

DAYA MATERIALS BERHAD

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

CONDENSED CONSOLIDATED INCOME STATEMENT

QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31.3.2009

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2008 RM'000	CURRENT YEAR TO DATE 31/3/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2008 RM'000
Revenue	37,522	27,609	37,522	27,609
Cost of Sales	(29,863)	(22,052)	(29,863)	(22,052)
Gross Profit	<u>7,659</u>	<u>5,557</u>	<u>7,659</u>	<u>5,557</u>
Other Net Operating Income	134	85	134	85
Operating Expenses	(3,089)	(1,777)	(3,089)	(1,777)
Profit from operations	<u>4,704</u>	<u>3,865</u>	<u>4,704</u>	<u>3,865</u>
Finance Costs	(316)	(154)	(316)	(154)
Share of results of an associate	<u>38</u>	<u>132</u>	<u>38</u>	<u>132</u>
Profit before tax	4,426	3,843	4,426	3,843
Income tax expenses-Company	(1,247)	(1,040)	(1,247)	(1,040)
Income tax expenses-Associate	<u>(11)</u>	<u>(45)</u>	<u>(11)</u>	<u>(45)</u>
Net profit for the period	<u><u>3,168</u></u>	<u><u>2,758</u></u>	<u><u>3,168</u></u>	<u><u>2,758</u></u>
Attributable to :				
Equity holders of the Company	3,148	2,821	3,148	2,821
Minority Interests	<u>20</u>	<u>(63)</u>	<u>20</u>	<u>(63)</u>
	<u><u>3,168</u></u>	<u><u>2,758</u></u>	<u><u>3,168</u></u>	<u><u>2,758</u></u>
Basic earnings per share (sen)	<u>0.63</u>	<u>0.57</u>	<u>0.63</u>	<u>0.57</u>

Notes :

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 BALANCE SHEET AS AT 31 MARCH 2009 QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31.3.2009

(The figures have not been audited)

	UNAUDITED AS AT END OF CURRENT QUARTER 31/3/2009 RM'000	AUDITED AS AT END OF FINANCIAL YEAR 31/12/2008 RM'000
Non Current Assets		
Property, plant and equipment	30,308	27,478
Prepaid lease payment	3,959	3,974
Investment Property	307	308
Development expenditure	114	132
Investment in Associate Companies	5,636	5,609
Goodwill arising from consolidation	58,839	58,839
	99,163	96,340
Current Assets		
Inventories	26,096	27,613
Trade receivables	35,400	23,505
Other receivables, deposits and prepaid expenses	8,516	9,037
Tax recoverable	2,230	1,341
Short term investments	202	2,159
Marketable securities	468	306
Fixed Deposits	19,509	34,849
Cash and bank balances	12,238	9,122
	104,659	107,932
Current Liabilities		
Trade payables	11,970	12,354
Other payables and accrued expenses	41,461	43,629
Hire purchase payables	488	535
Tax payables	2,500	1,529
Bank borrowings (secured)	5,719	11,550
	62,138	69,597
Net Current Assets	42,521	38,335
	141,684	134,675
Financed by:		
Issued share capital	51,099	49,199
Reserves	69,361	63,525
	120,460	112,724
Minority Interest	688	669
Non Current Liabilities		
Deferred tax liabilities	899	899
Hire purchase payables	742	746
Other payables	4,800	4,800
Term loan	14,095	14,837
	20,536	21,282
	141,684	134,675
Net assets per share (sen)	23.57	22.91

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31.3.2009

(The figures have not been audited)

<-----Attributable to Equity Holders of the Company----->

	Share capital RM'000	Share premium RM'000	Non- Distributable Foreign Currency Translation Reserve RM'000	Non- Distributable reserve / Unappropriated profit RM'000	Total	Minority Interest RM'000	Total Equity RM'000
Balance as at 1 Jan 2008	29,519	57,253	-	14,499	101,271	17	101,288
Acquisition of a subsidiary	-	-	-	-	-	63	63
Net profit for the period	-	-	-	2,821	2,821	(63)	2,758
Balance as at 31 Mar 2008	29,519	57,253	-	17,320	104,092	17	104,109
Net profit for the period	-	-	-	6,534	6,534	43	6,577
Balance as at 30 June 2008	29,519	57,253	-	23,854	110,626	60	110,686
Acquisition of a subsidiary	-	-	-	(25)	(25)	543	518
Bonus issue	19,680	(19,680)	-	-	-	-	-
Dividend paid	-	-	-	(683)	(683)	-	(683)
Net profit for the period	-	-	-	2,907	2,907	36	2,943
Balance as at 30 September 2008	49,199	37,573	-	26,053	112,825	639	113,464
Acquisition of a subsidiary	-	-	-	16	16	44	60
Net profit for the period	-	-	-	(117)	(117)	(14)	(131)
Balance as at 31 December 2008	49,199	37,573	-	25,952	112,724	669	113,393
Balance as at 1 Jan 2009	49,199	37,573	-	25,952	112,724	669	113,393
Private placement	1,900	2,702	-	-	4,602	-	4,602
Net profit for the period	-	-	(14)	3,148	3,134	20	3,154
Balance as at 31 Mar 2009	51,099	40,275	(14)	29,100	120,460	689	121,149

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31.3.2009

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 31/3/2009 RM'000	AUDITED FOR THE YEAR ENDED 31/12/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,426	18,284
Adjustments for:		
Share of results of an associate	(38)	(639)
Amortisation on development expenditure	18	72
Amortisation on prepaid land lease payments	15	51
Depreciation	471	1,467
Loss/(Gain) on disposal of properties, plant & equipment ("PPE")	-	(74)
Loss/(Gain) on disposal of marketable securities	-	217
Provision for diminution in investment in marketable securities	(124)	349
PPE written off	-	44
Dividend income	-	(26)
Interest expenses	316	743
Interest income	(105)	(734)
Unrealised foreign exchange (gain)/loss	(786)	68
Operating profit before working capital changes	4,193	19,822
Changes in working capital:		
Net change in inventories	1,517	(7,270)
Net change in trade & other receivables	(10,581)	46,809
Net change in trade & other payables	(6,475)	(22,459)
Net change in amount owing from associate company	-	156
Cash from operations	(11,346)	37,058
Interest paid	(316)	(743)
Income tax paid	(1,165)	(6,045)
Net Cash From Operating Activities	(12,827)	30,270
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE	(3,299)	(10,458)
Proceeds from disposal of PPE	-	268
Acquisition of marketable securities	(38)	(863)
Acquisition of subsidiaries (Note 1)	-	(9,733)
Acquisition of associate company	-	(5,379)
Proceeds from disposal of marketable securities	-	455
Proceeds from issuance of shares	4,827	20
Dividend received	-	26
Dividend paid	-	(683)
Interest received	105	734
Net Cash (Used in) From Investing Activities	1,595	(25,613)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE FIRST QUARTER ENDED 31.3.2009

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 31/3/2009 RM'000	AUDITED FOR THE YEAR ENDED 31/12/2008 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(52)	(635)
Change in trade facilities	(2,559)	9,564
Change in term loan	(39)	15,352
Net Cash From/(Used in) Financing Activities	(2,650)	24,281
NET INCREASE IN CASH AND CASH EQUIVALENTS	(13,882)	28,938
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR	45,800	16,862
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	31	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	31,949	45,800
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR		
Cash & bank balances	12,238	8,792
Fixed deposits with licenced banks	19,509	34,849
Short term investments	202	2,159
	31,949	45,800

The accompanying notes form an integral part of, and should be read in conjunction with this interim financial report.

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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 2008. 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 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2008. At the date of this report, the following new FRSs and interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

The above new FRSs and interpretations are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

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

There were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence in the quarter under review.

A5 Changes in estimates, significant accounting estimates and judgements

There were no changes in the nature and estimates of amounts reported which have a material effect on the results in the quarter under review.

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A6 Debt and equity securities

Save for the below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

(1) 19,000,000 new ordinary shares of RM0.10 each issued pursuant to the Private Placement.

were listed on Bursa Malaysia Securities Berhad on 12 March 2009.

A7 Dividends paid

The Board of Directors ("Board") has not recommended any payment of dividend for the quarter under review.

The Company is pleased to propose a final dividend of 3% less income tax of 25% in respect of the financial year ended 31 December 2008. These final dividend payable will be proposed for shareholders' approval at the forthcoming Annual General Meeting and the date payable will be on 20 July 2009.

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	Technical Services RM'000	Total RM'000
Revenue	10,435	6,541	20,546	37,522
Segment Results	3,434	(4)	888	4,318
Unallocated Results				386
Profit from Operations				4,704
Finance Costs				(316)
Share of results of associates				38
Profit Before Tax				4,426
Taxation				(1,258)
Profit AfterTax				3,168
Geographical Segment				Revenue RM'000
Malaysia				37,522
Foreign Countries				-
Consolidated				37,522

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 Section B8, there were no material events subsequent to the current financial quarter ended 31 March 2009 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

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A11 Changes in the composition of the Group

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

A12 Contingent Assets and Contingent Liabilities

Corporate guarantee given to licensed banks for banking facilities granted to its subsidiary as at 19 May 2009

RM'000

12,635

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

A13 Capital commitments

RM'000

Contracted and not provided for:

1,795

Approved but not contracted for:

3,561

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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 RM37.522 million for the quarter ended 31 March 2009, an increase of 36% from RM27.609 million recorded in the previous year corresponding quarter. The revenue growth was mainly attributed to technical services segment. The Group recorded a profit before taxation of RM4.426 million for the quarter ended 31 March 2009, which represents a 15% increase over RM3.843 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 segment.

B2 Variation of results against preceding quarter

	Quarter ended 31/3/2009 RM'000	Quarter ended 31/12/2008 RM'000
Revenue	37,522	70,810
Profit before tax	4,426	1,672

For the first quarter ended 31 March 2009, the Group achieved higher revenue of RM37.522 million as compared to RM70.810 million recorded in the preceding quarter. The significant decrease in revenue was mainly attributed to the lower contribution from its technical services segment. Nevertheless, the Group recorded higher profit before taxation of approximately RM4.426 million for the current quarter as compared to approximately RM1.672 million in the preceding quarter, due to the higher margins yield from oil & gas segment.

B3 Prospects

Despite the uncertain world economy and current negative outlook of the oil and gas industry, the Board believes that the prospects for the DMB Group are positive in the coming years. As part of the Group's strategy of diversification into the different sectors of the oil and gas industry (from downstream chemicals to value-added services and ultimately upstream), the Group expects the strengths of these individual business units to not only cushion the Group during the ongoing economic uncertainty, but sustain its long term growth.

Besides, the Group will undertake various measures to introduce strategic cost reduction and cost control programmes in order to ensure long term sustainability and profitability, not just during period of financial turbulence but in good time as well.

The Board is of the view that the Group's operational results for the financial year ending 2009 will be satisfactory, barring any unforeseen circumstances.

B4 Profit forecast

Not applicable.

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B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR TO	PRECEDING YEAR
	QUARTER	CORRESPONDING QUARTER	DATE	CORRESPONDING PERIOD
	31/3/2009	31/3/2008	31/3/2009	31/3/2008
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Estimated current tax payable	<u>(1,258)</u>	<u>(1,085)</u>	<u>(1,258)</u>	<u>(1,085)</u>

The effective tax rate for the quarter under review was slightly higher than the statutory income tax rate mainly due to certain expenses which are not deductible for tax purposes.

B6 Sale of unquoted investments and properties

There were no disposals of unquoted investments and properties during the quarter under review.

B7 Quoted securities

Details of purchases and disposals of quoted securities during the quarter under review were as follows.

	INDIVIDUAL QUARTER			PRECEDING YEAR CORRESPONDING PERIOD
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR TO	
	QUARTER	CORRESPONDING QUARTER	DATE	
	31/3/2009	31/3/2008	31/3/2009	
	RM'000	RM'000	RM'000	RM'000
Purchases (at cost)	38	601	38	601
Disposal proceeds	-	-	-	-
(Loss)/Gain on disposal	-	-	-	-

The investment in quoted securities as at 31 March 2009 are summarised below:

	CURRENT YEAR TO DATE
	RM'000
Total investment at cost	533
Total investment at carrying value	468
Total investment at market value	468

B8 Status of corporate proposals

The status of a corporate proposal announced by the Company and completed on 30 April 2009 is summarised below:

Proposed Acquisition of Proffscorp Sdn Bhd ("Proffscorp")

On 18 December 2008, the Board announced that the Company proposed to acquire 1,320,000 ordinary shares of RM1.00 each representing 80% of the issued and paid-up share capital of Proffscorp from Husin bin Ibrahim, Noordin bin Abas and Razak bin Ab Rani for a cash consideration of RM22,800,000.

The shareholders of DMB had approved the Proposed Acquisition of Proffscorp at the extraordinary general meeting convened on 26 February 2009.

On 30 April 2009, the Board announced that the Proposed Acquisition of Proffscorp has been completed.

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The status of corporate proposals announced by the Company but not completed as at 19 May 2009, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report is summarised below:

(i) Proposed Private Placement

On 15 August 2008, the Board announced that the Company proposed to issue new ordinary shares of RM0.10 each in DMB ("DMB Shares") not exceeding ten percent (10%) of the issued and paid-up share capital of the Company through a private placement exercise.

On 21 October 2008, the Board announced that the Securities Commission ("SC") had, vide its letter dated 20 October 2008 approved the Proposed Private Placement which is subject to certain conditions.

On 31 October 2008, the Board announced that the application to Bursa Malaysia for the listing of the placement shares in respect of the Proposed Private Placement has been approved.

On 25 November 2008, the Board announced that Ministry of International Trade and Industry ("MITI") had, via its letter dated 24 November 2008 approved the Proposed Private Placement subject to the condition that the approvals of SC is obtained and compliance with the Guidelines on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests.

On 16 April 2009, the Board announced that Securities Commission ("SC") had vide its letter dated 15 April 2009 (which was received on 16 April 2009) approved DMB's application for an extension of time of six (6) months until 19 October 2009 to complete the implementation of the Private Placement, subject to DMB and HwangDBS fully complying with the earlier conditions as stipulated in the SC's letter dated 20 October 2008.

(ii) Proposed ESOS and Shares Buy-Back

On 22 December 2008, the Board announced that the Company has proposed to undertake the following:-

(i) Proposed establishment of an employees' share option scheme ("ESOS") for the eligible directors and employees of DMB and its subsidiary companies ("Proposed ESOS"); and

(ii) Proposed authority for the company to purchase up to ten per cent (10%) of its issued and paid-up share capital ("Proposed Share Buy-Back").

The shareholders of DMB had approved the Proposed ESOS and Proposed Share Buy-Back at the extraordinary general meeting convened on 26 February 2009.

(iii) Proposed Bonus Issue

On 25 March 2009, the Board announced the Company proposes to undertake a bonus issue of up to 270,595,615 new DMB Shares ("Bonus Shares"), to be credited as fully paid-up, on the basis of one (1) Bonus Share for every two (2) DMB Shares held. ("Proposed Bonus Issue").

On 8 April 2009, the Company implemented an employees' share option scheme ("ESOS") involving up to ten percent (10%) of the issued and paid-up share capital of DMB for the eligible directors and employees of DMB and its subsidiaries. As a result of the implementation of the ESOS, the Proposed Bonus Issue now entails the issuance of up to 297,655,177 Bonus Shares.

On 30 April 2009, the Board announced that the Company proposes to undertake a bonus issue of up to 297,655,177 new ordinary shares of RM0.10 each in DMB ("Bonus Shares"), to be credited as fully paid-up, on the basis of one (1) new DMB Share for every two (2) DMB Shares held

(iv) Proposed RCSLN Issue

On 30 April 2009, the Board announced that the Company proposes to issue up to RM20,000,000 nominal value of four (4)-year Redeemable Convertible Secured Loan Notes ("RCSLN") ("Proposed RCSLN Issue"), to be placed out to COPE-KPF Opportunities 1 Sdn Bhd ("Investor"). COPE-KPF Opportunities 1 Sdn Bhd is an investment holding company incorporated in Malaysia for the purpose of private equity investments.

The RCSLN are convertible into new DMB Shares at a conversion price of RM0.31 per new DMB Share, subject to adjustments pursuant to certain events as set out in a Trust Deed to be entered into. The conversion price of the RCSLN of RM0.31 was arrived at based on a premium of approximately 22% to the 30-day volume weighted average closing price of DMB Shares of RM0.2537 up to and including 16 April 2009 (being the date COPE-KPF Opportunities 1 Sdn Bhd agreed to subscribe for the RCSLN).

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B9 Status of utilisation of proceeds

Initial Public Offering ("IPO")

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

As at 31 March 2009, the Company has utilised approximately 85% 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	4,546	2005-2009	1,954	30.07 (i)
Investment in R&D and new product development	1,700	1,300	1,300	2005-2008	-	
Working capital	1,385	3,848	3,848	2005-2008	-	
Listing expenses	1,500	1,437	1,437	2005-2007	-	
Total	13,085	13,085	11,131		1,954	14.94

* On 20 December 2005, the 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 the 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 the SC on extension of time from end 2007 to end 2008 for the Company to fully utilise the balance unutilised IPO proceeds. On 8 January 2009, the Company has also obtained the approval from the SC on extension of time for the Company to fully utilise the balance unutilised IPO proceeds. Based on the said SC's letter, any further extension of time or variation on the allocation of proceeds does not require SC's approval.

(i) Actual utilisation incurred mainly in relation to the construction of second factory building. Due to the delay, current unfavourable market conditions, deteriorating market sentiment and the reduction in the Company's production, the Board has decided to put the expansion in production facility on hold (including the installation of a new semi-conductive compound line at the abovementioned factory building).

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Private Placement Proceeds

The Company raised approximately RM4.94 million from its private placement exercise.

As at 31 March 2009, the Company has utilised approximately 30% of the total gross proceeds raised and the status of the utilisation of proceeds is as follows:-

	Proceeds from Placement Shares RM'000 ⁽ⁱ⁾	Actual Utilisation RM'000	Intended Time Frame For Utilisation	Deviation Amount RM'000	Deviation %
Future acquisitions and expansion	13,000	4,800	within 12 months	8,200	63.08
Working capital requirements	3,100	-	within 12 months	3,100	100.00
Defraying of expenses incidental to the Proposed Private Placement ⁽ⁱⁱ⁾	140	140	within 1 month	-	-
Total	16,240	4,940		11,300	69.58

- (i) Any difference between the indicative proceeds above and the actual proceeds raised from the Proposed Private Placement (depending on the number of Placement Shares and the issue price of the Placement Share) shall be adjusted for working capital.
- (ii) Any variation to the estimated expenses will be adjusted to/ from the working capital.
- (iii) Computed based on 491,992,028 placement shares and an indicative issue price of RM0.33 per share representing a discount of approximately 8.8% to the five (5)-day weighted average market price up to 8 August 2008 of RM0.362, being 5 market days prior to the announcement of the private placement. As at 31 March 2009, DMB has placed out a 1st tranche of 19,000,000 placement shares, at an issue price of RM0.26 per share, raising RM4,940,000.

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	3,939	-	3,939
Overdraft	-	-	-
Term loans	1,780	14,095	15,875
	5,719	14,095	19,814

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 ("DPSB");
- corporate guarantee by DMB;
- a debenture over all assets of DPSB;
- joint and several guarantee by two of the SDSB's director; and
- a pledge on the subsidiaries' fixed deposits.

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

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B11 Off balance sheet financial instruments

There were no off-balance sheet financial instruments as at 19 May 2009, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report.

B12 Material litigations

Save for the following, there were no material litigations involving the Group since the last financial year ended 31 December 2008 to 19 May 2009, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report.

- (i) Seca Dyme Sdn Bhd ("SDSB") has brought a civil suit against (i) Mohd Akbar B Hj. Johari, (ii) AJ Premier Holdings Sdn Bhd, (iii) Aims Mission Sdn Bhd, (iv) Global Max Trading Sdn Bhd and (v) Azrul Bin Mohd Nasir trading as Rasa Indah Trading ("Defendants") vide KL High Court Civil Suit No. D3-22-380-2008. SDSB is suing against the Defendants (i), (ii) and (iii) on fraudulent misrepresentation and/or fraud perpetrated in conspiracy with the other Defendants, and alternatively for monies had and received. SDSB is suing against Defendants (iv) and (v) on fraud perpetrated in conspiracy with the other Defendants. The amount claimed is RM1,942,000.00 with interest at 8% p.a. thereupon from judgment to settlement, and the legal costs of the proceedings. The writ of summons was filed on 25 March 2008. The writ of summons and statement of claim have been served on all the Defendants. The fifth Defendant has filed an application to strike out the writ of summons and statement of claim, which was fixed for hearing on 2 April 2009 and subsequently extended to 30 April 2009.

A Mareva Injunction was obtained on an ex parte basis on 7 April 2008 to freeze the bank accounts of all the Defendants. The Injunction has been extended on an ad interim basis pending the hearing of the inter partes application, which is also fixed on 2 April 2009. During the hearing that took place on 23 April 2008, the Court had ordered that the Mareva Injunction continued subject to certain variations, where the Defendants (i), (ii) and (v) are entitled to withdraw fixed amount of money every month from the relevant accounts for the expenses respectively.

On 30 April 2009, the Defendant (v)'s application to strike out the writ of summons and statement of claim was dismissed with costs.

The Mareva Injunction has been extended on an ad interim basis until the hearing of the inter partes application, for which a date has not yet been fixed, but will however be mentioned on the same date.

The solicitors of SDSB are of the opinion that SDSB has a good case.

- (ii) SDSB was served with a Notification of Civil Proceedings (pursuant to Section 106 of the Income Tax Act, 1967) dated 21 October 2008 by the Inland Revenue Board for the recovery of income tax amounting to RM357,728.85, as a debt due to the Government ("Notification").

Vide the Notification, SDSB was duly informed that a summons and a statement of claim would be served on SDSB in due course.

SDSB is currently seeking clarification and discussing with the IRB in respect of the disputed tax amount of RM357,728.85 pursuant to the Notification, of which the Board believes has been previously settled with the IRB. The Board is of the considered opinion that it is likely for the IRB to withdraw the Notification or to discontinue any action once a mutual agreement of a settlement is reached between SDSB and the IRB.

DAYA MATERIALS BERHAD

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

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 3% less income tax of 25% in respect of the financial year ended 31 December 2008. These final dividend payable will be proposed for shareholders' approval at the forthcoming Annual General Meeting and the date payable will be on 20 July 2009.

B14 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2008 RM'000	CURRENT YEAR TO DATE 31/3/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2008 RM'000
Net profit for the period/year attributable to ordinary equity holders of the company (RM'000)	3,148	2,821	3,148	2,821
Weighted average number of shares in issue ('000)	496,214	491,992	496,214	491,992
Basic earnings per share (sen)	<u>0.63</u>	<u>0.57</u>	<u>0.63</u>	<u>0.57</u>

By Order of the Board

THAM WOUI LOON
Managing Director

Date: 22 May 2009