

**DELLOYD VENTURES BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008**

**A. NOTES TO THE INTERIM FINANCIAL REPORT**

**1. Basis of preparation**

The interim financial report has been prepared in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report is unaudited and should be read in conjunction with the audited financial statements for the year ended **31 December 2007**. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the year ended **31 December 2007**.

**2. Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007 except for the adoption of the following new / revised Financial Reporting Standards (“FRS”) and new Interpretations effective for financial periods beginning on or after 1 January 2008.

FRSs, Amendment and Interpretations

FRS 107 Cash Flow Statements  
FRS 111 Construction Contracts  
FRS 112 Income Taxes  
FRS 118 Revenue  
FRS 120 Accounting for Govt Grants & Disclosure of Govt Assistance  
FRS 134 Interim Financial Reporting  
FRS 137 Provisions, Contingent Liabilities and Contingent Assets

Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation.

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 Interests 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 129, Financial Reporting in Hyperinflationary Economies.
IC Interpretation 8	Scope of FRS 2.

The adoption of the above FRSs, Amendment to FRS and Interpretations have no significant impact on the unaudited interim financial report for the period ended 30 September 2008.

FRS 139 Financial Instruments : Recognition and Measurement has been deferred and has not been adopted by the Group.

3. **Auditors' report on the preceding annual financial statements**

The auditors' report of the previous financial year ended **31 December 2007** was not subject to any qualification.

4. **Seasonal or cyclical factors**

The operations of the Group are not affected by any significant seasonal or cyclical factors other than the plantation sector, which is dependent on the selling prices of crude palm oil and the production of fresh fruit bunches.

5. **Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter ended 30 September 2008.

6. **Changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

7. **Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter.

8. **Dividends paid**

On 1 August 2008, the Company paid a final dividend of 6% less 26% income tax for the financial year ended 31 December 2007 amounting to RM 3,910,341.

9. **Segmental Information**

	3 months ended		Cumulative Quarter	
	Current Quarter Ended		9 Months Cumulative	
	30/09/08	30/09/07	30/09/08	30/09/07
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<b><u>Segment Revenue</u></b>				
Automotive Components	63,717	47,741	179,277	125,236
Vehicle Distribution	4,767	8,107	16,325	20,813
Plantation	8,520	6,661	32,801	15,487
Others	1,689	1,034	6,010	3,431
Elimination of inter segment sales	(5,864)	(4,823)	(18,555)	(13,252)
<b>Group Revenue</b>	<b>72,829</b>	<b>58,720</b>	<b>215,858</b>	<b>151,715</b>
<b><u>Segment Results</u></b>				
Automotive Components	7,712	4,680	20,614	10,901
Vehicle Distribution	(227)	(91)	(775)	(1,037)
Plantation	(251)	586	6,629	(2,329)
Others	(1,153)	(1,345)	(3,869)	(3,495)
	6,081	3,830	22,599	4,040
Share of profits less losses in associated companies	1,079	1,011	3,137	3,173
	7,160	4,841	25,736	7,213

10. **Valuation of property, plant and equipment**

There were no valuation of property, plant and equipment during the current financial quarter.

11. **Material events subsequent to the balance sheet date**

There were no material events subsequent to the end of the financial period ended 30 September 2008 that have not been reflected in the financial statements.

12. **Changes in the composition of the Group**

On 12 February 2008, Magnavision Auto Services (M) Sdn Bhd, a wholly-owned subsidiary of Delloyd Industries (M) Sdn Bhd (DISB), changed its name to Delloyd Corporation Sdn Bhd (DCSB).

On 3 March 2008, DCSB entered into a Subscription and Joint Venture Agreement to subscribe for 5,100 ordinary shares of Rp 1,000,000 each representing 51% equity interest in PT Asian Auto International, a company incorporated in the Republic of Indonesia for a total cash consideration of Rp 5,100,000,000.

This transaction was completed on 31 March 2008.

On 3 April 2008, DISB, a wholly-owned subsidiary transferred to the Company its investment in DCSB comprising 10 ordinary shares of RM 1 each, representing the entire issued and paid-up share capital of DCSB. Consequently, DCSB became a wholly-owned subsidiary of the Company.

13. **Changes in contingent liabilities or contingent assets**

Contingent liabilities of the Group as at 20 November 2008 amounted to **RM19.7 million** which are in respect of corporate guarantees given to licensed banks for banking facilities granted to subsidiaries.

**B. ADDITIONAL INFORMATION AS REQUIRED UNDER BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT**

**1. Review of performance**

**1.1 Third Quarter ended 30 September 2008 compared with Third Quarter ended 30 September 2007**

The Group's revenue and profit before tax increased by 24.0% from RM 58.7m to RM 72.8m and by 50.0% from RM 4.8m to RM 7.2m, respectively.

The increase is mainly attributable to the automotive sector which revenue increased 33.5% from RM 47.7m to RM 63.7m and profit before tax increased by 63.8% from RM 4.7m to RM 7.7m.

Contribution to the Group from the automotive sector again surpassed 2007 corresponding quarter due to the higher industry vehicle sales in 2008 compared to 2007.

Even though the plantation sector's revenue was higher, this sector sustained a loss due to increased costs of fertilisers and transportation for the ongoing rehabilitation work in the Indonesian estates.

In view of the poor performance of the vehicle distribution sector, we have progressively been reducing the number of Hyundai-Inokom sales outlets to minimise operational loss. This sector operates 3 outlets now, one each for Hyundai-Inokom, Suzuki (3S centre) and Proton cars.

**1.2 Third Quarter ended 30 September 2008 against previous quarter ended 30 June 2008**

The Group's revenue and profit before tax decreased by 0.68% from RM 73.3m to RM 72.8m and by 23.4% from RM 9.4m to RM 7.2m, respectively.

The automotive sector posted a higher revenue of 6.3% from RM 59.9m to RM 63.7m.

The plantation sector registered a decline in revenue of 28.6% from RM 11.9m to RM 8.5m. The drop in revenue and loss incurred in this sector is mainly due to depressed CPO prices, low yield from the Indonesian estates undergoing rehabilitation and the delayed response of the trees to the drought in 2006.

**2. Prospects**

The Group's automotive sector continues to perform satisfactorily for the current quarter. Amidst the global financial meltdown leading to the impending economic slowdown, consumers will remain cautious. This will invariably lead to some decline in overall sales of vehicles and components. In spite of the adverse external environment, we expect to achieve positive results for this sector for the final quarter of the year.

The Group's new 51% equity investment in PT Asian Auto International (PT AAI), Indonesia is envisaged to make a positive contribution to the Group by the final quarter of the year, and is expected to contribute significantly to the Group's turnover in the long term.

The Group's plantation sector will be affected by the sharp decline in the price of CPO. It suffered losses in the current quarter and is expected to register negative results in the final quarter of the year with the prevailing depressed CPO prices, increased cost of fertilisers and rehabilitation in the Indonesian estates.

Going forward, the Group is confident of weathering this downfall in CPO prices in view of its low gearing and resilient financial position. The Group has also taken measures to mitigate any negative impact and to tread cautiously and prudently to achieve the desired results in the final quarter of the year.

3. **Profit Forecast**

There was no profit forecast or profit guarantee made during the financial period under review.

4. **Taxation**

	3 months ended		Year To Date	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Income tax				
- Local	(486)	1,166	4,776	3,731
- Overseas	57	422	480	727
	(429)	1,588	5,256	4,458
- Deferred	-	-	-	-
	(429)	1,588	5,256	4,458

The income tax credit is attributed to the writeback of overprovision of tax of certain subsidiary companies in the current quarter.

5. **Unquoted investments and properties**

There were no purchases or disposal of unquoted investments and / or properties during the current financial quarter.

6. **Purchase / disposal of quoted securities**

a) Purchase and disposal of quoted securities for the financial period ended 30 September 2008 are as follows:

	<b><u>RM'000</u></b>
Total purchases	—
Disposal proceeds	<u>8,879</u>
Gain / (loss) on disposal	<u>(182)</u>

b) Investments in quoted securities as at 30 September 2008 are as follows:

	<u><i>RM'000</i></u>
At cost	<u>1,186</u>
At book value	<u>770</u>
At Market value	<u>770</u>

7. **Status of corporate proposals**

There were no corporate proposals announced but not completed as at 20 November 2008.

8. **Group borrowings and debt securities**

Details of the Group's borrowings as at the end of the current quarter are as follows:

	<u>30/09/2008</u> <i>RM'000</i>	<u>30/09/2007</u> <i>RM'000</i>
<b>Short Term (secured)</b>		
Hire purchase payables	416	337
Term Loan	93	-
<b>Long Term (secured)</b>		
Hire purchase payables	778	1,107
Term Loan	1,266	1,318
Medium Term Notes	50,000	50,000
	<u>52,553</u>	<u>52,762</u>

9. **Off balance sheet financial instruments**

The contracted amount and fair value of financial instruments not recognized in the balance sheet as at 30 September 2008.

	Contracted Amount <i>RM'000</i>	Fair Value <i>RM'000</i>
Forward foreign exchange contract	<u>2,331</u>	<u>2,413</u>

10. **Capital Commitments**

Amount contracted but not provided for in the accounts:

	<i>RM'000</i>
- Property, plant and equipment	1,608
- Oil Mill	25,114
	<u>26,722</u>

11. **Material litigation**

There were no material litigations or pending material litigations involving the Group as at the date of this announcement.

12. **Dividend**

No dividend has been declared for the current quarter ended 30 September 2008.

13. **Earnings per share**

The basic earnings per share is derived based on the net profit attributable to ordinary shareholders for the period ended 30 September 2008 of **RM8.92 million** divided by the outstanding number of ordinary shares in issue, net of treasury shares, at the balance sheet date of **88,070,750** shares.

By Order of The Board

Ng Say Or  
Company Secretary  
26 November 2008