

DELLOYD VENTURES BERHAD
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2009**

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 2008**. 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 2008**.

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 2008 except for the adoption of the following new Financial Reporting Standards (“FRS”) and Interpretations that are issued but not yet effective and have not been applied by the Group and the Company:-

FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 4: Insurance Contracts	1 January 2010
FRS 7: Financial Instruments : Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

The other new FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group upon their initial application.

3. Auditors’ report on the preceding annual financial statements

The auditors’ report of the previous financial year ended **31 December 2008** 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 June 2009.

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		Cumulative Quarter	
	Current Quarter Ended		6 Months Cumulative	
	30/06/09	30/06/08	30/06/09	30/06/08
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
Automotive Components	51,936	54,792	105,645	106,120
Plantation	12,692	11,879	20,484	24,281
Vehicle Distribution	4,486	5,882	8,756	11,557
Others	310	785	592	1,070
Group Revenue	69,424	73,338	135,477	143,028
<u>Segment Results</u>				
Automotive Components	7,383	6,419	14,264	12,903
Plantation	4,071	3,328	4,868	6,879
Vehicle Distribution	(151)	(243)	(359)	(548)
Others	(1,167)	(1,359)	(2,345)	(2,716)
	10,136	8,145	16,428	16,518
Translation gain	4,532	-	4,532	-
	14,668	8,145	20,960	16,518
Share of profit less losses in associated companies (net)	614	1,283	586	2,058
	15,282	9,428	21,546	18,576

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

There was 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 June 2009 that have not been reflected in the financial statements.

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

On 29 June 2009, the Company's wholly-owned subsidiary, Delloyd Infocomm Sdn Bhd (Dinfo) disposed of its investment in Asian Auto Interactive Sdn Bhd (AAI) comprising 1,000,000 ordinary shares of RM1.00 each for a total consideration of RM365,000. Effective from the same date, AAI ceased to be a subsidiary of DInfo.

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

Contingent liabilities of the Group as at 21 August 2009 amounted to **RM56.0 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 Second Quarter ended 30 June 2009 compared with Second Quarter ended 30 June 2008

The Group's revenue decreased by 5.3% from RM73.3 million to RM69.4 million.

However, profit before tax was higher at RM15.3 million compared to RM9.4 million, an increase of 62.8% after including a translation gain of RM4.5 million. The gain resulted from the strengthening of the Indonesian Rupiah in the quarter under review.

The strong performance of the automotive and plantation sectors also contributed positively to the Group's results.

1.2 Second Quarter ended 30 June 2009 against preceding quarter ended 31 March 2009

The Group's revenue increased by 5.0% from RM66.1 million to RM69.4 million. The plantation sector chalked up an impressive turnover of RM12.7 million compared to RM7.8 million in the preceding quarter mainly due to the increase in FFB price and output in the plantation in Indonesia.

Group profit increased by 142.9% from RM6.3 million to RM15.3 million. Other than the unrealised gain on exchange, the plantation sector achieved a profit of RM4.1 million against RM0.8 million in the preceding quarter. The automotive sector also managed a creditable performance amidst the difficult market conditions and registered a profit of RM7.4 million against RM6.9 million.

2. Prospects

In light of the prevailing recessionary condition, consumer spending continued to be restrained. As such, the production and sale of new vehicles generally have declined over the first half of the year. Correspondingly, the demand for automotive components has decreased too. This negative impact is reflected in the Group's automotive segment's revenue for the current quarter.

The Group's plantation segment performed better than the preceding quarter as a result of the higher CPO price and more importantly, due to the substantial increase in yield from the plantation in Indonesia.

Apart from the Government's implementation of the fiscal stimulus package, the global economy is showing signs of gradual recovery. This situation augurs well for the Group's automotive business. Barring any unforeseen circumstances, the FFB yield from the Group's plantation in Indonesia is expected to trend upwards and this will further boost the Group's financial performance for the current financial year.

Going forward, the Board anticipates the Group's major business units, namely, the automotive and plantation segments will sustain moderate growth for the remaining quarters of the financial year.

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	
	30/06/09	30/06/08	30/06/09	30/06/08
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Income Tax				
- Local	2,641	3,072	4,832	5,261
- Overseas	-	109	23	424
	2,641	3,181	4,855	5,685
Deferred Tax	38	-	38	-
	2,679	3,181	4,893	5,685

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) There were no purchases or disposals of quoted securities for the current quarter under review.
- b) Investments in quoted securities as at 30 June 2009 are as follows:

	<u>RM'000</u>
At cost	<u>1,137</u>
At book value	<u>893</u>
At Market value	<u>894</u>

7. **Status of corporate proposals**

On 18 May 2009, it was announced that PT Rebinmas Jaya (PTRJ) proposed to obtain credit facilities of USD8.0 million from Oversea-Chinese Banking Corporation Limited, Labuan Branch to facilitate and part-finance/reimburse the construction/installation of one unit of palm oil mill and purchase of related machinery and equipment for the palm oil mill in Indonesia. As at the date of this announcement, pending fulfillment of the Bank's stipulated drawdown conditions, a partial drawdown of USD3.0 million has been made.

8. **Group borrowings and debt securities**

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

	<u>30/06/2009</u>	<u>30/06/2008</u>
	<i>RM'000</i>	<i>RM'000</i>
Short Term (secured)		
Hire purchase payables	415	398
Term Loan	53	93
Bills Payable	-	3,164
Revolving Credit & Draft Loans	6,442	841
Long Term (secured)		
Hire purchase payables	520	829
Term Loan	8,430	1,279
Medium Term Notes	50,000	50,000
	<u>65,860</u>	<u>56,604</u>

9. **Off balance sheet financial instruments**

There was no contracted amount of financial instruments not recognised in the balance sheet as at 30 June 2009.

10. **Capital Commitments**

Amount contracted but not provided for in the accounts:

	<i>RM'000</i>
- Property, plant and equipment	1,389
- Construction of oil mill	13,860
	<u>15,249</u>

11. **Material litigation**

There was no material litigation or pending material litigation involving the Group as at the date of this announcement.

12. **Dividend**

No dividend has been declared for the current quarter ended 30 June 2009.

13. **Earnings per share**

The earnings per share is derived based on the net profit attributable to ordinary shareholders for the quarter ended 30 June 2009 of **RM9.8 million** divided by the outstanding number of ordinary shares in issue, net of treasury shares, at the balance sheet date of **88,032,750** shares.

By Order of The Board

Ng Say Or
Company Secretary
27 August 2009