

DELEUM BERHAD
(Company No: 715640-T)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2008

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DELEUM BERHAD
(Company No: 715640-T)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

ANNOUNCEMENT

The Board of Directors of Deleum Berhad ("Deleum" or "the Company") is pleased to announce the following unaudited consolidated results for the second quarter ended 30 June 2008 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 2007 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2008**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/06/2008 RM'000	QUARTER ENDED 30/06/2007 RM'000	PERIOD ENDED 30/06/2008 RM'000	PERIOD ENDED 30/06/2007 RM'000
Revenue	81,591	261,658	165,188	381,493
Cost of sales	(72,158)	(247,838)	(148,299)	(356,501)
Gross profit	<u>9,433</u>	<u>13,820</u>	<u>16,889</u>	<u>24,992</u>
Other operating income	983	528	1,487	776
Selling and distribution costs	(335)	(1,188)	(920)	(1,545)
Administrative expenses	(5,285)	(5,097)	(9,840)	(9,416)
Other operating expenses	(440)	(1,071)	(1,661)	(1,639)
Finance costs	(131)	(126)	(235)	(190)
Share of results of associates	2,110	2,386	7,909	4,749
Profit before tax	<u>6,335</u>	<u>9,252</u>	<u>13,629</u>	<u>17,727</u>
Tax expense	(1,350)	(1,882)	(1,880)	(3,983)
Profit for the financial period	<u><u>4,985</u></u>	<u><u>7,370</u></u>	<u><u>11,749</u></u>	<u><u>13,744</u></u>
Attributable to:				
Equity holders of the Company	4,426	6,854	10,302	12,537
Minority Interest	559	516	1,447	1,207
	<u><u>4,985</u></u>	<u><u>7,370</u></u>	<u><u>11,749</u></u>	<u><u>13,744</u></u>
Earnings per share (sen)				
- Basic	<u>4.43</u>	<u>6.85</u>	<u>10.30</u>	<u>12.54</u>

DELEUM BERHAD
(Company No: 715640-T)

UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2008
CONSOLIDATED BALANCE SHEET

	As at 30/06/2008	As at 31/12/2007
	RM'000	RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	43,313	39,439
Investment properties	1,042	1,053
Prepaid lease payments	3,985	4,012
Associates	32,556	31,562
Other investments	2	2
	<u>80,898</u>	<u>76,068</u>
CURRENT ASSETS		
Inventories	3,079	4,123
Amounts due from associates	450	110
Trade receivables	80,708	91,119
Other receivables, deposits and prepayments	4,974	4,150
Tax recoverable	1,674	1,525
Deposits with licensed banks	46,929	50,250
Cash and bank balances	31,789	11,028
	<u>169,603</u>	<u>162,305</u>
LESS: CURRENT LIABILITIES		
Trade payables	86,082	72,657
Other payables and accruals	5,606	8,866
Taxation	1,470	1,818
Borrowings	1,036	1,096
Dividend payable	68	47
	<u>94,262</u>	<u>84,484</u>
NET CURRENT ASSETS	<u>75,341</u>	<u>77,821</u>
LESS: NON-CURRENT LIABILITIES		
Deferred tax liabilities	777	988
Term loan (secured)	5,508	6,007
	<u>6,285</u>	<u>6,995</u>
	<u>149,954</u>	<u>146,894</u>
CAPITAL AND RESERVES		
Attributable to the shareholders of the Company		
Share capital	100,000	80,000
Share premium	-	20,000
Retained earnings	89,384	85,002
Merger deficit	(50,000)	(50,000)
Currency translation differences	(2,662)	(2,422)
	<u>136,722</u>	<u>132,580</u>
MINORITY INTEREST	13,232	14,314
TOTAL EQUITY	<u>149,954</u>	<u>146,894</u>
Net assets per share attributable to equity holders of the Company (RM)	1.37	1.66

DELEUM BERHAD
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UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2008

Attributable to the equity holders of the Company

	Share capital RM'000	Share premium RM'000	Currency translation differences RM'000	Merger deficit RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
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	-	(1,630)	-	-	-	(1,630)	-	(1,630)
Profit for the financial period	-	-	-	-	12,537	12,537	1,207	13,744
Dividend	-	-	-	-	(7,102)	(7,102)	(3,010)	(10,112)
Currency translation differences	-	-	(547)	-	-	(547)	(426)	(973)
At 30 June 2007	<u>80,000</u>	<u>20,070</u>	<u>(1,995)</u>	<u>(50,000)</u>	<u>75,386</u>	<u>123,461</u>	<u>13,458</u>	<u>136,919</u>
At 1 January 2008	80,000	20,000	(2,422)	(50,000)	85,002	132,580	14,314	146,894
Issuance of shares								
- Bonus Issue	20,000	(20,000)	-	-	-	-	-	-
Profit for the financial period	-	-	-	-	10,302	10,302	1,447	11,749
Dividend	-	-	-	-	(5,920)	(5,920)	(2,351)	(8,271)
Currency translation differences	-	-	(240)	-	-	(240)	(178)	(418)
At 30 June 2008	<u>100,000</u>	<u>-</u>	<u>(2,662)</u>	<u>(50,000)</u>	<u>89,384</u>	<u>136,722</u>	<u>13,232</u>	<u>149,954</u>

DELEUM BERHAD
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UNAUDITED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2008

	CUMULATIVE QUARTER	
	Period Ended 30/06/2008 RM'000	Period Ended 30/06/2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	11,749	13,744
<u>Adjustments for:</u>		
Allowance for doubtful debts written back	-	(266)
Interest income	(777)	(569)
Interest expense	235	190
Property, plant and equipment		
- Depreciation	2,862	2,112
Share of results of associates	(7,909)	(4,749)
Tax expense	1,880	3,983
Others	(283)	(347)
Non cash adjustments	<u>7,757</u>	<u>14,098</u>
Working capital changes	20,777	17,701
Interest received	772	569
Tax paid	(2,593)	(3,068)
Interest paid	(235)	(190)
Net cash generated from operating activities	<u>26,478</u>	<u>29,110</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from issuance of shares	-	41,700
Share issue expenses	-	(2,000)
Property plant and equipment		
- Purchases	(6,698)	(8,424)
- Proceeds from disposals	-	295
Dividends received from associate	6,592	6,946
Net cash (used in) / generated from investing activities	<u>(106)</u>	<u>38,517</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings:		
- Proceeds	-	6,072
- Repayments	(557)	(681)
Dividends paid to:		
- Shareholders	(5,920)	(7,102)
- Minority interest	(2,351)	(2,321)
Net cash used in financing activities	<u>(8,828)</u>	<u>(4,032)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	17,544	63,595
FOREIGN EXCHANGE RESERVE	(101)	(101)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	61,275	41,048
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>78,718</u>	<u>104,542</u>
Cash and cash equivalents at the end of the period comprise the following:		
Cash and bank balances	31,789	24,334
Deposits with licensed banks	46,929	80,208
	<u>78,718</u>	<u>104,542</u>