

DAYANG ENTERPRISE HOLDINGS BHD (712243-U)**Condensed Consolidated Income Statement**

For the second quarter ended 31 March 2008(Unaudited)

	Current Quarter Ended 31-Mar-08 RM'000	Corresponding Quarter Ended 31-Mar-07 RM'000	Cummulative Year To Date 31-Mar-08 RM'000	Corresponding Year To Date 31-Mar-07 RM'000
Revenue	52,876	N/A	94,275	N/A
Operating expenses	(24,841)	N/A	(44,459)	N/A
Gross profit	28,035	N/A	49,816	N/A
Other operating Income	21,889	N/A	22,113	N/A
Administration expenses	(6,997)	N/A	(11,220)	N/A
Finance costs	(1,245)	N/A	(2,333)	N/A
Profit before tax	41,682	N/A	58,376	N/A
Taxation	(5,035)	N/A	(8,821)	N/A
Profit after tax	36,647	N/A	49,555	N/A
Minority interest	-	N/A	-	N/A
Pre-acquisition profit	(8,619)	N/A	(21,527)	N/A
Profit for the period	28,028	N/A	28,028	N/A
Profit for the period attributable to Equity holders of the parent	28,028	N/A	28,028	N/A
Weighted average number of shares in issue ('000)	93,583	N/A	46,536	N/A
EPS-Basic (Sen)	29.95	N/A	60.23	N/A
EPS-Diluted (Sen)	-	N/A	-	N/A

NOTES:-

(1). The Company was incorporated on 10 October 2005 and has not commenced commercial operations for the financial year ended 30 September 2007. The group structure for the flotation of the Company is formed on 29 February 2008. This is the first year in which quarterly report is prepared. Hence no comparative figures are presented.

(2). On 29 February 2008:-

The Company acquired 2,600,000 ordinary shares of RM1.00 each representing the entire issued & paid-up share capital of Dayang Enterprise Sdn Bhd("DESB"), for a total consideration of RM62,503,443.

The Company acquired 11,000,000 ordinary shares of RM1.00 each representing the entire issued & paid -up share capital of DESB Marine Services Sdn Bhd("DMSSB"), for a total consideration of RM55,871,579.

The Company acquired 20,000 ordinary shares of RM1.00 each representing the entire issued & paid-up share capital of Fortune Triumph Sdn Bhd("FTSB"), for a total consideration of RM4,538,237.

The negative goodwill arising from the acquisition of the companies of RM21.5 million is included in the other operating income for the current quarter and financial year to date.

(3). For illustrative purpose, the basic EPS for the current quarter and financial year to date excluding the negative goodwill will be:-

(4). Cummulative year to date means 6 months ended 31 March 2008.

	Current quarter ended 31 March 2008 RM'000	Cummulative year to date ended 31 March 2008 RM'000
Profit attributable to equity holders of the parent	28,028	28,028
Negative goodwill	(21,527)	(21,527)
	6,501	6,501
EPS-Basic (Sen)	6.95	13.97

(The Condensed Consolidated Income Statement should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the Financial Year ended 30 September 2007 as disclosed in the Prospectus of the Company dated 31 March 2008 and the accompanying notes attached to this interim financial report)

DAYANG ENTERPRISE HOLDINGS BHD (712243-U)
Condensed Consolidated Balance Sheet as at 31 March 2008

	UNAUDITED AS AT 31-Mar-08 RM'000	AUDITED AS AT 30-Sep-07 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	129,784	N/A
Deferred tax assets	25	N/A
	129,809	N/A
CURRENT ASSETS		
Inventories	1,979	N/A
Trade receivables	78,658	N/A
Other receivables	2,389	N/A
Cash and bank balances	116,510	N/A
	199,536	N/A
TOTAL ASSETS	329,345	N/A
EQUITY AND LIABILITIES		
EQUITY		
Share capital	133,063	N/A
Share premium	10,150	N/A
Retained profit	28,022	N/A
TOTAL EQUITY	171,235	N/A
NON CURRENT LIABILITIES		
Long term borrowings	60,000	N/A
Deferred tax liabilities	1,506	N/A
TOTAL NON CURRENT LIABILITIES	61,506	N/A
CURRENT LIABILITIES		
Trade payables	32,176	N/A
Other payables	35,734	N/A
Short term borrowings	21,920	N/A
Tax payables	6,774	N/A
TOTAL CURRENT LIABILITIES	96,604	N/A
TOTAL LIABILITIES	158,110	N/A
TOTAL EQUITY AND LIABILITIES	329,345	N/A
Net Asset per share (sen)	64.34	N/A

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the Financial Year ended 30 September 2007 as disclosed in the Prospectus of the Company dated 31 March 2008 and the accompanying notes attached to this interim financial report)

DAYANG ENTERPRISE HOLDINGS BHD (712243-U)**Condensed Consolidated Statement of Changes in Equity****For the second quarter ended 31 March 2008(Unaudited)**

	Attributable to the equity holders of the parent			
	Share Capital RM'000	Share Premium RM'000	Retained Profit RM'000	Total Equity RM'000
Balance as at 01 October 2007	***	-	(6)	(6)
Acquisition of subsidiary companies	122,913	-	-	122,913
Rights Issue	10,150	10,150	-	20,300
Profit for the period	-	-	28,028	28,028
Balance as at 31 March 2008	<u>133,063</u>	<u>10,150</u>	<u>28,022</u>	<u>171,235</u>

*** denote RM1.00

(The Condensed Consolidated statement of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the Financial Year ended 30 September 2007 as disclosed in the Prospectus of the Company dated 31 March 2008 and the accompanying notes attached to this interim financial report)

DAYANG ENTERPRISE HOLDINGS BHD (712243-U)**Condensed Consolidated Cash Flow Statements****For the second quarter ended 31 March 2008(Unaudited)**

Current year to date ended 31-Mar-08 RM'000	Corresponding year to date ended 31-Mar-07 RM'000
--	--

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax	58,376	N/A
Adjustment for Non Cash items	(49,056)	N/A
Operating profit before changes in working capital	9,320	N/A
<u>Working Capital Changes</u>		
(Increase)/decrease in inventories	1,288	N/A
(increase)/decrease in receivables	(14,875)	N/A
Increase/(decrease) in payables	34,193	N/A
Working capital changes total	20,606	N/A
Cash generated from operations	29,926	N/A
Interest received	175	N/A
Interest paid	(281)	N/A
Tax paid	(584)	N/A
Total Interest and tax paid	(690)	N/A
Net cash generated from operating activities	29,235	N/A

CASH FLOWS FROM INVESTING ACTIVITIES

Effect of acquisition of subsidiary companies, net of cash acquired	42,080	N/A
Sale of investment in Ambank Fund	25,000	N/A
Purchase of property, plant and equipment	(98)	N/A
Net cash generated from investing activities	66,983	N/A

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of shares	20,300	N/A
Payments of hire purchase	(8)	N/A
Net cash generated from financing activities	20,292	N/A
Net Increase In Cash and cash equivalents	116,510	N/A
Cash and cash equivalents at the beginning of the year	-	N/A
Cash and cash equivalents at the end of the period	116,510	N/A

Breakdown of cash and cash equivalents at the end of the period:-

Short term deposits	77,944	N/A
Cash and bank balances	38,566	N/A
	116,510	N/A

(The Condensed Consolidated Cash Flow statement should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the Financial Year ended 30 September 2007 as disclosed in the Prospectus of the Company dated 31 March 2008 and the accompanying notes attached to this interim financial report)

DAYANG ENTERPRISE HOLDINGS BHD (712243-U)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 31 MARCH 2008**

A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of reporting preparation

The interim financial statements is unaudited and has been prepared in accordance with Financial Reporting Standards 134 (FRS134): "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Appendix 9B part A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). This is the first interim financial report on the consolidated results for the second quarter ended 31 March 2008 announced by the Company in compliance with the Listing Requirements and in conjunction with the admission of the Company to the Main Board of Bursa Securities and as such, there are no comparative figures for the preceding year's corresponding period.

The accounting policies and methods of computation adopted by the Group in this interim financial report are in compliance with the new and revised Financial Reporting Standards issued by the MASB.

The interim financial statements should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 30 September 2007 as disclosed in the Prospectus of the Company dated 31 March 2008 and the accompanying explanatory notes attached to this interim financial report

A2. Auditors' report

There was no qualification on the audited financial statements of the Company for the financial year ended 30 September 2007.

A3. Seasonal or cyclical factors

Seasonality due to weather is not foreseen to affect the vessel chartering operations. However, the offshore topside maintenance operations will be affected by bad weather at end of the year and this has been taken into consideration in the Group's annual business plan

A4. Items of unusual nature and amount

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual because of their nature, size or incidence for the financial period under review save for a negative goodwill of RM21.5 million included in other operating income for the current quarter and financial year to date. The negative goodwill is in respect of excess of fair value of assets and liabilities of Dayang Enterprise Sdn Bhd ("DESB"), DESB Marine Services Sdn Bhd ("DMMSB") and Fortune Triumph Sdn Bhd ("FTSB") as at the date of their acquisition by the Company over their purchase consideration. In compliance with the Financial Reporting Standard 3: Business Combinations, this negative goodwill is recognised in the income statement.

A5. Material changes in estimates

There were no changes in the estimates of amounts relating to the prior financial years that have a material effect in the financial period under review.

A6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

On 29 February 2008, the Company issued 245,825,998 new ordinary shares of RM0.50 each for a total consideration of RM122,913,259 to all the shareholders of DESB, DMMSB and FTSB in relation to the acquisition of their entire equity interest.

On 29 February 2008, the Company issued 20,300,000 new ordinary shares of RM0.50 each, being rights issue to the shareholders of the Company, at an issue price of RM1.00 per new ordinary share.

Save for the above, there were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period under review.

A7. Dividends paid

No dividends have been paid by the Company in the financial period under review.

A8. Segmental information

The Group is organized into the following operating segments:-

1. Investment holdings
2. Offshore Topside Maintenance Services
3. Charter of Marine Vessels
4. Rental of offshore equipment

Segmental Reporting

Cummulative 6 months ended 31 March 2008	Investment Holding RM'000	Offshore TMS RM'000	Marine Charter RM'000	Equipment rental RM'000	Consolidated RM'000
Revenue	-	76,370	15,722	2,183	94,275
Results					
Profit from operation		41,910	6,319	1,587	49,816
Other operating income					22,113
Administration costs					(11,220)
Finance costs					(2,333)
Profit before tax					58,376
Taxation					(8,821)
Profit after tax					49,555
Pre-acquisition profit					(21,527)
Profit for the period					28,028

A9. Valuation of property, plant and equipment

The property, plant and equipment of the subsidiary companies have been brought forward without amendment from their previous annual financial statements save for the marine vessels of DMSSB which have been re-stated in order to reflect the fair value of these properties in the consolidated financial statements at the time of acquisition of DMSSB by the Company as disclosed in Note A12.

A10. Capital commitments

Capital commitment as at end of the current quarter and financial year to date are as follows:-

	31 March 2008
	RM'000
Approved and contracted for	<u>41,160</u>

A11. Material events subsequent to the end of period reported

There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period save for the proceeds from the initial public offerings as disclosed in Note B8.

A12. Changes in composition of the group

There were no changes in the composition of the Group in the interim financial period save for the acquisition of Dayang Enterprise Sdn Bhd ("DESB"), DESB Marine Services Sdn Bhd ("DMSSB") and Fortune Triumph Sdn Bhd ("FTSB") pursuant to the listing exercise.

Acquisition of the entire issued and paid-up share capital of DESB comprising of 2,600,000 ordinary shares of RM1.00 each for a total purchase consideration of RM62,503,443 determined based on the audited consolidated net tangible assets of DESB as at 30 September 2007 after deducting a net dividend of RM4,000,000 declared in respect of the FYE 30 September 2007 and paid on 31 October 2007. The purchase consideration of DESB is satisfied by the issuance of 125,006,621 new ordinary shares of RM0.50 each in the Company. The acquisition of DESB was completed on 29 February 2008.

Acquisition of the entire issued and paid-up share capital of DMSSB comprising of 11,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM55,871,579 determined based on the audited consolidated net tangible assets of DMSSB as at 30 September 2007 and taking into consideration a net revaluation surplus on the three marine vessels of DMSSB of RM25,053,136. The purchase consideration of DESB is satisfied by the issuance of 111,742,922 new ordinary shares of RM0.50 each in the Company. The acquisition of DMSSB was completed on 29 February 2008.

Acquisition of the entire issued and paid-up share capital of FTSB comprising of 20,000 ordinary shares of RM1.00 each for a total purchase consideration of RM4,538,237 determined based on the audited consolidated net tangible assets of FTSB as at 30 September 2007. The purchase consideration of FTSB is satisfied by the issuance of 9,076,455 new ordinary shares of RM0.50 each in the Company. The acquisition of FTSB was completed on 29 February 2008.

A13. Contingent Liabilities and Contingent Assets

Save as disclosed below, there were no contingent liabilities or contingent assets that had arisen since the last annual balance sheet date.

DESB has made a claim against Sarawak Shell Berhad and Sabah Shell Petroleum Co. Ltd for wrongful premature termination of an offshore maintenance contract in year 2002. The amount claimed by DESB was RM10,160,445 together with general damages, interests and costs thereon. The matter is being arbitrated and the date of forthcoming arbitration proceeding has not been fixed. In view of the uncertainty of the timing and actual outcome of the claim, no amount arising from this event has been taken up in the financial statements.

A14. Operating lease arrangements

As at 26 September 2007, the Group has entered into non-cancellable operating lease agreements for the use of one unit used Kobelco RK250-2 rough terrain crane. The future aggregate minimum lease payments are as follows:

	RM'000
Not later than 1 year	55
Later than 1 year and not later than 5 years	182
Later than 5 years	-
	<u>237</u>

A15. Significant related party transactions

The company had the following transactions with related parties during the financial quarter:

Transactions with Director related companies:-	Transaction Value for 6 months ended 31 March 2008 RM'000	Balance outstanding as at 31 March 2008 RM'000
Ling Suk Kiong and Joe Ling Siew Loung @ Lin Shou Long	330	-
Ling Suk Kiong and his spouse Wong Siew Hong	15	-
Joe Ling Siew Loung @ Lin Shou Long and his spouse Chong Siaw Choon	17	-
	<u>362</u>	<u>-</u>

In the opinion of the directors, the above transactions have been entered into in the ordinary course of business and have been established under terms no less favourable than those transacted with unrelated parties.

DAYANG ENTERPRISE HOLDINGS BHD (712243-U)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 31 MARCH 2008**

B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B1. Review of performance of the Company and its principal subsidiaries

For the financial year to date, the Group recorded a pre-tax profit (before deducting pre-acquisition profit) of RM58.4 million.

The pre-tax profit included a negative goodwill on acquisition of DESB, DMSSB and FTSB of RM21.5 million.

In the opinion of the Directors, the result for the current quarter and financial year to date have not been affected by any transactions or events of a material nature which has arisen between 31 March 2008 and the date of this report.

B2. Material changes in the quarterly results compared to the results of the preceding quarter

Not applicable as this is the first quarter in which the consolidated results of the Group is presented.

B3. Prospects for the current financial year

Barring any unforeseen circumstances, the Directors remain positive with the Group's prospects and, in the opinion of the Directors, the Group is likely to achieve its profit forecast for the current financial year.

B4. Profit forecast and profit guarantee

Not applicable to this quarter as the profit forecast provided in the Prospectus dated 31 March 2008 is for 15 months ending 31 December 2008.

B5. Taxation

Current tax:	Current year quarter RM'000	Current year to date RM'000
Malaysian income tax	5,035	8,821
Deferred income tax	-	-
Total	<u>5,035</u>	<u>8,821</u>

The lower effective tax rate applicable to the Group for the current quarter and financial year to date was mainly due to exemption from income tax under Section 54A of the Income Tax Act, 1967, in respect of revenue derived from charter of DMSSB's marine vessels as well as the inclusion of a non-taxable income namely the negative goodwill of RM21.5 million in the results for the said periods.

B6. Profit from sale of unquoted investments and/or properties

There were no disposal of unquoted investment and properties for the current quarter and financial year to date.

B7. Quoted securities

There were no purchase or disposal of quoted securities for the current quarter and financial year to date and the Group did not hold any quoted securities as at the end of financial year to date.

B8. Status of corporate proposal

In conjunction with the flotation exercise undertaken by the Company, the Company has, on 31 March 2008, issued a Prospectus in relation to the following:-

Public issue of 85,874,000 new ordinary shares of RM0.50 each in the Company at an issue price of RM1.45 payable in full upon application comprising:

1. 17,600,000 new ordinary shares of RM0.50 each available for application by the Malaysian Public
2. 59,774,000 new ordinary shares of RM0.50 each available for private placement to selected investors: and
3. 8,500,000 new ordinary shares of RM0.50 each available for application by eligible Directors, Employees and Business

The admission to the official list and the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of Bursa Securities is due on 24 April 2008.

B9. Group borrowings and debt securities

Total Group's borrowings as at 31 March 2008 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings		21,920	21,920
Long term borrowings	60,000		60,000
	<u>60,000</u>	<u>21,920</u>	<u>81,920</u>

There are no foreign currency borrowings.

B10. Off balance sheet financial instruments

The Group does not have any financial instruments with off-balance sheet risk.

B11. Material litigation

Save as disclosed below, as at 18 April 2008, (not earlier than 7 days from the date of issue of the interim financial report), our Company and our subsidiaries are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company or subsidiaries and our Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business or our Company or any of our subsidiaries:

DESB has made a claim against Sarawak Shell Berhad and Sabah Shell Petroleum Co. Ltd for wrongful premature termination of an offshore maintenance contract in year 2002. The amount claimed by DESB was RM10,160,445 together with general damages, interests and costs thereon. The matter is being arbitrated and the date of forthcoming arbitration proceeding has not been fixed. In view of the uncertainty of the timing and actual outcome of the claim, no amount arising from this event has been forecasted.

B12. Dividends

There were no dividends proposed or declared for the current quarter and financial year to date.

B13. Earnings per share

The calculation of basic earnings per share for the current quarter and financial year to date are based on the Group profit attributable to the equity holders of the parent of RM28.028 million for the current quarter and RM28.028 million for the financial year to date divided by 93.583 million shares and 46.536 million shares respectively, being the weighted average no of ordinary shares in issue for the current quarter and financial year to date.

Weighted average no. of ordinary shares in issue for the current quarter:

	Date of issue	Valid starting date	Reporting date	No. of shares issued	No of valid days	Total no of days up to reporting date	Weighted average no of ordinary shares
No. of shares at beginning of the quarter	10-Oct-05	1-Jan-08	31-Mar-08	2	91	91	2
Issue of shares pursuant to acquisitions of subsidiary companies	29-Feb-08	29-Feb-08	31-Mar-08	245,825,998	32	91	86,444,307
Right issue of ordinary shares	29-Feb-08	29-Feb-08	31-Mar-08	20,300,000	32	91	7,138,462
				266,126,000			93,582,771

Weighted average no. of ordinary shares in issue for the financial year to date

	Date of issue	Valid starting date	Reporting date	No. of shares issued	No of valid days	Total no of days up to reporting date	Weighted average no of ordinary shares
No. of shares at beginning of the year	10-Oct-05	1-Oct-07	31-Mar-08	2	183	183	2
Issue of shares pursuant to acquisitions of subsidiary companies	29-Feb-08	29-Feb-08	31-Mar-08	245,825,998	32	183	42,985,967
Right issue of ordinary shares	29-Feb-08	29-Feb-08	31-Mar-08	20,300,000	32	183	3,549,727
				266,126,000			46,535,696