

**DAYANG ENTERPRISE HOLDINGS BHD** (712243-U)  
**Condensed Consolidated Income Statement**  
**For the Fifth Quarter ended 31 December 2008(Unaudited)**

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	Current Quarter Ended 31-Dec-08 RM'000	Corresponding Quarter Ended 31-Dec-07 RM'000	Cummulative Period To Date 31-Dec-08 RM'000	Corresponding Year To Date 31-Dec-07 RM'000
Revenue	84,277	N/A	218,690	N/A
Operating expenses	(56,547)	N/A	(127,926)	N/A
<b>Gross profit</b>	<b>27,730</b>	<b>N/A</b>	<b>90,764</b>	<b>N/A</b>
Other operating Income	801	N/A	24,871	N/A
Administration expenses	(9,634)	N/A	(24,723)	N/A
Finance costs	(29)	N/A	(3,643)	N/A
<b>Profit before tax</b>	<b>18,868</b>	<b>N/A</b>	<b>87,269</b>	<b>N/A</b>
Taxation	(5,217)	N/A	(17,157)	N/A
<b>Profit after tax</b>	<b>13,651</b>	<b>N/A</b>	<b>70,112</b>	<b>N/A</b>
Minority interest	-	N/A	-	N/A
<b>Profit for the period</b>	<b>13,651</b>	<b>N/A</b>	<b>70,112</b>	<b>N/A</b>
<b>Profit for the period attributable to Equity holders of the parent</b>	<b>13,651</b>	<b>N/A</b>	<b>70,112</b>	<b>N/A</b>

Weighted average number of shares in issue ('000)	352,000	N/A	226,948	N/A
EPS-Basic (sen)	3.88	N/A	30.89	N/A
EPS-Diluted (sen)	-	N/A	-	N/A

\*\*\* Results reflects post-acquisition results of subsidiaries acquired on 29 February 2008.

**DAYANG ENTERPRISE HOLDINGS BHD** (712243-U)  
**Condensed Consolidated Income Statement**  
**For the Fifth Quarter ended 31 December 2008(Unaudited)**

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 upon completion of the following acquisitions by the Company:

- (i) Acquisition of 2,600,000 ordinary shares of RM1.00 each representing the entire issued & paid-up share capital of Dayang Enterprise Sdn Bhd, for a total consideration of RM62,503,443.
- (ii) Acquisition of 11,000,000 ordinary shares of RM1.00 each representing the entire issued & paid -up share capital of DESB Marine Services Sdn Bhd, for a total consideration of RM55,871,579.
- (iii) Acquisition of 20,000 ordinary shares of RM1.00 each representing the entire issued & paid-up share capital of Fortune Triumph Sdn Bhd, for a total consideration of RM4,538,237.

The results for the current quarter and financial period to date reflects the post-acquisition results of the Group forthwith the completion of the above acquisitions.

The negative goodwill arising from the acquisitions amounting to RM21.04 million is included in the other operating income for the financial period to date.

(2) For illustrative purpose, the basic EPS for the current quarter and financial period to date based on results excluding the negative goodwill are as follows:-

	Current quarter ended 31-Dec-08 RM'000	Cummulative period to date 12 months ended 31-Dec-08 RM'000
Profit attributable to equity holders of the parent	13,651	70,112
Negative goodwill	-	(21,037)
Post-acquisition profit attributable to equity holders of the parent	13,651	49,075
EPS-Basic (sen)	3.88	21.62

(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 December 2008**

	<b>UNAUDITED AS AT 31-Dec-08 RM'000</b>	<b>AUDITED AS AT 31-Dec-07 RM'000</b>
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	159,082	N/A
Prepaid land lease payments	2,905	N/A
Deferred tax assets	34	N/A
	162,021	N/A
<b>CURRENT ASSETS</b>		
Inventories	1,818	N/A
Trade receivables	103,146	N/A
Other receivables	1,435	N/A
Other investments	10,177	
Cash and bank balances	97,156	N/A
	213,732	N/A
<b>TOTAL ASSETS</b>	<b>375,753</b>	<b>N/A</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	176,000	N/A
Share premium	87,071	N/A
Retained profit	51,872	N/A
<b>TOTAL EQUITY</b>	<b>314,943</b>	<b>N/A</b>
<b>NON CURRENT LIABILITIES</b>		
Long term borrowings	-	N/A
Deferred tax liabilities	3,632	N/A
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>3,632</b>	<b>N/A</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	40,601	N/A
Other payables	9,804	N/A
Short term borrowings	148	N/A
Tax payables	6,625	N/A
<b>TOTAL CURRENT LIABILITIES</b>	<b>57,178</b>	<b>N/A</b>
<b>TOTAL LIABILITIES</b>	<b>60,810</b>	<b>N/A</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>375,753</b>	<b>N/A</b>
Net Assets per share (sen)	89	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 Fifth Quarter ended 31 December 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
Public Issue	42,937	81,580		124,517
Less: Expenses relating to flotation exercise		(4,659)		(4,659)
Profit for the period	-	-	70,112	70,112
Dividend paid			(18,234)	(18,234)
Balance as at 30 September 2008	<u>176,000</u>	<u>87,071</u>	<u>51,872</u>	<u>314,943</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 Fifth Quarter ended 31 December 2008(Unaudited)**

	Current period to date ended 31-Dec-08 RM'000	Corresponding year to date ended 31-Dec-07 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	87,269	N/A
Adjustments for:-		
- Non-cash items	(15,130)	N/A
- Non-operating items	(208)	N/A
Operating profit before changes in working capital	71,931	N/A
<u>Working Capital Changes</u>		
Decrease in inventories	1,450	N/A
Increase in receivables	(46,092)	N/A
Increase in payables	24,349	N/A
Working capital changes total	(20,293)	N/A
<b>Cash generated from operations</b>	<b>51,638</b>	N/A
Interest received	3,851	N/A
Interest paid	(5,203)	N/A
Tax paid	(14,171)	N/A
Total Interest and tax paid	(15,523)	N/A
<b>Net cash generated from operating activities</b>	<b>36,115</b>	N/A
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment with AmInvestment Services Berhad-Amincome fund	(10,177)	N/A
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	(37,173)	N/A
Acquisition of leasehold land	(547)	N/A
<b>Net cash generated from investing activities</b>	<b>19,183</b>	N/A
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	144,817	N/A
Listing expenses	(4,659)	N/A
Repayment of borrowings	(80,000)	N/A
Payments of hire purchase	(66)	N/A
Dividends paid	(18,234)	N/A
<b>Net cash generated from financing activities</b>	<b>41,858</b>	N/A
<b>Net Increase In cash and cash equivalents</b>	<b>97,156</b>	N/A
<b>Cash and cash equivalents at the beginning of the period</b>	<b>-</b>	N/A
<b>Cash and cash equivalents at the end of the period</b>	<b>97,156</b>	N/A
<b>Breakdown of cash and cash equivalents at the end of the period:-</b>		
Short term deposits	68,215	N/A
Cash and bank balances	28,941	N/A
	<b>97,156</b>	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)

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

**A1. Basis of reporting preparation**

The interim financial statements are 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").

The same accounting policies and methods of computation are followed in the interim financial statements as compared to the most recent annual financial statements of the Company and its subsidiary companies save for the adoption of the new and revised Financial Reporting Standards ("FRSs") and Issues Committee ("IC") Interpretations issued by the MASB effective for the period under review. The adoption of the new and revised FRSs and IC Interpretations does not have any significant impact on the results of the Group.

There are no comparative figures for the preceding year's corresponding periods as the Company was only listed on 24 April 2008. 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.

The financial year end of the Group has been changed from 30 September to 31 December. As such the current financial period is for 15 months ending 31 December 2008.

**A2. 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 factor has been taken into consideration in the Group's annual business plan.

**A3. 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 RM21.037 million included in other operating income for the financial period 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.

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

**A4. Material changes in estimates**

There were no changes in the estimates of amounts reported in the prior interim periods of the current financial period or changes in the estimates of amounts relating to the prior financial years that have a material effect in the the current quarter and financial period to date.

**A5. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities**

In connection with the flotation exercise undertaken by the Company, the Company issued the following new ordinary shares:-

(i) 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;

(ii) 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; and

(iii) On 17 April 2008, the Company issued 85,874,000 new ordinary shares of RM0.50 each at an issue price of RM1.45 per ordinary share pursuant to the Public Issue mentioned in note B8.

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 current quarter and financial period to date.

**A6. Dividends paid**

An interim dividend, in respect of the financial period ended 31 December 2008, of 7 sen per share less tax of 26% amounted to RM18,233,600 was paid to shareholders on 1 September 2008.

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

A7. Segmental information

The Group is organized into the following operating segments:-

1. Investment holding
2. Offshore Topside Maintenance Services ("Offshore TMS")
3. Charter of Marine Vessels ("Marine Charter")
4. Rental of offshore equipment ("Equipment Rental")

**Segmental Reporting**

Cummulative 15 months ended 31 December 2008	Investment Holding RM'000	Offshore TMS RM'000	Marine Charter RM'000	Equipment Rental RM'000	Total RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>							
External revenue		218,690			218,690		218,690
Inter-segment revenue			42,223	4,932	47,155	(47,155)	-
	-	218,690	42,223	4,932	265,845	(47,155)	218,690
<b>Results</b>							
Segment results	12	51,987	10,432	3,593	66,024		66,024
Interest expense	-	(15)	(3,628)	-	(3,643)		(3,643)
Interest income	2,085	1,333	351	82	3,851		3,851
Negative goodwill	21,037				21,037		21,037
<b>Profit before tax</b>							87,269
<b>Taxation</b>							(17,157)
<b>Profit after tax</b>							<u>70,112</u>

A8. 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 A11.

A9. Capital commitments

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

	<b>31-Dec-08</b>
	RM'000
Approved and contracted for	<u>30,870</u>

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

**A10. Material events subsequent to the end of period reported**

There are no material events subsequent to the end of the current quarter and financial period to date up to 20 February 2009 (not earlier than 7 days from the date of announcement of this interim financial report) that have not been reflected in the financial statements for the current quarter and financial period to date.

**A11. Changes in composition of the group**

There were no changes in the composition of the Group during the current quarter and financial period to date 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 as follows:-

(i) 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. 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.

(ii) 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. 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.

(iii) 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. 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.

**Acquisition of Subsidiary Companies**

**(i) Effect of acquisition of subsidiary companies, net of cash acquired**

The fair values of the assets acquired and the liabilities assumed at the effective date of acquisition are as follows:-

	Group RM'000
Property, plant and equipment	127,816
Deferred tax asset	25
Prepaid land lease payments	2,358
Other investments	25,000
Inventories	3,268
Trade and other receivables	59,873
Cash and bank balances	42,080
Trade and other payables	(27,434)
Loans and borrowings	(81,774)
Taxation	(5,266)
Deferred taxation	(1,996)
Total net assets	<u>143,950</u>
Excess of fair value over acquisition cost	<u>(21,037)</u>
Total purchase consideration	122,913
Less: Cash and cash equivalents of subsidiary companies acquired	(42,080)
Acquisition with share exchange	<u>(122,913)</u>
Effect of acquisition of subsidiary companies, net of cash acquired	<u><u>(42,080)</u></u>

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

(ii) Effect on Consolidated Income Statement

The effects on the consolidated results of the Group from the effective date of acquisition are as follows:-

	From the date of acquisition to 31-Dec-08 RM'000
Revenue	218,690
Operating expenses	<u>(127,925)</u>
<b>Gross profit</b>	90,765
Other operating Income	1,749
Administration expenses	(22,935)
Finance costs	<u>(3,643)</u>
<b>Profit before tax</b>	65,936
Taxation	<u>(16,655)</u>
<b>Profit after tax</b>	49,281
Minority interest	<u>-</u>
<b>Increase in Group's net profit at the end of financial year</b>	<u><u>49,281</u></u>

(iii) Effect on Consolidated Financial Position

	Group 2008 RM'000
Property, plant and equipment	158,802
Capital work-in-progress	277
Deferred tax asset	34
Prepaid land lease payments	2,905
Other investments	
Inventories	1,818
Trade and other receivables	104,576
Cash and bank balances	69,097
Trade and other payables	(154,177)
Loans and borrowings	(148)
Taxation	(6,401)
Deferred taxation	<u>(3,632)</u>
<b>Increase in Group's net assets</b>	<u><u>173,151</u></u>

A12. 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.

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

A13. Significant related party transactions

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

Transactions with Directors and company in which the Directors have substantial financial interest:-	Nature	Amount for 15 months ended 31 December 2008		Unsettled balance as at 31 December 2008
		Expenses RM'000	Income RM'000	RM'000
Ling Suk Kiong and Joe Ling Siew Loung @ Lin Shou Long	Rental of open yard fabrication facilities with workshop, warehouse and office	825		-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office	38		-
Joe Ling Siew Loung @ Lin Shou Long and his spouse Chong Siaw Choon	Rental of office	46		-
S.K. Ling & Sons	Rental of equipment	129	2	-
S.K. Ling & Sons	Purchase of plant and machinery	495		-
		<u>1,533</u>	<u>2</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 FIFTH QUARTER  
ENDED 31 DECEMBER 2008**

**B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**

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

For the current quarter, the Group recorded a pre-tax profit of RM18.9 million on the back of revenue of RM84.3 million.

For the financial period to date, the Group recorded a post-acquisition pre-tax profit of RM87.3 million. The pre-tax profit included a negative goodwill on acquisition of DESB, DMSSB and FTSB of RM21.037 million.

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

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

	Current Quarter	Preceding Quarter	Variance	
	ended 31 December 2008 RM'000	ended 30 September 2008 RM'000	RM'000	%
Revenue	84,277	71,137	13,140	18
Post-acquisition profit before tax	18,868	18,968	(100)	(1)

The higher revenue of RM84.3 million for the current quarter as compared to RM71.1 million for the preceding quarter is mainly due to an additional revenue from more work orders received and increased in works and activities.

While revenue increased by RM13.1 million ie. 18%, gross profit only increased by RM2.2 million ie. 9% in view of the fact that the additional work orders have a lower profit margin contribution.

Overall, profit before tax is still maintained compared to the previous quarter because administration expenses increased by RM3.6 million compared to the last quarter because of bonuses amounting to RM4.0 million which was paid in December 2008, although partially mitigated by an interest savings of RM2.0 million in the current quarter forthwith full repayment of the Group's Islamic medium term notes in October 2008.

**B3. Prospects for the next financial year**

For the current 15 months financial period under review, the Group has already achieved RM70.1 million profit after tax, well exceeding the profit forecast of RM45.2 million of 15 months for the period ending 31 December 2008 as stated in the prospectus.

The recent award of 2 additional contracts with an estimated worth of RM200.0 million is expected to contribute positively to the earnings of the Group for the financial year ending 31 December 2009 and beyond. The Directors remain positive of the Group's prospects for the 1st quarter of the next financial year as the Group has on going contracts exceeding RM500 million to last at least until year 2010. The Group currently has tendered for RM400 million worth of contracts and is still awaiting for the favourable outcome of some of these tenders. Should these materialise, they would contribute positively to the future prospects.

While the Directors are optimistic on the future prospects, the current global economic turmoil may add uncertainties to any on going business. It is imperative therefore that the Directors would exercise prudence and caution in facing the challenging and harsh economic environment in order to preserve shareholders' value.

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(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER  
ENDED 31 DECEMBER 2008**

**B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**

**B4. Profit forecast and profit guarantee**

There was no profit guarantee issued by the Group.

The profit forecast as stated in the prospectus is as summarised below:-

	Forecast		## Post- acquisition RM'000	Actual Post-acquisition RM'000	Variance	
	Total Pre-acquisition RM'000	RM'000			Post- acquisition RM'000	%
Operating revenue	183,199	61,066	122,133	218,690	96,557	79%
Gross profit	87,123	29,041	58,082	90,764	32,682	56%
Profit before tax	59,993	19,998	55,057	87,269	32,212	59%
Profit after tax	45,187	15,062	45,187	70,112	24,925	55%
Gross profit margin	48%	48%	48%	42%		

## Forecast post-acquisition profit before tax and profit after tax includes gain on acquisition of subsidiary companies (negative goodwill) of RM15.062 million.

For the current financial period ended 31 December 2008, the Group recorded operating revenue of RM218.7 million as compared to the forecast post-acquisition operating revenue of RM122.1 million, an increase of RM96.6 million or 79%. The increase in operating revenue is essentially due to higher revenue chalked up by more work orders as a result of increased scheduled maintenance works and activities offshore as well as unplanned shut-down of activities which were not taken into account in the forecast. The urgency and requirements of maintenance activities were high as price of crude oil breached USD140/barrel. In addition, the procurement of a new contract was not forecasted. The additional operating revenue chalked up by more work orders as well as the contribution from the new contract totalled to RM96.5 million.

Actual gross profit ("GP") achieved for the financial period ended 31 December 2008 of RM90.8 million was higher as compared to the forecasted post-acquisition GP of RM58.1 million, an increase of 56%. However the increase in the actual GP of 56% is lesser than the increase in the actual operating revenue of 79% mainly due to lower actual GP margin achieved of 42% as compared to the forecast GP margin of 48%. The lower actual GP margin as compared to the forecast was mainly caused by lower GP margin derived from additional work orders due to higher requirements of third party services where lower mark-up applied. In addition, a "foreign contract" which was forecasted with a higher GP margin but did not materialise had also contributed to the dilution in the GP margin.

For the current financial period ended 31 December 2008, the Group recorded post acquisition profit before tax ("PBT") of RM87.3 million as compared to RM55.1 million as forecasted for the prospectus after taking into account the forecasted gain on acquisition of subsidiary companies of RM15.1 million. The higher actual PBT is mainly due to:-

- (a) Increase in operating revenue and gross profit as explained above;
- (b) An increase in other income due to interest earned from time deposits of RM3.1 million which was not forecasted;

The higher actual PBT was, however, partially mitigated by the following:-

- (i) an increase in depreciation charge due to the purchase of additional workboat in the financial period; and
- (ii) higher administrative expenses incurred mainly due to an increase in legal and professional fees incurred for the on-going arbitration case which was prolonged than expected.

**DAYANG ENTERPRISE HOLDINGS BHD** (712243-U)  
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INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER  
ENDED 31 DECEMBER 2008

**B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**

**B5. Taxation**

	Current quarter RM'000	Current period to date RM'000
Malaysian income tax	5,217	17,157
Deferred income tax	-	-
Tax expense	<u>5,217</u>	<u>17,157</u>

The lower effective tax rate applicable to the Group for the current quarter and financial period 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. The lower effective tax rate for the financial period to date is also due to the inclusion of a non-taxable income namely the negative goodwill of RM21.04 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 period to date.

**B7. Quoted securities**

**(A) Movement in unit trusts:**

	Current quarter ended 31-Dec-08 RM'000	Cummulative Period to date 31-Dec-08 RM'000
At beginning of the period	10,000	-
From subsidiaries acquired	-	25,000
Addition	177	10,177
Disposal	-	(25,000)
At end of the period	<u>10,177</u>	<u>10,177</u>
Market value	10,177	10,177

**(B) Profit from disposal of quoted securities**

	Current quarter ended 31-Dec-08 RM'000	Cummulative Period to date 31-Dec-08 RM'000
Disposal proceeds	-	25,000
Less: cost	-	(25,000)
Profit	<u>-</u>	<u>-</u>

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**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:

**(A) Public issue**

Public issue of 85,874,000 new ordinary shares of RM0.50 each in the Company at an issue price of RM1.45 per ordinary share 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 Associates of the Company and its subsidiaries.

The Initial Public Offering("IPO") was completed on 24 April 2008.

**(B) Listing**

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 was successfully done on 24 April 2008.

**(C) Status of utilisation of proceeds**

As at the end of the current quarter and financial period to date, the status of utilisation of the proceeds as compared to the actual utilisation is as follows:-

	Proposed utilisation	Actual utilisation	Intended time frame for utilisation	Remark
	RM'000	RM'000	RM'000	RM'000
Full redemption of Islamic medium term notes	60,000	60,000	Within 6 months after listing	- available for use
Part finance the construction of marine vessels and/or acquisition of equipment and machinery	51,450	21,290	Within 24 months after listing	30,160 available for use
Payment of estimated expenses relating to the flotation exercise	4,600	4,659	Within 3 months after listing	(59) See *** below
Working capital of the Group	28,767	22,420	Within 24 months after listing	6,347 available for use
	<u>144,817</u>	<u>108,369</u>		<u>36,448</u>

\*\*\* The excess of actual utilisation of share issue expenses over the proposed utilisation will be deducted from the actual utilisation for working capital of the Group.

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**B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**

**B9. Group borrowings and debt securities**

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

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short term borrowings</b>			
Hire purchase	148	-	148
	<u>148</u>	<u>-</u>	<u>148</u>
<b>Long term borrowings</b>			
Islamic Medium Term Notes	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>148</u>	<u>-</u>	<u>148</u>

There are no foreign currency borrowings.

On 30 July 2008, a total payment of RM20,000,000.00 was paid to AmBank (M) Berhad for full settlement of revolving credit facility drawn down in December 2007.

On 22 September 2008, a total payment of RM52,420,236.53 was paid to CIMB Investment Bank Berhad for the redemption of outstanding Islamic Medium Term Notes, accrued profits and participation fee.

On 17 October 2008, a total payment of RM10,287,500.00 was paid to CIMB Investment Bank Berhad for the redemption of outstanding Islamic Medium Term Notes, accrued profits and participation fee.

**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 20 February 2009, (not earlier than 7 days from the date of announcement issue of this interim financial report), our Company and our subsidiaries are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which will have a material effect on the financial position of our Company or 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.

**B12. Dividends**

Total dividend paid for the financial period ending 31 December 2008	RM'000
7 sen per share less 26% income tax paid on 1st September 2008	<u>18,234</u>

The Board declared second interim dividend, in respect of the financial period ending 31 December 2008, of 7 sen per share less tax of 25% totalling RM18,480,000 payable to shareholders on 27 March 2009. The dividend entitlement date shall be 17 March 2009.

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**B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**

**B13. Earnings per share**

<b>Basic Earnings Per Share</b>	<b>Current Quarter Ended 31-Dec-08</b>	<b>Corresponding Quarter Ended 31-Dec-07</b>	<b>Cumulative Period Ended 31-Dec-08</b>	<b>Corresponding Period Ended 31-Dec-07</b>
Profit attributable to equity holders of the parent (RM'000)	13,651	N/A	70,112	N/A
Weighted average number of ordinary shares in issue ('000)	352,000	N/A	226,948	N/A
Basic earnings per share (sen)	3.88	N/A	30.89	N/A