

DELEUM BERHAD
(Company No: 715640-T)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007

| <u>Table of Contents</u> | Page |
|--|---------|
| Condensed Consolidated Income Statement | 1 |
| Condensed Consolidated Balance Sheet | 2 |
| Condensed Consolidated Statement of Changes in Equity | 3 |
| Condensed Consolidated Cash Flow Statement | 4 |
| Notes to the Unaudited Interim Financial Report | 5 - 12 |
| Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR") | 13 - 18 |

DELEUM BERHAD
(Company No: 715640-T)

QUARTERLY REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

ANNOUNCEMENT

The Board of Directors of Deleum Berhad (Deleum or the Company) is pleased to announce the following unaudited consolidated results for the year ended 31 December 2007 which should be read in conjunction with the audited financial statements of Deleum and its subsidiaries (the Group) for the financial year ended 31 December 2006.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007
CONDENSED CONSOLIDATED INCOME STATEMENT**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|--|---|---|
| | QUARTER ENDED 31/12/2007 RM'000 | QUARTER ENDED 31/12/2006 RM'000 | YEAR ENDED 31/12/2007 RM'000 | YEAR ENDED 31/12/2006 RM'000 |
| Revenue | 107,650 | 115,555 | 665,557 | 452,047 |
| Cost of sales | (94,594) | (103,877) | (615,059) | (412,675) |
| Gross profit | <u>13,056</u> | <u>11,678</u> | <u>50,498</u> | <u>39,372</u> |
| Other operating income | 990 | 707 | 2,626 | 1,914 |
| Selling and distribution costs | (1,422) | (1,359) | (3,509) | (2,868) |
| Administrative expenses | (5,329) | (4,153) | (18,849) | (16,874) |
| Other operating expenses | (459) | 27 | (2,793) | (3,917) |
| Finance costs | (174) | (33) | (457) | (109) |
| Share of results of associates | 2,020 | 2,075 | 8,283 | 10,011 |
| Profit before tax | <u>8,682</u> | <u>8,942</u> | <u>35,799</u> | <u>27,529</u> |
| Tax expense | (1,951) | (2,648) | (8,267) | (6,730) |
| Profit for the financial period / year | <u><u>6,731</u></u> | <u><u>6,294</u></u> | <u><u>27,532</u></u> | <u><u>20,799</u></u> |
| Attributable to: | | | | |
| Equity holders of the Company | 5,931 | 5,220 | 25,121 | 18,090 |
| Minority Interest | <u>800</u> | <u>1,074</u> | <u>2,411</u> | <u>2,709</u> |
| | <u><u>6,731</u></u> | <u><u>6,294</u></u> | <u><u>27,532</u></u> | <u><u>20,799</u></u> |
| Earnings per share (sen) | | | | |
| - Basic | <u>7.41</u> | <u>8.70</u> | <u>34.52</u> | <u>30.15</u> |

DELEUM BERHAD
(Company No: 715640-T)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007
CONDENSED CONSOLIDATED BALANCE SHEET

| | As at 31/12/2007 | As at 31/12/2006 (Restated) |
|--|-----------------------------|--|
| | RM'000 | RM'000 |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 38,172 | 20,088 |
| Investment properties | 1,084 | 1,108 |
| Prepaid lease rentals | 5,279 | 4,051 |
| Associates | 31,562 | 31,655 |
| Other investments | 3 | 3 |
| | 76,100 | 56,905 |
| CURRENT ASSETS | | |
| Inventories | 4,123 | 2,094 |
| Amounts due from associates | 110 | 18 |
| Trade receivables | 91,340 | 74,048 |
| Other receivables, deposits and prepayments | 5,800 | 5,046 |
| Tax recoverable | 1,519 | 1,120 |
| Deposits with licensed banks | 50,000 | 33,947 |
| Cash and bank balances | 11,276 | 7,102 |
| | 164,168 | 123,375 |
| LESS: CURRENT LIABILITIES | | |
| Trade payables | 75,196 | 73,212 |
| Other payables and accruals | 8,224 | 7,162 |
| Taxation | 1,818 | 748 |
| Borrowings | 1,094 | 1,059 |
| Dividend payable | 47 | - |
| | 86,379 | 82,181 |
| NET CURRENT ASSETS | 77,789 | 41,194 |
| LESS: NON-CURRENT LIABILITIES | | |
| Deferred tax liabilities | 988 | 878 |
| Term loan (secured) | 6,007 | 3,031 |
| | 6,995 | 3,909 |
| | 146,894 | 94,190 |
| CAPITAL AND RESERVES | | |
| Attributable to the shareholders of the Company | | |
| Share capital | 80,000 | 60,000 |
| Share premium | 20,000 | 0 |
| Retained earnings | 85,003 | 69,951 |
| Merger deficit | (50,000) | (50,000) |
| Currency translation differences | (2,423) | (1,448) |
| | 132,580 | 78,503 |
| MINORITY INTEREST | 14,314 | 15,687 |
| TOTAL EQUITY | 146,894 | 94,190 |
| Net assets per share attributable to equity shareholders of the Company (RM) | 1.66 | 1.31 |

DELEUM BERHAD
(Company No: 715640-T)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to the equity holders of the Company | | | | | | | | |
|----------------------------------|--|----------------------|---|------------------------|-----------------------|--------------------------|----------------|--------------------------|---------------------|
| | Share capital | Share premium | Currency translation differences | Capital reserve | Merger deficit | Retained earnings | Total | Minority interest | Total equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2006 | | | | | | | | | |
| - as previously reported | 60,000 | - | (527) | 1,422 | (50,000) | 50,439 | 61,334 | 17,462 | 78,796 |
| - adoption of FRS 3 | - | - | - | (1,422) | - | 1,422 | - | - | - |
| - as restated | 60,000 | - | (527) | - | (50,000) | 51,861 | 61,334 | 17,462 | 78,796 |
| Profit for the financial period | - | - | - | - | - | 18,090 | 18,090 | 2,709 | 20,799 |
| Dividends paid | - | - | - | - | - | - | - | (2,825) | (2,825) |
| Disposal of subsidiaries | - | - | - | - | - | - | - | (712) | (712) |
| Currency translation differences | - | - | (921) | - | - | - | (921) | (947) | (1,868) |
| At 31 December 2006 | <u>60,000</u> | <u>-</u> | <u>(1,448)</u> | <u>-</u> | <u>(50,000)</u> | <u>69,951</u> | <u>78,503</u> | <u>15,687</u> | <u>94,190</u> |
| At 1 January 2007 | 60,000 | - | (1,448) | - | (50,000) | 69,951 | 78,503 | 15,687 | 94,190 |
| Issuance of shares | | | | | | | | | |
| - Rights Issue | 6,000 | - | - | - | - | - | 6,000 | - | 6,000 |
| - Public Issue | 14,000 | 21,700 | - | - | - | - | 35,700 | - | 35,700 |
| Share issue expenses | - | (1,700) | - | - | - | - | (1,700) | - | (1,700) |
| Profit for the financial period | - | - | - | - | - | 25,121 | 25,121 | 2,411 | 27,532 |
| Dividends paid | - | - | - | - | - | (10,069) | (10,069) | (2,951) | (13,020) |
| Currency translation differences | - | - | (975) | - | - | - | (975) | (833) | (1,808) |
| At 31 December 2007 | <u>80,000</u> | <u>20,000</u> | <u>(2,423)</u> | <u>-</u> | <u>(50,000)</u> | <u>85,003</u> | <u>132,580</u> | <u>14,314</u> | <u>146,894</u> |

DELEUM BERHAD
(Company No: 715640-T)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| | CUMULATIVE QUARTER | |
|---|---------------------------|-------------------|
| | YEAR ENDED | YEAR ENDED |
| | 31/12/2007 | 31/12/2006 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit for the financial year | 27,532 | 20,799 |
| <u>Adjustments for:</u> | | |
| Interest income | (1,776) | (1,013) |
| Interest expense | 279 | 109 |
| Property, plant and equipment | | |
| - Depreciation | 4,305 | 3,440 |
| Share of results of associates | (8,283) | (10,011) |
| Tax expense | 8,267 | 6,730 |
| Others | (13) | 3,570 |
| Non cash adjustments | <u>30,311</u> | <u>23,624</u> |
| Working capital changes | (16,883) | (2,007) |
| Interest received | 1,765 | 1,013 |
| Tax paid | (7,494) | (7,173) |
| Interest paid | (279) | (109) |
| Net cash generated from operating activities | <u>7,420</u> | <u>15,348</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Property plant and equipment | | |
| - Purchases | (24,492) | (14,651) |
| - Proceeds from disposals | 396 | 413 |
| Disposal of subsidiary | - | (2,073) |
| Dividends received from associate | 6,861 | 4,917 |
| Net cash used in investing activities | <u>(17,235)</u> | <u>(11,394)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of shares | | |
| Share issue expenses | 41,700 | - |
| Bank borrowings: | (1,700) | - |
| - Proceeds | | |
| - Repayments | 10,271 | 2,718 |
| Dividends paid to: | (7,260) | (548) |
| - Shareholders | | |
| - Minority interest | (10,022) | (7,200) |
| | (2,860) | (2,825) |
| Net cash generated from/ (used) in financing activities | <u>30,129</u> | <u>(7,855)</u> |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR | 20,314 | (3,901) |
| CURRENCY TRANSLATION DIFFERENCES | (87) | (296) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | 41,049 | 45,246 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | <u>61,276</u> | <u>41,049</u> |
| Cash and cash equivalents at the end of the year comprise the following: | | |
| Cash and bank balances | 11,276 | 7,102 |
| Deposits with licensed banks | 50,000 | 33,947 |
| | <u>61,276</u> | <u>41,049</u> |