

DAYA MATERIALS BERHAD

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

CONDENSED CONSOLIDATED INCOME STATEMENT

Quarterly report on the results for the first quarter ended 31.3.2008

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2007 RM'000	CURRENT YEAR TO DATE 31/3/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2007 RM'000
Revenue	27,609	10,156	27,609	10,156
Cost of Sales	(22,052)	(8,034)	(22,052)	(8,034)
Gross Profit	5,557	2,122	5,557	2,122
Other Net Operating Income	85	162	85	162
Operating Expenses	(1,777)	(723)	(1,777)	(723)
Profit from operations	3,865	1,561	3,865	1,561
Finance Costs	(154)	(41)	(154)	(41)
Share of results of an associate	132	-	132	-
Profit before tax	3,843	1,520	3,843	1,520
Income tax expenses-Company	(1,040)	(143)	(1,040)	(143)
Income tax expenses-Associate	(45)	-	(45)	-
Net profit for the period	2,758	1,377	2,758	1,377
Attributable to :				
Equity holders of the Company	2,821	1,377	2,821	1,377
Minority Interests	(63)	-	(63)	-
	2,758	1,377	2,758	1,377
Basic earnings per share (sen)	0.96	0.73	0.96	0.73

Notes :

The Group completed its acquisition of Clarimax Consolidated Sdn Bhd on 4 January 2008 and accordingly, the Group's quarterly report for the first quarter ended 31 March 2008 covers the results of Clarimax Consolidated Sdn Bhd from 4 January 2008 to 31 March 2008.

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

DAYA MATERIALS BERHAD

(Company No: 836357-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2008

Quarterly report on the results for the first quarter ended 31.3.2008

(The figures have not been audited)

	UNAUDITED AS AT END OF CURRENT QUARTER 31/3/2008 RM'000	AUDITED AS AT END OF FINANCIAL YEAR 31/12/2007 RM'000
Non Current Assets		
Property, plant and equipment	14,402	14,095
Prepaid lease payment	1,262	1,268
Development expenditure	186	204
Investment in Associate Companies	7,730	7,644
Goodwill arising from consolidation	48,325	48,199
	71,905	71,410
Current Assets		
Inventories	13,543	9,668
Trade receivables	22,773	9,388
Other receivables, deposits and prepaid expenses	4,340	5,090
Amount owing from associate company	174	157
Tax recoverable	1,777	720
Short term investments	7,780	11,511
Marketable securities	1,065	463
Fixed Deposits	40	2,301
Cash and bank balances	8,107	3,050
	59,599	42,348
Current Liabilities		
Trade payables	16,630	3,326
Other payables and accrued expenses	4,320	5,260
Hire purchase payables	286	323
Tax payables	1,912	138
Bank borrowings (secured)	2,848	734
	25,996	9,781
Net Current Assets	33,603	32,567
	105,508	103,977
Financed by:		
Issued share capital	29,519	29,519
Reserves	74,572	71,751
	104,091	101,270
Minority Interest	17	17
Non Current Liabilities		
Deferred tax liabilities	786	786
Hire purchase payables	304	355
Other payables	-	1,200
Term loan	310	349
	1,400	2,690
	105,508	103,977
Net assets per share (sen)	35.26	34.31

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

DAYA MATERIALS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Quarterly report on the results for the first quarter ended 31.3.2008

(The figures have not been audited)

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

	Share capital RM'000	Non- Distributable - Share premium RM'000	Distributable reserve / Unappropriated profit RM'000	Total	Minority Interest RM'000	Total Equity RM'000
Balance as at 1 Jan 2007	18,963	5,959	7,655	32,577	-	32,577
Net profit for the period	-	-	1,377	1,377	-	1,377
Balance as at 31 Mar 2007	18,963	5,959	9,032	33,954	-	33,954
Net profit for the period	-	-	962	962	-	962
Balance as at 30 June 2007	18,963	5,959	9,994	34,916	-	34,916
Issued as consideration for the acquisition of the subsidiary	8,356	41,782	-	50,138	20	50,158
Private placement	2,200	9,570	-	11,770	-	11,770
Listing expenses	-	(59)	-	(59)	-	(59)
Net profit for the period	-	-	2,734	2,734	(8)	2,726
Balance as at 30 Sept 2007	29,519	57,252	12,728	99,499	12	99,511
Net profit for the period	-	-	1,771	1,771	5	1,776
Balance as at 31 Dec 2007	<u>29,519</u>	<u>57,252</u>	<u>14,499</u>	<u>101,270</u>	<u>17</u>	<u>101,287</u>
Balance as at 1 Jan 2008	29,519	57,252	14,499	101,270	17	101,287
Acquisition of a subsidiary	-	-	-	-	63	63
Net profit for the period	-	-	2,821	2,821	(63)	2,758
Balance as at 31 Mar 2008	<u>29,519</u>	<u>57,252</u>	<u>17,320</u>	<u>104,091</u>	<u>17</u>	<u>104,108</u>

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

DAYA MATERIALS BERHAD

(Company No: 836357-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Quarterly report on the results for the first quarter ended 31.3.2008
(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 31/3/2008 RM'000	AUDITED FOR THE YEAR ENDED 31/12/2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,843	8,364
Adjustments for:		
Share of results of an associate	(132)	(444)
Amortisation on development expenditure	18	72
Amortisation on prepaid land lease payments	2	9
Depreciation	280	877
Loss on disposal of properties, plant & equipment ("PPE")	-	50
Gain on disposal of marketable securities	-	(301)
PPE written off	4	3
Bad debts written off	-	87
Dividend income	-	(5)
Interest expenses	154	253
Interest income	(77)	(400)
Unrealised foreign exchange gain/(loss)	-	1
	<hr/>	<hr/>
Operating profit before working capital changes	4,092	8,566
Changes in working capital:		
Net change in inventories	(3,875)	(1,906)
Net change in trade & other receivables	(11,189)	(186)
Net change in trade & other payables	9,993	4,352
Net change in amount owing from associate company	(17)	(157)
	<hr/>	<hr/>
Cash (used in)/from operations	(996)	10,669
Interest paid	(154)	(253)
Income tax paid	(323)	(2,573)
	<hr/>	<hr/>
Net Cash (Used In)/From Operating Activities	(1,473)	7,843
CASH FLOWS FROM INVESTING ACTIVITIES		
Listing Expenditure	-	-
Purchase of PPE	(587)	(1,195)
Proceeds from disposal of PPE	-	39
Acquisition of marketable securities	(601)	(4,863)
Acquisition of subsidiaries (Note 1)	(358)	(2,827)
Acquisition of associate company	-	(7,200)
Proceeds from disposal of marketable securities	-	4,882
Proceeds from issuance of shares	20	11,731
Dividend received	-	5
Interest received	77	400
	<hr/>	<hr/>
Net Cash (Used in)/ From Investing Activities	(1,449)	972

DAYA MATERIALS BERHAD

(Company No: 638357-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Quarterly report on the results for the first quarter ended 31.3.2008
(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 31/3/2008 RM'000	AUDITED FOR THE YEAR ENDED 31/12/2007 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(88)	(313)
Change in trade facilities	2,114	(2,804)
Change in term loan	(39)	(155)
Net Cash From/(Used in) Financing Activities	1,987	(3,272)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(935)	5,543
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR	16,862	11,319
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	15,927	16,862
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR		
Cash & bank balances	8,107	3,050
Fixed deposits with licenced banks	40	2,301
Short term investments	7,780	11,511
	15,927	16,862

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

Note 1: The Group completed its acquisition of Clarimax Consolidated Sdn Bhd on 4 January 2008. The fair value of assets acquired and liability assumed were as follows:

	RM'000
Assets	
Other receivables	2,035
Cash & bank balances	9
Liabilities	
Other payables	(1,761)
Net assets acquired	283
Net Book Value @ 55%	156
Goodwill arising from consolidation	211
Total purchase consideration	367
Portion discharge by cash	367
Less : Cash of Clarimax Consolidated Sdn Bhd	(9)
Cash flow on acquisition, net of cash acquired	358

DAYA MATERIALS BERHAD

(Company No: 636357-W)

(Incorporated in Malaysia)

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 2007. 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 2007.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 July 2007:

FRS 107	Cash Flows Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Ineterim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Ineterests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 128 ₂₀₀₄ - Financial Reporting in Hyperinflationary Economics
IC Interpretation 8	Scope of FRS 2

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

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

A2 Qualification of Annual Financial Statements

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

A3 Seasonal or cyclical factors

The Group's interim operations were not subject to any seasonal or cyclical factors.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

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

A5 Changes in estimates, significant accounting estimates and judgements

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.

DAYA MATERIALS BERHAD

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

A6 Debt and equity securities

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

A7 Dividends paid

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

A8 Segment information

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

Business Segment	Oil & Gas RM'000	Polymer RM'000	Others RM'000	Total RM'000
Revenue	17,760	9,675	174	27,609
Segment Results	2,135	943	-	3,078
Unallocated Results				787
Profit from Operations				3,865
Finance Costs				(154)
Share of results of associates				132
Profit Before Tax				3,843
Taxation				(1,085)
Profit After Tax				2,758
Geographical Segment				Revenue RM'000
Malaysia				26,756
Foreign Countries				853
Consolidated				27,609

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

There were no material events subsequent to the current financial quarter ended 31 March 2008 up to the date of this report which is likely to substantially affect the results of the operations of the Company.

DAYA MATERIALS BERHAD

(Company No: 636357-W)

(Incorporated in Malaysia)

A11 Changes in the composition of the Group

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

(i) Acquisition of Clarimax Consolidated Sdn Bhd

The Group had, on 4 January 2008 via Meridian Orbit Sdn Bhd, a 60% owned subsidiary of DMB, acquired 275,000 ordinary shares of RM1.00 each representing 55% of the issued and paid-up share capital of Clarimax Consolidated Sdn Bhd ("CCSB") from Mr Ishar Singh Gill S/O Jiwa Singh Gill, a Singaporean, for a cash consideration of RM366,667 ("Acquisition of CCSB").

The effect of the Acquisition of CCSB on the financial results of the Group from 4 January 2008 to 31 March 2008 is as follows:-

Loss after tax	RM'000
	<u>31</u>

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

	Fair value RM'000	Carrying Value RM'000
Other receivables	2,035	2,035
Cash & bank balances	9	9
Other payables	<u>(1,761)</u>	<u>(1,761)</u>
	283	283
NBV @ 55%	156	156
Goodwill arising on acquisition	<u>211</u>	<u>211</u>
	<u>367</u>	<u>367</u>

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

Purchase consideration satisfied by cash	RM'000
Cash and cash equivalents of subsidiary acquired	367
Net cash out flow of the Group	<u>(9)</u>
	<u>358</u>

A12 Contingent Assets and Contingent Liabilities

Corporate guarantee given to licensed banks for banking facilities granted to its subsidiary as at 22 May 2008	RM'000
	5,113

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

A13 Capital commitments

Contracted and not provided for:	RM'000
	4,559
Approved but not contracted for:	3,368

DAYA MATERIALS BERHAD

(Company No: 636357-W)

(Incorporated in Malaysia)

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 RM27.609 million for the quarter ended 31 March 2008, an increase of 172% from RM10.156 million recorded in the previous year corresponding quarter. The significant revenue growth was mainly attributed to the oil & gas sales segment contributed by the newly acquired subsidiary, Seca Dyme Sdn Bhd ("SDSB"). The Group recorded a profit before taxation of RM3.843 million for the quarter ended 31 March 2008, which represents a 153% increase over RM1.520 million profits before tax recorded for the corresponding quarter in the previous financial year. The improved performance was largely due to the profit contributed by oil & gas sector and share of profits from newly acquired associates company, CMT(Penang) Sdn Bhd ("CMT").

B2 Variation of results against preceding quarter

	Quarter ended 31/3/2008	Quarter ended 31/12/2007
	RM'000	RM'000
Revenue	27,609	15,608
Profit before tax	3,843	2,582

For the first quarter ended 31 March 2008, the Group achieved higher revenue of RM27.609 million as compared to RM15.608 million recorded in the preceding quarter. The higher revenue was mainly attributed to the increase in revenue from the oil & gas sales segment. As a result, the Group recorded a higher profit before taxation of approximately RM3.843 million for the current quarter as compared to approximately RM2.582 million in the preceding quarter, represent an increase of 49%.

B3 Prospects

The Board expects the positive financial performance of the Group to continue for the coming financial year after taking into consideration the Group's current level of operations and prevailing market conditions. The Oil & Gas division expects positive growth in revenue and earnings in the coming financial year in light of the positive outlook for the oil and gas industry in Malaysia.

The proposed acquisition of the remaining 70% equity interest in CMT will enable DMB to fully consolidate its equity interest in CMT, thereby meaningfully increasing the revenue base and profitability of the DMB Group. More importantly, it is the intention of DMB to leverage on the expertise of CMT in industrial engineering, construction and project management to capture new business opportunities in the oil & gas sector in which DMB has developed a proven track record. Upon the proposed acquisition, CMT will spearhead the newly-created technical services division of DMB Group and attempt to secure a vital foothold in the fast growing oil & gas and petrochemical industries.

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

DAYA MATERIALS BERHAD

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

B4 Profit forecast

Not applicable.

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2007 RM'000	CURRENT YEAR TO DATE 31/3/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2007 RM'000
In respect of the current period:				
Estimate current tax payable	1,085	143	1,085	143

The effective tax rate for the quarter under review was 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 were as follows:

	INDIVIDUAL QUARTER		PRECEDING YEAR	
	CURRENT YEAR QUARTER 31/3/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2007 RM'000	CURRENT YEAR TO DATE 31/3/2008 RM'000	CORRESPONDING PERIOD 31/3/2007 RM'000
Purchases (at cost)	-	1,566	-	-
Disposal proceeds	-	1,768	-	-
Gain on disposal	-	202	-	-

The investment in quoted securities as at 31 March 2008 are summarised below:

	CURRENT YEAR TO DATE RM'000
Total investment at cost/carrying value	1,065
Total investment at market value	846

DAYA MATERIALS BERHAD

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

B8 Status of corporate proposals

The status of corporate proposals announced by the Company but not completed as at 22 May 2008, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report is summarised below:

(i) Proposed Bonus Issue

On 28 February 2008, the Board of Directors announced that the Company proposed to undertake a bonus issue of 196,796,811 new ordinary shares of RM0.10 each in DMB ("Bonus Shares") to be credited as fully paid-up, on the basis of two (2) Bonus Shares for every three (3) ordinary shares of RM0.10 each in DMB held by shareholders of DMB whose names appear in the Record of Depositors of the Company at the close of business on a date to be determined and announced later. The bonus issue shall be capitalised from the Company's share premium account. The proposed bonus issue will not have any impact on the percentage shareholdings of the substantial shareholders as the bonus shares will be allotted proportionately to all shareholders of the Company.

(ii) Proposed Acquisition of CMT (Penang) Sdn Bhd

On 25 April 2008, the Board of Directors announced that the Company proposed to acquire 1,750,000 ordinary shares of RM1.00 each representing 70% of the issued and paid-up share capital of CMT from Goo Bak Hoo @ Goh Bak Hoe, Bong Hock Kim, Chan Thiam Fook, Chin Choon Guan and Chen Soon Loy for a cash consideration of RM19,000,000.

B9 Status of utilisation of proceeds

Initial Public Offering

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

As at 31 March 2008, the Company has utilised approximately 80% 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	4,371	2005-2008	2,129	32.75 (i)
Investment in R&D and new product development	1,700	1,300	774	2005-2008	526	40.46 (ii)
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	10,430		2,655	20.29

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

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

DAYA MATERIALS BERHAD

(Company No: 636357-W)

(Incorporated in Malaysia)

Private placement completed on 1 August 2007

As at 31 March 2008, the Company has utilised approximately 83% of the total gross proceeds raised and the status of the utilisation of proceeds is as follows:-

	Proceeds from Placement Shares RM'000	Actual Utilisation RM'000	Intended Time Frame For Utilisation	Deviation Amount RM'000	Deviation %
Expansion in production facility	1,000	-	within 12 months	1,000	100.00
Investment in tanks and tank cleaning/repair activities	1,500	1,500	within 24 months	-	-
Working capital & future investments*	8,420	7,461	within 24 months	959	11.39
Estimated expenses	850	753	within 6 months	97	11.41
Total	11,770	9,714		2,056	17.47

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

B10 Group's borrowings and debt securities

The Group's borrowings are as follows:

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total Outstanding RM'000
Trade facilities	2,693	-	2,693
Term loans	155	310	465
	2,848	310	3,158

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 ;
- corporate guarantee by Daya Materials Berhad;
- a debenture over all assets of Daya Polymer Sdn Bhd;
- joint and several guarantee by two of the Seca Dyme Sdn Bhd's director; and
- a pledge on the subsidiaries' fixed deposits.

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

B11 Off balance sheet financial instruments

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

DAYA MATERIALS BERHAD

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

B12 Material litigations

Save for the following, there were no material litigations involving the Group since the last financial year ended 31 December 2007 to 22 May 2008, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report.

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. 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 until the hearing of the inter partes application on 11 July 2008. 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. The solicitors of SDSB are of the opinion that SDSB has a good case.

B13 Proposed Dividends

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

The Company is pleased to propose a final dividend of 2.465% less income tax of 26% amounting to RM538,465.60 and a final tax exempt dividend of 0.49% amounting to RM144,645.66 in respect of the financial year ended 31 December 2007. These final dividend payable will be proposed for shareholders' approval at the forthcoming Annual General Meeting and the payment date will be 24 July 2008.

B14 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2007 RM'000	CURRENT YEAR TO DATE 31/3/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2007 RM'000
Net profit for the period (RM'000)	2,821	1,377	2,821	1,377
Weighted average number of shares in issue ('000)	295,195	189,630	295,195	189,630
Basic earnings per share (sen)	<u>0.96</u>	<u>0.73</u>	<u>0.96</u>	<u>0.73</u>

By Order of the Board

THAM WOUI LOON
Managing Director

Date: 27 May 2008