DELLOYD VENTURES BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 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 31 December 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**

There was no dividend payment during the current financial quarter.

9. **Segmental Information**

	3 months ended Current Quarter Ended		Cumulative Quarter 12 Months Cumulative	
	31/12/08	31/12/07	31/12/08	31/12/07
	RM'000	*RM'000*	*RM'000*	*RM'000*
Segment Revenue				
Automotive Components	75,736	51,802	255,013	177,038
Vehicle Distribution	3,348	5,820	19,674	26,633
Plantation	5,432	10,607	38,233	26,094
Others	1,259	1,009	5,069	4,440
Elimination of inter segment sales	(5,228)	(5,489)	(21,584)	(18,741)
Group Revenue	80,547	63,749	296,405	215,464
Segment Results				
Automotive Components	5,564	4,873	26,179	15,774
Vehicle Distribution	(70)	(277)	(845)	(1,314)
Plantation	(5,736)	3,494	892	1,165
Others	(1,285)	(418)	(5,154)	(3,913)
	(1,527)	7,672	21,072	11,712
Share of profits less losses in associated companies	102	548	3,239	3,721
	(1,425)	8,220	24,311	15,433

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 fourth quarter ended 31 December 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.

On 31 December 2008, the Company's wholly-owned subsidiary, DISB disposed all its investment in Delloyd-Murakami (M) Sdn Bhd (Delloyd-Murakami) comprising 3 ordinary shares of RM1.00 each for a total consideration of RM3.00. Effective from the same date, Delloyd-Murakami ceased to be a subsidiary of DISB.

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

Contingent liabilities of the Group as at 20 February 2009 amounted to **RM18.7 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 Fourth Quarter ended 31 December 2008 compared with Fourth Quarter ended 31 December 2007

The Group's revenue increased by 26.4% from RM63.7 million to RM80.5 million. However, it sustained a loss of RM1.4 million in the current quarter compared to a profit before tax of RM8.2 million in the 2007 corresponding quarter.

The increase in revenue is mainly attributable to the higher demand for automotive components in 2008 compared to 2007 in the automotive sector.

The loss is mainly due to the reduction in revenue in the plantation sector as a result of low FFB output in the Indonesian plantation and the steep decline in CPO prices.

Furthermore, the loss was also attributed to substantial unrealised foreign exchange losses of RM3.7 million from the translation of inter-company balances in the Indonesian plantation subsidiary.

1.2 Fourth Quarter ended 31 December 2008 against preceding quarter ended 30 September 2008

The Group's revenue increased by 10.6% from RM72.8 million to RM80.5 million and the Group's loss before tax for the current quarter is RM1.4 million compared to a profit of RM7.2 million in the preceding quarter.

The automotive sales revenue remain strong for the current quarter but profit dipped in this sector due to the strengthening of certain foreign currencies which have eroded our profit margins.

The loss in the current quarter resulted from the plantation sector as explained above.

2. Prospects

With the increasingly difficult business and operating environment brought about by the global economic and financial crisis, the Board is of the opinion that it will be a very challenging year for the Group.

As consumers remain cautious, the sale of new vehicles will invariably decline and correspondingly the sale of automotive components. Furthermore, the volatility in the foreign exchange markets will have an adverse impact on our production costs. As such, it is likely that the Group's automotive sector will experience declining revenue and profits.

Given the prevailing lower commodity prices, it is unlikely the Group's plantation sector will achieve the desired level of revenue and profitability as it once enjoyed before CPO price fell to its present low.

In the short term, the global economic slowdown will undoubtedly impact the Group's business. However, going forward, we are confident that our long term prospects remain intact.

3. **Profit Forecast**

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

4. **Taxation**

	3 months ended		Year To Date	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	*RM'000*	*RM'000*	*RM'000*
Income tax				
- Local	1,678	(305)	6,454	3,426
- Overseas	334	133	814	860
	2,012	(172)	7,268	4,286
- Deferred	-	114	-	114
	2,012	(58)	7,268	4,400

The income tax charge is attributed to certain profitable subsidiary companies of the Group which are subjected to tax at the applicable statutory tax rate.

5. **Unquoted investments and properties**

There were no significant 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 fourth quarter ended 31 December 2008 are as follows:

	RM'000
Total purchases	-
Disposal proceeds	7
Gain / (loss) on disposal	(2)

b) Investments in quoted securities as at 31 December 2008 are as follows:

	RM'000
At cost	1,062
At book value	659
At Market value	660

7. **Status of corporate proposals**

There were no corporate proposals announced but not completed as at 20 February 2009.

8. **Group borrowings and debt securities**

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

	31/12/2008	31/12/2007
	RM'000	*RM'000*
Short Term (secured)		
Hire purchase payables	415	339
Revolving Credit	-	334
Term Loan	93	93
Long Term (secured)		
Hire purchase payables	700	1,022
Term Loan	1,257	1,302
Medium Term Notes	50,000	50,000
	52,465	53,090

9. **Off balance sheet financial instruments**

The contracted amount and fair value of financial instruments not recognized in the balance sheet as at 31 December 2008.

	Contracted Amount	Fair Value
	RM'000	*RM'000*
Forward foreign exchange contract	-	-

10. **Capital Commitments**

Amount contracted but not provided for in the accounts:

	RM'000
- Property, plant and equipment	1,188
- Oil Mill	23,515
	24,703

11. **Material litigation**

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

12. **Dividend**

The Board of Directors is recommending for shareholders' approval at the forthcoming Annual General Meeting, a first and final dividend of 5 sen per share (1.8 sen less 25% tax and 3.2% tax exempt).

The date of the Annual General Meeting and book closure for the dividend entitlement will be announced in due course.

13. **Loss per share**

The loss per share is derived based on the net loss attributable to ordinary shareholders for the quarter ended 31 December 2008 of **RM0.9 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 February 2009