DAYANG ENTERPRISE HOLDINGS BHD (712243-U)

Condensed Consolidated Income Statement
For the First Quarter ended 31 March 2009 (Unaudited)

	Current Quarter Ended	*** Corresponding Quarter Ended	Cumulative Year-To-Date	*** Corresponding Period-To-Date
	31-Mar-09	31-Mar-08 (Restated)	31-Mar-09	31-Mar-08 (Restated)
	RM'000	RM'000	RM'000	RM'000
Revenue	45,167	21,665	45,167	21,665
Operating expenses	(25,714)	(10,824)	(25,714)	(10,824)
Gross profit	**19,453**	**10,841**	**19,453**	**10,841**
Other operating Income	667	22,738	667	22,738
Administration expenses	(6,507)	(2,049)	(6,507)	(2,049)
Finance costs	(4)	(399)	(4)	(399)
Profit before tax	**13,609**	**31,131**	**13,609**	**31,131**
Taxation	(2,465)	(2,092)	(2,465)	(2,092)
Profit after tax	**11,144**	**29,039**	**11,144**	**29,039**
Minority interest	-	-	-	-
Profit for the period	**11,144**	**29,039**	**11,144**	**29,039**
Profit for the period attributable to Equity holders of the parent	**11,144**	**29,039**	**11,144**	**29,039**
Weighted average number of shares in issue ('000)	352,000	93,583	352,000	46,536
EPS-Basic/Diluted (sen)	3.17	31.03	3.17	62.40

*** The results for the quarter and period ended 31 March 2008 reflected the post-acquisition performances of subsidiaries acquired on 29 February 2008. Included therein was negative goodwill of RM22.536 million recognized following the acquisition of the subsidiaries. The negative goodwill has been restated from RM21.527 million to RM22.536 million based on the audited financial statements for the period ended 31 December 2008.

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements of the Company for the financial period ended 31 December 2008 and the accompanying notes attached to this interim financial report)

Condensed Consolidated Balance Sheet as at 31 March 2009 (Unaudited)

	UNAUDITED AS AT 31-Mar-09 RM'000	AUDITED AS AT 31-Dec-08 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	161,840	161,983
Other investments	10,243	10,177
Deferred tax assets	34	34
	172,117	172,194
CURRENT ASSETS		
Inventories	2,832	1,818
Trade receivables	98,223	104,524
Other receivables	2,225	1,893
Cash and bank balances	80,677	97,158
	183,957	205,393
TOTAL ASSETS	**356,074**	**377,587**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	176,000	176,000
Share premium	87,071	87,071
Retained profits	45,869	53,205
TOTAL EQUITY	**308,940**	**316,276**
NON CURRENT LIABILITIES		
Finance lease liabilities	63	63
Deferred tax liabilities	3,717	3,717
TOTAL NON CURRENT LIABILITIES	**3,780**	**3,780**
CURRENT LIABILITIES		
Trade payables	27,567	44,733
Other payables	10,137	6,013
Bank overdraft	-	2
Finance lease liabilities	64	85
Current tax payables	5,586	6,698
TOTAL CURRENT LIABILITIES	**43,354**	**57,531**
TOTAL LIABILITIES	**47,134**	**61,311**
TOTAL EQUITY AND LIABILITIES	**356,074**	**377,587**
Net Assets per share (Sen)	88	90

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements of the Company for the financial period ended 31 December 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 First Quarter ended 31 March 2009 (Unaudited)

	Attributable to the equity holders of the parent			
	Share Capital	Share Premium	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000
Balance as at 01 January 2008	-	-	(6)	(6)
Acquisition of subsidiaries	122,913	-	-	122,913
Rights issue	10,150	10,150	-	20,300
Profit for the period (Restated)	-	-	29,039	29,039
Balance as at 31 March 2008 (Restated)	133,063	10,150	29,033	172,246
Balance as at 01 January 2009	176,000	87,071	53,205	316,276
Acquisition of subsidiaries	-	-	-	-
Rights Issue	-	-	-	-
Public Issue	-	-	-	-
Less: Expenses relating to flotation exercise	-	-	-	-
Profit for the period	-	-	11,144	11,144
Dividend paid	-	-	(18,480)	(18,480)
Balance as at 31 March 2009	176,000	87,071	45,869	308,940

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial period ended 31 December 2008 and the accompanying notes attached to this interim financial report).

DAYANG ENTERPRISE HOLDINGS BHD (712243-U)

Condensed Consolidated Cash Flow Statements
For the First Quarter ended 31 March 2009 (Unaudited)

	Current Year-to-date 31-Mar-09 RM'000	Corresponding Period-to-date 31-Mar-08 (Restated) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	13,609	31,131
Adjustments for:-		
- Non-cash items	1,871	(22,049)
- Non-operating items	(635)	225
Operating profit before changes in working capital	14,845	9,307
Working Capital Changes		
Decrease in inventories	(1,013)	1,288
Increase in receivables	4,442	(12,573)
Increase in payables	(11,521)	34,538
Total working capital changes	(8,092)	23,253
Cash generated from operations	**6,753**	**32,560**
Interest received	639	175
Interest paid	(4)	(268)
Tax paid	(3,576)	(584)
Total Interest and tax paid	(2,941)	(677)
Net cash generated from operating activities	**3,812**	**31,883**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of other investment	(66)	-
Effect of acquisition of subsidiaries, net of cash acquired	-	42,080
Sale of other investment	-	25,000
Purchase of property, plant and equipment	(1,724)	(98)
Net cash generated from investing activities	**(1,790)**	**66,982**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	20,300
Payments of finance lease liabilities	(21)	(6)
Dividend paid	(18,480)	-
Net cash generated from financing activities	**(18,501)**	**20,294**
Net (decrease)/increase In cash and cash equivalents	**(16,479)**	**119,159**
Cash and cash equivalents at the beginning of the period	**97,156**	
Cash and cash equivalents at the end of the period	**80,677**	**119,159**
Breakdown of cash and cash equivalents at the end of the period:-		
Short term deposits	68,475	38,566
Cash and bank balances	12,202	80,593
	80,677	**119,159**

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements of the Company for the financial period ended 31 December 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.

The same accounting policies and methods of computation are followed in the preparation of the interim financial statements and the most recent annual financial statements of the Group 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.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial period ended 31 December 2008 and the accompanying explanatory notes attached to this interim financial report.

A2. Impending Change of Accounting Policies

The Group and the Company have not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

FRSs / Interpretations	**Effective date**
FRS 4, *Insurance Contracts*	1 January 2010
FRS 7, *Financial Instruments: Disclosures*	1 January 2010
FRS 8, *Operating Segments*	1 July 2009
FRS 123, *Borrowing Costs*	1 January 2010
FRS 139, *Financial Instruments: Recognition and Measurement*	1 January 2010
Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards* and FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*	1 January 2010
Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*	1 January 2010
IC Interpretation 9, *Reassessment of Embedded Derivatives*	1 January 2010
IC Interpretation 10, *Interim Financial Reporting and Impairment*	1 January 2010
IC Interpretation 11 *FRS 2, Group and Treasury Share Transactions*	1 January 2010
IC Interpretation 13, *Customer Loyalty Programmes*	1 January 2010
IC Interpretation 14, *FRS 119, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	1 January 2010

The Group and the Company plan to apply the abovementioned FRSs / Interpretations, other than FRS 4, Amendments to FRS 2 and IC Interpretations 9, 13 and 14 which are not applicable to the Group and the Company, from the annual period beginning 1 January 2010.

FRS 7 and FRS 139

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30 (b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed by virtue of the exemptions given in the respective FRSs.

FRS 8

FRS 8, which replaces FRS 114, *Segment Reporting*, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and segments. The segmental information for the current quarter (see note A9) is presented based on internal reports that are regularly reviewed by our Managing Director.

FRS 123

FRS 123 which replaces FRS 123_{2004}, removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets.

Amendments to FRS 1 and FRS 127

FRS 1 has been amended to allow first-time adopters of the FRS framework to measure the initial cost of investments in subsidiaries, jointly controlled entities (JCE) and associates either at fair value or the previous carrying amount. Without this amendment, first-time adopters may face practical difficulties on transition to the FRS framework as these investments would have to be measured in accordance with FRS 127 retrospectively. As a result, the requirement to distinguish between pre and post acquisition dividends from a subsidiary, JCE or associates is removed but at the same time, a new impairment indicator is included in the standard on impairment.

FRS 127 has also been amended to deal with situations where a parent reorganises its group by establishing a new entity as its parent. Under the new rules, the new parent measures the cost of its investment in the original parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the reorganisation date.

Amendments to FRS 2

The amendments to FRS 2 clarify that vesting conditions are service conditions and performance conditions only and do not include other features of a share-based payment; also the amendments clarify that cancellations by parties other than the entity are to be treated in the same way as cancellations by the entity.

IC Interpretation 10

IC Interpretation 10 prohibits the reversal of an impairment loss recognized in an interim period during the financial year in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. IC Interpretation 10 will apply to goodwill, investments in equity instruments, and financial assets carried at cost prospectively from the date the Group first applied the measurement criteria of FRS 136, *Impairment of Assets* and FRS 139 respectively.

IC Interpretation 11

IC Interpretation 11 clarifies how share-based payment transactions involving its own or another entity's instruments in the same group are to be treated and that cancellations by parties other than the entity are to be treated in the same way as cancellations by the entity.

IC Interpretation 13

IC Interpretation 13 explains how entities that grant loyalty award points to its customers should account for their obligation to provide free or discounted goods or services if and when the customers redeem the points.

IC Interpretation 14

IC Interpretation 14 addresses how entities should determine the limit placed on the amount of a surplus in a pension plan they can recognise as an asset. Also, it addresses how a minimum funding requirement affects that limit and when a minimum funding requirement creates an onerous obligation that should be recognised as a liability in addition to that otherwise recognised under IAS 19.

A3. Auditors' report

There was no qualification on the audited financial statements of the Company for the financial period ended 31 December 2008.

A4. Seasonal or cyclical factors

Seasonality due to weather is not foreseen to affect the Group's 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.

A5. Items of unusual nature and amount

There were no items affecting the assets, liabilities, equity, net income or cash flows of the Group that are unusual because of their nature, size or incidence for the current quarter and financial year-to-date.

A6. Material changes in estimates

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

A7. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

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 year-to-date.

A8. Dividends paid

A second interim dividend, in respect of the financial period ended 31 December 2008, of 7 sen per share less tax of 25% amounting to RM18,480,000 was paid to shareholders on 27 March 2009.

A9. 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

Current quarter ended 31 March 2009	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
Revenue							
External revenue	-	44,599		569	45,168		45,168
Inter-segment revenue	25,240		17,531	989	43,760	(43,760)	-
	25,240	44,599	17,531	1,558	88,928	(43,760)	45,168
Results							
Segment results	24,638	6,232	5,489	1,315	37,674	(24,700)	12,974
Interest expense	-	(4)	-	-	(4)		(4)
Interest income	253	348	8	30	639		639
Negative goodwill							-
Profit before tax							13,609
Taxation							(2,465)
Profit after tax							11,144

A10. Valuation of property, plant and equipment

The property, plant and equipment of the Group have been brought forward without amendment from their previous annual financial statements.

A11. Capital commitments

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

	31-Mar-09
	RM'000
Approved and contracted for	30,870

A12. 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 May 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 year-to-date.

A13. Changes in composition of the group

There were no changes in the composition of the Group during the current quarter and financial year-to-date.

A14. 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.

Our subsidiary, Dayang Enterprise Sdn Bhd ('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 the 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 arbitration has been taken up in the financial statements.

A15. Significant related party transactions

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

Transactions with Directors and company in which the Directors have substantial financial interests:-	Nature	Amount for 3 months ended 31 March 2009	Unsettled balance as at 31 March 2009
		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	165	-
Ling Suk Kiong and his spouse Wong Siew Hong	Rental of office	8	-
Joe Ling Siew Loung @ Lin Shou Long and his spouse Chong Siaw Choon	Rental of office	9	-
		182	-

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.

B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS

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

The Group's performance for the quarter under review versus the corresponding quarter of the previous financial period is tabled below:

	Quarter ended 31-Mar-09	Quarter ended 31-Mar-08 (Restated)	Variance	
	RM'000	RM'000	RM'000	%
Revenue	45,167	21,665	23,502	108
Profit before tax	13,609	31,131	(17,522)	-56

Quarter to quarter, the Group's revenue increased by 108% and profit before tax decreased by 56%. The results for the corresponding quarter of the previous financial period reflected the post-acquisition performance of the Group following the completion of the acquisition of its subsidiaries on 29 February 2008. The profit before tax for the corresponding quarter included negative goodwill on acquisition of subsidiaries of RM22.536 million.

In the opinion of the Directors, the results for the current quarter and financial year-to-date have not been affected by any transactions or events of a material nature which have arisen between 31 March 2009 and the date of this report.

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

	Current Quarter ended 31-Mar-09	Preceding Quarter ended 31-Dec-08 (Restated)	Variance	
	RM'000	RM'000	RM'000	%
Revenue	45,167	64,279	(19,112)	(30)
Profit before tax	13,609	18,858	(5,249)	(28)

In the current quarter, the Group's revenue was 30% lower and the profit before tax was 28% lower compared to the preceding quarter.

The lower revenue of RM45.2 million for the current quarter as compared to RM64.3 million for the preceding quarter is mainly due to less work orders received and performed in the current quarter.

Whilst revenue decreased by RM19.1 million ie. 30%, gross profit only decreased by RM5.2 million ie. 28% in view of the fact that the work orders in the current quarter have a higher profit margin contribution.

Overall, profit before tax margin has improved due to better cost efficiencies.

B3. Prospects for the current financial year

The award of 2 additional contracts in the previous financial period with an estimated worth of RM200 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 remaining quarters of the current 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 RM350 million worth of contracts and is still awaiting the outcome of these tenders. The contracts if and when secured would contribute positively to the future earnings of the Group.

While the Directors are optimistic of the Group’s future prospects, the current global economic crisis has added uncertainties to many businesses. It is imperative therefore that the Directors and Management should exercise prudence and care in the preservation of shareholders' value.

B4. Profit forecast and profit guarantee

There was no profit guarantee issued by the Group.

B5. Taxation

	Current quarter Ended 31-Mar-09 RM'000	Current year-to-date Ended 31-Mar-09 RM'000
Malaysian income tax	2,465	2,465
Deferred income tax	-	-
Tax expense	2,465	2,465

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 the charter of some of DMSSB's marine vessels.

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

There were no disposals of unquoted investments and properties for the current quarter and financial year-to-date.

B7. Quoted securities

(A) Movement in unit trusts:

	Current quarter ended 31-Mar-09 RM'000	Cummulative Year-to-date 31-Mar-09 RM'000
At beginning of the period	10,177	10,177
From subsidiaries acquired	-	-
Addition	66	66
Disposal	-	-
At end of the period	10,243	10,243
Market value	10,243	10,243

B8. Status of corporate proposal

There was no corporate proposal announced or not completed by the Group as at the latest practicable date of 20 May 2009

(A) Status of utilisation of proceeds of public issue

As at the end of the current quarter and financial year-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	-	Fully utilized
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
	144,817	108,369		36,448	

*** 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.

B9. Group borrowings and debt securities

Total Group's borrowings as at 31 March 2009 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
Finance lease liabilities	64	-	64
	64	-	64
Long term borrowings			
Finance lease liabilities	63	-	63
	63	-	63
Total	127	-	127

There are no foreign currency borrowings.

B10. Off balance sheet financial instruments

The Group has entered into non-cancellable operating lease agreements for offshore equipment. These leases have a tenor of 3 years with the renewal option except option to purchase which has been included in the contracts.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the balance sheet date but not recognized as liabilities are as follows:-

Future minimum rental payments:	As at 31-Mar-09 RM'000
Not later than 1 year	371
Later than 1 year and not later than 5 years	517
	888

B11. Material litigation

Save as disclosed below, as at 20 May 2009, (not earlier than 7 days from the date of announcement issue of this interim financial report), our Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which will have a material effect on our financial position.

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 the 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

No dividend was proposed or declared for the current quarter under review.

Total dividend paid in respect of the financial period ended 31 December 2008	RM'000
7 sen per share less 25% income tax paid on 27th March 2009	18,480
7 sen per share less 26% income tax paid on 1st September 2008	18,234
	36,714

B13. Earnings per share

Basic Earnings Per Share	Current Quarter Ended 31-Mar-09	Corresponding Quarter Ended 31-Mar-08 (Restated)	Cumulative Period Ended 31-Mar-09	Corresponding Period Ended 31-Mar-08 (Restated)
Profit attributable to equity holders of the parent (RM'000)	11,144	29,039	11,144	29,039
Weighted average number of ordinary shares in issue ('000)	352,000	93,583	352,000	46,536
Basic earnings per share (sen)	3.17	31.03	3.17	62.40