

DELEUM BERHAD
(Company No: 715640-T)

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2008

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DELEUM BERHAD
(Company No: 715640-T)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

ANNOUNCEMENT

The Board of Directors of Deleum Berhad ("Deleum" or "the Company") is pleased to announce the following unaudited consolidated results for the third quarter ended 30 September 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 report.

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2008
INTERIM CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/09/2008 RM'000	QUARTER ENDED 30/09/2007 RM'000	PERIOD ENDED 30/09/2008 RM'000	PERIOD ENDED 30/09/2007 RM'000
Revenue	115,552	176,414	280,740	557,907
Cost of sales	(99,444)	(163,964)	(247,743)	(520,465)
Gross profit	<u>16,108</u>	<u>12,450</u>	<u>32,997</u>	<u>37,442</u>
Other operating income	321	860	1,808	1,636
Selling and distribution costs	(640)	(542)	(1,560)	(2,087)
Administrative expenses	(6,717)	(4,104)	(16,557)	(13,520)
Other operating expenses	34	(695)	(1,627)	(2,334)
Finance costs	(123)	(93)	(358)	(283)
Share of results of associates	4,205	1,514	12,114	6,263
Profit before tax	<u>13,188</u>	<u>9,390</u>	<u>26,817</u>	<u>27,117</u>
Tax expense	(2,309)	(2,333)	(4,189)	(6,316)
Profit for the financial period	<u><u>10,879</u></u>	<u><u>7,057</u></u>	<u><u>22,628</u></u>	<u><u>20,801</u></u>
Attributable to:				
Equity holders of the Company	8,330	6,654	18,632	19,191
Minority Interest	2,549	403	3,996	1,610
	<u><u>10,879</u></u>	<u><u>7,057</u></u>	<u><u>22,628</u></u>	<u><u>20,801</u></u>
Earnings per share (sen)				
- Basic	<u>8.33</u>	<u>6.65</u>	<u>18.63</u>	<u>19.19</u>

DELEUM BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2008
INTERIM CONSOLIDATED BALANCE SHEET

	As at 30/09/2008 RM'000	As at 31/12/2007 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	50,389	39,439
Investment properties	1,053	1,053
Prepaid lease payments	3,970	4,012
Goodwill	1,796	-
Associates	36,728	31,562
Other investments	98	2
	<u>94,034</u>	<u>76,068</u>
CURRENT ASSETS		
Inventories	11,468	4,123
Amounts due from associates	1,245	110
Trade receivables	115,825	91,119
Other receivables, deposits and prepayments	7,790	4,150
Tax recoverable	3,045	1,525
Deposits with licensed banks	37,080	50,250
Cash and bank balances	9,654	11,028
	<u>186,107</u>	<u>162,305</u>
LESS: CURRENT LIABILITIES		
Trade payables	104,431	72,657
Other payables and accruals	7,589	8,866
Taxation	302	1,818
Borrowings	932	1,096
Dividend payable	201	47
	<u>113,455</u>	<u>84,484</u>
NET CURRENT ASSETS	<u>72,652</u>	<u>77,821</u>
LESS: NON-CURRENT LIABILITIES		
Deferred tax liabilities	565	988
Term loan (secured)	5,443	6,007
	<u>6,008</u>	<u>6,995</u>
	<u>160,678</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	92,755	85,002
Merger deficit	(50,000)	(50,000)
Currency translation differences	(2,369)	(2,422)
	<u>140,386</u>	<u>132,580</u>
MINORITY INTEREST	20,292	14,314
TOTAL EQUITY	<u>160,678</u>	<u>146,894</u>
Net assets per share attributable to equity holders of the Company (RM)	1.40	1.66

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

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	-	(1,662)	-	-	-	(1,662)	-	(1,662)
Profit for the financial period	-	-	-	-	19,191	19,191	1,610	20,801
Dividend	-	-	-	-	(10,022)	(10,022)	(3,011)	(13,033)
Currency translation differences	-	-	(891)	-	-	(891)	(427)	(1,318)
At 30 September 2007	<u>80,000</u>	<u>20,038</u>	<u>(2,339)</u>	<u>(50,000)</u>	<u>79,120</u>	<u>126,819</u>	<u>13,859</u>	<u>140,678</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	-	-	-	-	18,632	18,632	3,996	22,628
Dividend	-	-	-	-	(10,920)	(10,920)	(3,783)	(14,703)
Currency translation differences	-	-	53	-	-	53	(18)	35
Disposal of DHSB's 20% shareholding	-	-	-	-	10	10	10	20
Acquisition of subsidiary	-	-	-	-	-	-	5,536	5,536
Acquisition of remaining shares in a subsidiary	-	-	-	-	31	31	237	268
At 30 September 2008	<u>100,000</u>	<u>-</u>	<u>(2,369)</u>	<u>(50,000)</u>	<u>92,755</u>	<u>140,386</u>	<u>20,292</u>	<u>160,678</u>

DELEUM BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2008
INTERIM CONSOLIDATED CASH FLOW STATEMENT

	CUMULATIVE QUARTER	
	Period Ended 30/09/2008 RM'000	Period Ended 30/09/2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	22,628	20,801
<u>Adjustments for:</u>		
Property, plant and equipment		
- Depreciation	4,251	3,346
Share of results of associates	(12,114)	(6,263)
Tax expense	4,189	6,316
Others	(679)	(1,165)
Non cash adjustments	<u>18,275</u>	<u>23,035</u>
Working capital changes	523	6,792
Interest received	1,033	1,214
Tax paid	(9,977)	(4,276)
Interest paid	(358)	(265)
Net cash generated from operating activities	<u>9,496</u>	<u>26,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from issuance of shares	-	41,700
Share issue expenses	-	(1,662)
Property plant and equipment		
- Purchases	(12,907)	(13,579)
- Proceeds from disposals	-	396
Acquisition of subsidiaries	(2,115)	-
Dividends received from associate	6,600	6,956
Net cash (used in) / generated from investing activities	<u>(8,422)</u>	<u>33,811</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings:		
- Proceeds	-	8,872
- Repayments	(815)	(7,018)
Dividends paid to:		
- Shareholders	(10,920)	(10,022)
- Minority interest	(3,783)	(3,011)
Net cash used in financing activities	<u>(15,518)</u>	<u>(11,179)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	(14,444)	49,132
FOREIGN EXCHANGE RESERVE	(100)	(106)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	61,278	41,049
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>46,734</u>	<u>90,075</u>
Cash and cash equivalents at the end of the period comprise the following:		
Cash and bank balances	9,654	31,421
Deposits with licensed banks	37,080	58,654
	<u>46,734</u>	<u>90,075</u>