

DAYA MATERIALS BERHAD

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

CONDENSED CONSOLIDATED INCOME STATEMENT

QUARTERLY REPORT ON THE RESULTS FOR THE SECOND QUARTER ENDED 30.6.2009

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	30/6/2009	QUARTER	30/6/2009	PERIOD
	RM'000	30/6/2008	30/6/2008	RM'000
	RM'000	RM'000	RM'000	RM'000
Revenue	45,500	56,101	83,022	83,710
Cost of Sales	(35,976)	(42,870)	(65,839)	(64,922)
Gross Profit	<u>9,524</u>	<u>13,231</u>	<u>17,183</u>	<u>18,788</u>
Other Net Operating Income	337	141	471	226
Operating Expenses	(3,994)	(4,438)	(7,083)	(6,215)
Profit from operations	<u>5,867</u>	<u>8,934</u>	<u>10,571</u>	<u>12,799</u>
Finance Costs	(356)	(179)	(672)	(333)
Share of results of an associate	<u>126</u>	<u>267</u>	<u>164</u>	<u>399</u>
Profit before tax	5,637	9,022	10,063	12,865
Income tax expenses-Company	(1,538)	(2,377)	(2,785)	(3,417)
Income tax expenses-Associate	<u>(37)</u>	<u>(68)</u>	<u>(48)</u>	<u>(113)</u>
Net profit for the period	<u><u>4,062</u></u>	<u><u>6,577</u></u>	<u><u>7,230</u></u>	<u><u>9,335</u></u>
Attributable to :				
Equity holders of the Company	4,090	6,534	7,238	9,355
Minority Interests	<u>(28)</u>	<u>43</u>	<u>(8)</u>	<u>(20)</u>
	<u><u>4,062</u></u>	<u><u>6,577</u></u>	<u><u>7,230</u></u>	<u><u>9,335</u></u>
Basic earnings per share (sen)	<u>0.52</u>	<u>0.87</u>	<u>0.95</u>	<u>1.25</u>

Notes :

The Group completed its acquisition of Proffscorp Sdn Bhd on 30 April 2009 and accordingly, the Group's quarterly report for the second quarter ended 30 June 2009 covers the results of Porffscorp Sdn Bhd from 1 May 2009 to 30 June 2009.

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

DAYA MATERIALS BERHAD

(Company No: 636357-W)
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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009

QUARTERLY REPORT ON THE RESULTS FOR THE SECOND QUARTER ENDED 30.6.2009

(The figures have not been audited)

	UNAUDITED AS AT END OF CURRENT QUARTER 30/6/2009 RM'000	AUDITED AS AT END OF FINANCIAL YEAR 31/12/2008 RM'000
Non Current Assets		
Property, plant and equipment	55,740	27,478
Prepaid lease payment	4,779	3,974
Investment Property	306	308
Development expenditure	96	132
Investment in Associate Companies	-	5,609
Goodwill arising from consolidation	61,460	58,839
	122,381	96,340
Current Assets		
Inventories	19,437	27,613
Trade receivables	31,314	23,505
Other receivables, deposits and prepaid expenses	5,237	9,037
Tax recoverable	2,957	1,341
Short term investments	3,455	2,159
Marketable securities	409	306
Fixed Deposits	16,606	34,849
Cash and bank balances	26,592	9,122
	106,007	107,932
Current Liabilities		
Trade payables	14,259	12,354
Other payables and accrued expenses	45,598	43,629
Hire purchase payables	854	535
Tax payables	1,496	1,529
Bank borrowings (secured)	9,991	11,550
	72,198	69,597
Net Current Assets	33,809	38,335
	156,190	134,675
Financed by:		
Issued share capital	81,179	49,199
Reserves	53,205	63,525
	134,384	112,724
Minority Interest	886	669
Non Current Liabilities		
Deferred tax liabilities	1,829	899
Hire purchase payables	2,341	746
Other payables	-	4,800
Bank borrowings (secured)	16,750	14,837
	20,920	21,282
	156,190	134,675
Net assets per share (sen)	16.55*	22.91

* Based on issued and paid up share capital of RM81,178,654 comprising of 811,786,542 ordinary shares of RM0.10 each
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 SECOND QUARTER ENDED 30.6.2009

(The figures have not been audited)

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

	Share capital RM'000	Non- Distributable - Share premium RM'000	Non- Distributable - Foreign Currency Transalation Reserve RM'000	Distributable reserve / Unappropriated profit RM'000	Total	Minority Interest RM'000	Total Equity RM'000
Balance as at 1 Jan 2008	29,519	57,253	-	14,499	101,271	17	101,288
Acquisition of a subsidiary	-	-	-	-	-	63	63
Net profit for the period	-	-	-	2,821	2,821	(63)	2,758
Balance as at 31 Mar 2008	29,519	57,253	-	17,320	104,092	17	104,109
Net profit for the period	-	-	-	6,534	6,534	43	6,577
Balance as at 30 June 2008	29,519	57,253	-	23,854	110,626	60	110,686
Acquisition of a subsidiary	-	-	-	(25)	(25)	543	518
Bonus issue	19,680	(19,680)	-	-	-	-	-
Dividend paid	-	-	-	(683)	(683)	-	(683)
Net profit for the period	-	-	-	2,907	2,907	36	2,943
Balance as at 30 September 2008	49,199	37,573	-	26,053	112,825	639	113,464
Acquisition of a subsidiary	-	-	-	16	16	44	60
Net profit for the period	-	-	-	(117)	(117)	(14)	(131)
Balance as at 31 December 2008	49,199	37,573	-	25,952	112,724	669	113,393
Balance as at 1 Jan 2009	49,199	37,573	-	25,952	112,724	669	113,393
Private placement	1,900	2,702	-	-	4,602	-	4,602
Net profit for the period	-	-	(14)	3,148	3,134	20	3,154
Balance as at 31 Mar 2009	51,099	40,275	(14)	29,100	120,460	689	121,149
Private placement	3,020	3,538	-	-	6,558	-	6,558
Bonus issue	27,060	(27,178)	-	-	(118)	-	(118)
Acquisition of a subsidiary	-	-	-	3,424	3,424	225	3,649
Dividend paid	-	-	-	(30)	(30)	-	(30)
Net profit for the period	-	-	-	4,090	4,090	(28)	4,062
Balance as at 30 June 2009	81,179	16,635	(14)	36,584	134,384	886	135,270

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

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE SECOND QUARTER ENDED 30.6.2009

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 30/6/2009 RM'000	AUDITED FOR THE YEAR ENDED 31/12/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,063	18,284
Adjustments for:		
Share of results of an associate	(164)	(639)
Amortisation on development expenditure	36	72
Amortisation on prepaid land lease payments	33	51
Depreciation	1,156	1,467
Loss/(Gain) on disposal of properties, plant & equipment ("PPE")	(105)	(74)
Loss/(Gain) on investment in marketable securities	(227)	566
PPE written off	88	44
Dividend income	-	(26)
Interest expenses	672	743
Interest income	(279)	(734)
Unrealised foreign exchange (gain)/loss	(202)	68
Operating profit before working capital changes	11,071	19,822
Changes in working capital:		
Net change in inventories	8,420	(7,270)
Net change in trade & other receivables	336	46,809
Net change in trade & other payables	(1,954)	(22,459)
Net change in amount owing from associate company	-	156
Cash from operations	17,873	37,058
Interest paid	(672)	(743)
Income tax paid	(4,170)	(6,045)
Net Cash From Operating Activities	13,031	30,270
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE	(3,383)	(10,458)
Proceeds from disposal of PPE	10	268
Acquisition of marketable securities	(38)	(863)
Acquisition of subsidiaries (Note 1)	(16,477)	(9,733)
Acquisition of associate company	-	(5,379)
Proceeds from disposal of marketable securities	163	455
Proceeds from issuance of shares	11,267	20
Dividend received	-	26
Dividend paid	(30)	(683)
Interest received	279	734
Net Cash (Used in)/ From Investing Activities	(8,209)	(25,613)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT QUARTERLY REPORT ON THE RESULTS FOR THE SECOND QUARTER ENDED 30.6.2009

(The figures have not been audited)

	UNAUDITED CURRENT YEAR TO DATE 30/6/2009 RM'000	AUDITED FOR THE YEAR ENDED 31/12/2008 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(217)	(635)
Change in trade facilities	(5,206)	9,564
Change in term loan	1,423	15,352
Net Cash From/(Used in) Financing Activities	(4,000)	24,281
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	822	28,938
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR		
	45,800	16,862
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES		
	31	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR		
	46,653	45,800
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR		
Cash & bank balances	26,592	8,792
Fixed deposits with licenced banks	16,606	34,849
Short term investments	3,455	2,159
	46,653	45,800

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 remaining 80% of Proffscorp Sdn Bhd ("Proffscorp") on 30 April 2009. The fair value of assets acquired and liabilities assumed were as follows:

	Proffscorp RM'000
Assets	
Property, plant and equipment	26,864
Inventories	244
Trade receivables	3,485
Other receivables	651
Cash & bank balances	6,632
Trade payables	(485)
Other payables	(490)
Tax payable	263
Borrowings	(6,598)
Deferred taxation	(930)
Net assets acquired	29,636
Net Book Value @ 100%	29,636
Post acquisition reserves	(3,770)
Goodwill arising from consolidation	2,622
Total purchase consideration	28,488
Less: Portion paid during 20% acquisition	(5,379)
Portion discharge by cash	23,109
Less: Cash & bank balances	(6,632)
Cash flow on acquisition, net of cash acquired	16,477

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A EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2008.

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

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

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

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

A2 Qualification of Annual Financial Statements

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

A3 Seasonal or cyclical factors

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

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

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

A5 Changes in estimates, significant accounting estimates and judgements

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

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A6 Debt and equity securities

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

(1) 21,300,000 new ordinary shares of RM0.10 each issued pursuant to the Private Placement were listed on Bursa Securities on 27 May 2009.

(2) 8,899,000 new ordinary shares of RM0.10 each issued pursuant to the Private Placement were listed on Bursa Securities on 22 June 2009.

(3) On 25 June 2009, 270,595,514 new ordinary shares of RM0.10 each in DMB ("DMB Shares") were listed pursuant to the bonus issue of 270,595,514 DMB Shares ("Bonus Shares"), on the basis of one (1) Bonus Shares for every two (2) DMB Shares held by shareholders of DMB whose names appear in the Record of Depositors of the Company at the close of business at 5.00 p.m. on 24 June 2009 ("Bonus Issue"). The Bonus Issue does not have any impact on the percentage shareholdings of the substantial shareholders as the Bonus Shares were allotted proportionately to all shareholders of the Company.

A7 Dividends paid

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

The Company is pleased to propose a final dividend of 3% less income tax of 25% in respect of the financial year ended 31 December 2008. These final dividend has been approved by shareholders at the sixth Annual General Meeting and has been paid on 20 July 2009.

A8 Segment information

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

Business Segment	Oil & Gas	Polymer	Technical	Total
	RM'000	RM'000	Services RM'000	RM'000
Revenue	28,963	14,317	39,742	83,022
Segment Results	7,763	423	1,553	9,739
Unallocated Results				832
Profit from Operations				10,571
Finance Costs				(672)
Share of results of associates				164
Profit Before Tax				10,063
Taxation				(2,833)
Profit After Tax				7,230
Geographical Segment				Revenue
				RM'000
Malaysia				83,022
Foreign Countries				-
Consolidated				83,022

A9 Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment from previous annual financial statements.

A10 Subsequent Events

Save for Section B8, there were no material events subsequent to the current financial quarter ended 30 June 2009 up to the date of this report which is likely to substantially affect the results of the operations of the Group.

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A11 Changes in the composition of the Group

Save for the below, there were no changes in the composition of the Group for the quarter under review:-

(i) Acquisition of Proffscorp Sdn Bhd ("Proffscorp")

On 30 April 2009, the Company completed the acquisition of 1,320,000 ordinary shares of RM1.00 each representing 80% of the issued and paid-up share capital of Proffscorp from Husin bin Ibrahim, Noordin bin Abas and Razak bin Ab Rani for a cash consideration of RM22,800,000.

The effect of the Acquisition of Proffscorp on the financial results of the Group from 1 May 2009 to 30 June 2009 is as follows:-

	RM'000
Revenue	7,310
Profit after tax	<u>3,249</u>

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

	Fair value RM'000	Carrying Value RM'000
Property, plant and equipment	26,864	9,744
Inventories	244	244
Trade receivables	3,485	3,485
Other receivables	651	651
Cash & bank balances	6,632	6,632
Trade payables	(485)	(485)
Other payables	(490)	(490)
Tax payable	263	263
Borrowings	(6,598)	(6,598)
Deferred taxation	(930)	(930)
Post acquisition reserves	(3,770)	-
Goodwill arising on acquisition	2,622	-
	<u>28,488</u>	<u>12,516</u>

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

	RM'000
Purchase consideration satisfied by cash for 100% acquisition	28,179
Cost attributable to the acquisition, paid in cash	309
Purchase consideration satisfied by cash, during 20% acquisition	(5,379)
Cash and cash equivalents of subsidiaries acquired	(6,632)
Net cash out flow of the Group	<u>16,477</u>

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

A12 Contingent Assets and Contingent Liabilities

	RM'000
Corporate guarantee given to licensed banks for banking facilities granted to its subsidiary as at 14 August 2009	18,827

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

A13 Capital commitments

	RM'000
Contracted and not provided for:	2,327
Approved but not contracted for:	5,011

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF Bursa Securities FOR THE ACE MARKET

B1 Review of performance

Current Year Quarter versus Preceding Year Corresponding Quarter

The Group achieved lower revenue of RM45.5 million for the quarter ended 30 June 2009, a decrease of 19% from RM56.101 million recorded in the previous year corresponding quarter. The lower revenue mainly attributed to the decrease in revenue from oil & gas segment. As a result, the Group recorded a lower profit before taxation of RM5.637 million for the quarter ended 30 June 2009, which represents 38% decrease compared to RM9.022 million profits before tax recorded for the corresponding quarter in the previous financial year.

Current Year-to-Date versus Preceding Year Corresponding Period

The Group achieved revenue of RM83.022 million for the six months ended 30 June 2009, a slightly decrease of 1% from RM83.710 million recorded in the first six months of the previous year. The slight revenue growth was mainly attributed to the improvement in the technical services segment but offset with lower contribution from polymer and oil & gas segment. The Group recorded a profit before taxation of RM10.063 million for the period ended 30 June 2009, which represents a 22% decrease over RM12.865 million profits recorded for the corresponding quarter in the previous year due to lower profits from polymer and oil & gas segment in line with the lower sales.

B2 Variation of results against preceding quarter

	Quarter ended 30/6/2009 RM'000	Quarter ended 31/3/2009 RM'000
Revenue	45,500	37,522
Profit before tax	5,637	4,426

For the second quarter ended 30 June 2009, the Group achieved higher revenue of RM45.5 million as compared to RM37.522 million recorded in the preceding quarter. The revenue growth was mainly attributed to the oil & gas segment, i.e. its newly acquired subsidiary, Proffscorp. In correspondance with this, the Group recorded higher profit before taxation of approximately RM5.637 million for the current quarter as compared to approximately RM4.426 million in the preceding quarter, due to the higher margins yield from oil & gas segment.

B3 Prospects

Being an integrated specialist technical services provider to the oil & gas and petrochemical industry, the Group remains focused on the recurring businesses in the provision of specialist products and services, catalyst handling services and plant maintenance which are growing despite the current challenging economic situation. The technical services division is expected to be satisfactory in view of its order book in hand now. In addition, the Group shall continue to seek opportunities to grow its businesses with long term recurring income through its polymer business.

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

B4 Profit forecast

Not applicable.

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B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2008 RM'000	CURRENT YEAR TO DATE 30/6/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2008 RM'000
In respect of the current period:				
Estimated current tax payable	<u>(1,575)</u>	<u>(2,445)</u>	<u>(2,833)</u>	<u>(3,530)</u>

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

B6 Sale of unquoted investments and properties

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

B7 Quoted securities

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

	INDIVIDUAL QUARTER		PRECEDING YEAR	
	CURRENT YEAR QUARTER 30/6/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2008 RM'000	CURRENT YEAR TO DATE 30/6/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2008 RM'000
Purchases (at cost)	-	229	38	831
Disposal proceeds	163	-	163	-
(Loss)/Gain	103	(253)	227	(253)

The investment in quoted securities as at 30 June 2009 are summarised below:

	CURRENT YEAR TO DATE RM'000
Total investment at cost	446
Total investment at carrying value	409
Total investment at market value	409

B8 Status of corporate proposals

The status of a corporate proposal announced by the Company and completed are summarised below:

(i) Proposed Private Placement

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

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

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

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

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

On 22 June 2009, the Board announced that the Private Placement exercise has been completed on the even date. A total of 49,199,000 ordinary shares of RM0.10 each in DMB ("DMB Shares") were placed out to identified investors in four (4) tranches, at an issue price of RM0.26 per share for the first and second tranches, and RM0.30 per share and RM0.36 per share for the third and fourth tranches respectively.

(ii) Proposed Bonus Issue

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

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

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

On 10 June 2009, HwangDBS Investment Bank Berhad on behalf of DMB, announced that Shareholders whose names appear in the Record of Depositors for Shareholders as at the close of business at 5.00 p.m. on 24 June 2009 are entitled to the Bonus Issue.

On 24 June 2009, the Company announced that, as at 24 June 2009, the issued and paid-up share capital of DMB is 541,191,028 DMB Shares and the corresponding number of shares to be listed on 25 June 2009 pursuant to the Bonus Issue is 270,595,514 DMB Shares.

The status of corporate proposals announced by the Company but not completed as at 14 August 2009, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report is summarised below:

(i) Proposed ESOS and Shares Buy-Back

On 22 December 2008, the Board announced that the Company has proposed to undertake the following:-
(i) Proposed establishment of an employees' share option scheme ("ESOS") for the eligible directors and employees of DMB and its subsidiary companies ("Proposed ESOS"); and

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

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

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(ii) Proposed RCSLN Issue

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

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

On 10 July 2009, the Board announced that the MITI had, vide its letter dated 10 July 2009 informed that it has no objections to the Proposed RCSLN Issue, subject to the approval of the SC being obtained.

On 14 July 2009, the Board announced that SC had vide its letter dated 13 July 2009 (which was received on 14 July 2009) approved the Proposed RCSLN Issue, subject to DMB and HwangDBS fully complying with the various conditions as stipulated in the said SC's letter.

On 4 August 2009, the Board announced that Bursa Securities had vide its letter dated 4 August 2009 approved DMB's application for the listing and quotation of up to 96,774,194 new ordinary shares of RM0.10 each in DMB to be issued pursuant to the Proposed RCSLN Issue.

B9 Status of utilisation of proceeds

Initial Public Offering ("IPO")

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

As at 30 June 2009, the Company has fully utilised 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	4,551	4,551	2005-2009	-	-
Investment in R&D and new product development	1,700	1,300	1,300	2005-2008	-	-
Working capital	1,385	5,797	5,797	2005-2008	-	-
Listing expenses	1,500	1,437	1,437	2005-2007	-	-
Total	13,085	13,085	13,085		-	-

* On 20 December 2005, the Board had resolved to reduce the earlier allocation of proceeds of RM8.5 million for the expansion of production facility of the Group as disclosed in the DMB's Prospectus dated 30 June 2005 to RM6.5 million. The difference of RM2.0 million was allocated for working capital purposes of the Group. On 21 November 2006, the Board had also resolved to reallocate the unutilised proceeds for listing expenses amounting to approximately RM63,000 to be utilised for working capital purposes. On 17 January 2008, the Company has obtained the approval from the SC to reduce the earlier allocation of proceeds of RM1.7 million for the investment in R&D and new product of the Group as disclosed in the DMB's Prospectus dated 30 June 2005 to RM1.3 million. The difference of RM0.4 million was allocated for working capital purposes of the Group. On the same date, the Company has also obtained the approval from the SC on extension of time from end 2007 to end 2008 for the Company to fully utilise the balance unutilised IPO proceeds. On 8 January 2009, the Company has also obtained the approval from the SC on extension of time for the Company to fully utilise the balance unutilised IPO proceeds. Based on the said SC's letter, any further extension of time or variation on the allocation of proceeds does not require SC's approval. On 21 May 2009, the Board had resolved to reclassify part of the proceeds amounting to approximate RM1.949 million, which was earlier set aside for the purpose of financing the expansion in production facility of the Company to be utilised as working capital for the Group.

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Private Placement Proceeds

The Company raised approximately RM13,442 million from its private placement exercise.

As at 30 June 2009, the Company has fully utilised the total gross proceeds raised and the status of the utilisation of proceeds is as follows:-

	Proceeds from Placement Shares RM'000 ⁽ⁱ⁾	Actual Utilisation RM'000	Intended Time Frame For Utilisation	Deviation Amount RM'000	Deviation %
Future acquisitions and expansion	13,000	13,000	within 12 months	-	-
Working capital requirements	302	302	within 12 months	-	-
Defraying of expenses incidental to the Proposed Private Placement ⁽ⁱⁱ⁾	140	140	within 1 month	-	-
Total	13,442	13,442			

(i) Any difference between the indicative proceeds above and the actual proceeds raised from the Proposed Private Placement (depending on the number of Placement Shares and the issue price of the Placement Share) shall be adjusted for working capital.

(ii) Any variation to the estimated expenses will be adjusted to/ from the working capital.

(iii) Computed based on 491,992,028 placement shares and an indicative issue price of RM0.33 per share representing a discount of approximately 8.8% to the five (5)-day weighted average market price up to 8 August 2008 of RM0.362, being 5 market days prior to the announcement of the private placement. As at 30 June 2009, DMB has placed out first and second tranches of total 40,300,000 placement shares, at an issue price of RM0.26 per share, raising RM10,478,000; third tranche of 4,000,000 placement shares, at an issue price of RM0.30 per share raising RM1,200,000 and final tranche of 4,899,000 shares, at an issue price of RM0.36 per share, raising RM1,763,640.

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	5,567	-	5,567
Overdraft	-	-	-
Term loans	4,424	16,750	21,174
	9,991	16,750	26,741

The bank borrowings and other facilities are secured by way of :-

- legal charges over subsidiaries' freehold land, leasehold land and buildings;
- corporate guarantee by DMB;
- a debenture over all assets of two subsidiaries;
- joint and several guarantee by subsidiaries' directors;
- a pledge on the Company's and subsidiaries' fixed deposits;
- a facility agreement;
- a pledge of 100% unquoted shares over the entire issued and paid-up capital of a subsidiary; and
- a debenture over 3 cranes of a subsidiary.

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

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B11 Off balance sheet financial instruments

There were no off-balance sheet financial instruments as at 14 August 2009, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report.

B12 Material litigations

Save for the following, there were no material litigations involving the Group since the last financial year ended 31 December 2008 to 14 August 2009, being the latest practicable date not earlier than 7 days from the date of issue of this quarterly report.

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

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

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

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

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

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

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

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

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B13 Proposed Dividends

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

The Company is pleased to propose a final dividend of 3% less income tax of 25% in respect of the financial year ended 31 December 2008. These final dividend has been approved by shareholders at the sixth Annual General Meeting and has been paid on 20 July 2009.

B14 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2008 RM'000	CURRENT YEAR TO DATE 30/6/2009 RM'000	PRECEDING YEAR CORRESPON- DING PERIOD 30/6/2008 RM'000
Net profit for the period/year attributable to ordinary equity holders of the company (RM'000)	4,090	6,534	7,238	9,355
Weighted average number of shares in issue ('000)	784,247	747,210	765,654	747,210
Basic earnings per share (sen)	<u>0.52</u>	<u>0.87</u>	<u>0.95</u>	<u>1.25</u>

By Order of the Board

THAM WOOL LOON
Managing Director

Date: 19 August 2009