'000	Actual Utilisation RM'000	Intended Time Frame For Utilisation Year	Deviation Amount RM'000	Deviation %
Expansion in production facility	8,500	6,500	4,347	2005-2008	2,153	33.12 (i)
Investment in R&D and new product development	1,700	1,300	747	2005-2008	553	42.54 (ii)
Working capital	1,385	3,848	3,448	2005-2008	400	10.40
Listing expenses	1,500	1,437	1,437	2005-2007	-	
Total	13,085	13,085	9,979		3,106	23.74

* On 20 December 2005, the Board of Directors ("Board") had resolved to reduce the earlier allocation of proceeds of RM8.5 million for the expansion of production facility of the Group as disclosed in the DMB's Prospectus dated 30 June 2005 to RM6.5 million. The difference of RM2.0 million was allocated for working capital purposes of the Group. On 21 November 2006, the Board had also resolved to reallocate the unutilised proceeds for listing expenses amounting to approximately RM63,000 to be utilised for working capital purposes. On 17 January 2008, the Company has obtained the approval from Securities Commission ("SC") to reduce the earlier allocation of proceeds of RM1.7 million for the investment in R&D and new product of the Group as disclosed in the DMB's Prospectus dated 30 June 2005 to RM1.3 million. The difference of RM0.4 million was allocated for working capital purposes of the Group. On the same date, the Company has also obtained the approval from SC on extension of time from end 2007 to end 2008 for the Company to fully utilise the balance unutilised IPO proceeds.

- (i) Actual utilisation incurred mainly in relation to the construction of second factory building. The deviation is mainly due to the delay in securing approvals from the regulatory authorities, namely Majlis Perbandaran Seberang Perai and other relevant authorities for the construction of the new factory building. The balance unutilised proceeds are expected to be used by end of 2008.
- (ii) Actual utilisation incurred mainly in relation to the development costs of new products. The deviation is mainly due to the delay in procuring of R&D processing equipment. The balance unutilised proceeds are expected to be used by end of 2008.

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Private placement completed on 1 August 2007

As at 31 December 2007, the Company has utilised approximately 75% of the total gross proceeds raised and the status of the utilisation of proceeds is as follows:-

	Proceeds from Placement Shares RM'000	Actual Utilisation RM'000	Intended Time Frame For Utilisation	Deviation Amount RM'000	Deviation %
Expansion in production facility	1,000	-	within 12 months	1,000	100.00
Investment in tanks and tank cleaning/repair activities	1,500	820	within 24 months	680	45.33
Working capital & future investments*	8,420	7,230	within 24 months	1,190	14.13
Estimated expenses	850	753	within 6 months	97	11.41
Total	11,770	8,803		2,967	25.21

* Any variations to the total proceeds raised will result in an adjustment to the amount allocate for utilisation as working capital and vice versa.

B10 Group's borrowings and debt securities

The Group's borrowings are as follows:

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total Outstanding RM'000
Trade facilities	579	-	579
Term loans	155	349	504
	734	349	1,083

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

- legal charges over the freehold land and building of the wholly owned subsidiary company, Daya Polymer Sdn Bhd ;
- a corporate guarantee by Daya Materials Berhad;
- a debenture over all assets of Daya Polymer Sdn Bhd;
- joint and several guarantee by two of the Seca Dyme Sdn Bhd's director; and
- fixed deposit placement of RM2 million with banks.

The bank borrowings and other facilities are denoted in local currency.

B11 Off balance sheet financial instruments

There were no off-balance sheet financial instruments as at 22 February 2008, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report.

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B12 Material litigations

There were no material litigations involving the Group since the last financial year ended 31 December 2006 to 22 February 2008, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report.

B13 Proposed Dividends

No interim dividend has been declared for the current quarter under review.

The Company is pleased to propose a final dividend of 2.465% less income tax of 26% amounting to RM538,465.60 and a final tax exempt dividend of 0.49% amounting to RM144,645.66 in respect of the financial year ended 31 December 2007. These final dividend payable will be proposed for shareholders' approval at the forthcoming Annual General Meeting and the date payable will be announced at a later date.

B14 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2006 RM'000	CURRENT YEAR TO DATE 31/12/2007 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2006 RM'000
Net profit for the period (RM'000)	1,776	296	6,841	2,945
Weighted average number of shares in issue ('000)	295,195	189,630	233,881	189,630
Basic earnings per share (sen)	<u>0.60</u>	<u>0.16</u>	<u>2.92</u>	<u>1.55</u>

By Order of the Board

THAM WOOL LOON
Managing Director

Date: 28 February 2008