

DELLOYD VENTURES BERHAD
(Incorporated in Malaysia)

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

On 3 August 2009, the Company paid a final dividend of 5% (1.8% less 25% income tax and 3.2% tax exempt) for the financial year ended 31 December 2008 amounting to RM4,005,483.

9. **Segmental Information**

	3 months ended		Cumulative Quarter	
	Current Quarter Ended		9 Months Cumulative	
	30/09/09	30/09/08	30/09/09	30/09/08
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
Automotive Components	53,322	58,406	158,967	164,526
Plantation	11,618	8,520	32,102	32,801
Vehicle Distribution	3,767	4,767	12,523	16,325
Others	649	1,136	1,241	2,206
Group Revenue	69,356	72,829	204,833	215,858
<u>Segment Results</u>				
Automotive Components	7,532	7,712	21,796	20,615
Plantation	1,934	(251)	6,802	6,628
Vehicle Distribution	(116)	(227)	(475)	(775)
Others	(1,240)	(1,153)	(3,585)	(3,869)
	8,110	6,081	24,538	22,599
Unrealised gain on foreign exchange	3,021	-	7,553	-
	11,131	6,081	32,091	22,599
Share of profit less losses in associated companies (net)	1,300	1,079	1,886	3,137
	12,431	7,160	33,977	25,736

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 September 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.

On 18 September 2009, the Company's wholly-owned subsidiary, Delloyd Auto Parts (M) Sdn Bhd (DAP) disposed of its investment in Autobags (M) Sdn Bhd (AB) comprising 400,000 ordinary shares of RM1.00 each for a total consideration of RM80,000. Effective from the same date, AB ceased to be a subsidiary of DAP.

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

Contingent liabilities of the Group as at 17 November 2009 amounted to **RM53.6 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 2009 compared with Third Quarter ended 30 September 2008

Group revenue was lower at RM69.4 million compared to RM72.8 million, a decrease of 4.7% mainly attributed to the decline in revenue in the automotive sector.

Group profit before tax was higher at RM12.4 million against RM7.2 million, an increase of RM5.2 million contributed by the unrealised gain on foreign exchange of RM3.0 million in the current quarter and the profit in the plantation sector of RM2.0 million. The plantation sector managed to achieve a profit compared to a loss in the corresponding quarter due to the high yield from the plantations in Indonesia despite the lower FFB prices.

1.2 Third Quarter ended 30 September 2009 against preceding quarter ended 30 June 2009

Group revenue maintained at RM69.4 million for the two quarters.

Group profit before tax registered a decrease of 19.0% from RM15.3 million to RM12.4 million. Profit from the automotive sector remained strong but the plantation sector's profit reduced by 52.5% from RM4.1 million to RM1.9 million mainly due to lower FFB prices in the current quarter.

The unrealised gain on foreign exchange arose due to a further strengthening of the Rupiah against the Ringgit.

2. Prospects

With the gradual recovery of the global economy and the Government's spending under its stimulus package, the domestic automotive industry has seen some growth from the last quarter. The Malaysian Automotive Association has revised its total industry volume forecast to 500,000 units from the earlier projection of 480,000 units for year 2009. The higher vehicle sales is expected to lead to higher parts and components sales for the Group.

The Group foresees that its automotive segment will perform satisfactorily for the remaining quarter of the year in terms of revenue and profit.

The outlook for palm oil price is supported by a gradual and stable recovery of the global economy. The Group's plantation segment is expected to perform satisfactorily in the last quarter of the year with the continuing uptrend in the FFB yield from the plantations in Indonesia.

The Board is of the opinion that the Group's performance will remain satisfactory for the rest of the 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	
	30/09/09	30/09/08	30/09/09	30/09/08
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Income Tax				
- Local	736	(486)	5,569	4,776
- Overseas	259	57	281	480
	995	(429)	5,850	5,256
Deferred Tax	-	-	38	-
	995	(429)	5,888	5,256

The income tax charge is due to certain profitable subsidiary companies of the Group which are subjected to tax at the applicable statutory tax rate. The effective tax rate of the Group for the current quarter is lower than the statutory tax rate due to the availability of tax losses brought forward.

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 September 2009 are as follows:

	<u>RM'000</u>
At cost	<u>957</u>
At book value	<u>549</u>
At Market value	<u>549</u>

7. **Status of corporate proposals**

There were no corporate proposals announced but not completed as at 17 November 2009.

8. **Group borrowings and debt securities**

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

	<u>30/09/2009</u> <i>RM'000</i>	<u>30/09/2008</u> <i>RM'000</i>
Short Term (secured)		
Hire purchase payables	351	416
Term Loans – Landed Properties	74	93
Revolving Credit, Draft & Term Loans	8,642	-
Long Term (secured)		
Hire purchase payables	373	778
Term Loans - Landed Properties	1,217	1,266
- OCBC Labuan	10,400	-
- OCBC Indonesia	3,957	-
Medium Term Notes	50,000	50,000
	<u>75,014</u>	<u>52,553</u>

9. **Off balance sheet financial instruments**

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

10. **Capital Commitments**

Amount contracted but not provided for in the accounts:

	<i>RM'000</i>
- Property, plant and equipment	1,253
- Construction of oil mill	7,583
	<u>8,836</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 September 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 September 2009 of **RM10.1 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
23 November 2009