DELLOYD VENTURES BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2011

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 period ended **31 March 2011**. 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 period ended **31 March 2011**.

2. Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the period ended 31 March 2011 except for adoption of the following new/revised/amendments to Financial Reporting Standards ("FRSs") and Interpretations effective for the financial period from 1 April 2011.

FRSs / IC Interpretations		**Effective for financial periods beginning on or after**
Revised FRS 1 (2010)	First-time Adoption of Financial Reporting Standards	1 July 2010
Revised FRS 3 (2010)	Business Combinations	1 July 2010
Revised FRS 127 (2010)	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Revised Amendments to FRS 1	Additional Exemption for First-time Adopters	1 January 2011
Amendments to FRS 2	Scope of FRS 2 and Revised FRS 3 (2010)	1 July 2010
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011

2. **<u>Changes in accounting policies (Cont'd)</u>**

FRSs / IC Interpretations		**Effective for financial periods beginning on or after**
Amendments to FRS 5	Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 138	Consequential Amendments Arising from Revised FRS 3 (2010)	1 July 2010
Amendments to IC Interpretation 9	Scope of IC Interpretation 9 and Revised FRS 3 (2010)	1 July 2010
IC Interpretation 4	Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
Annual Improvements to FRSs - 2010		1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011

(i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will be no financial impact on the financial statements of the Group for the current financial period but may impact the accounting for future transactions or arrangements.

(ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of FRS 127 (Revised) prospectively and therefore there will be no financial impact on the financial statements of the Group for the current financial period but may impact the accounting for future transactions or arrangements.

(iii) Amendments to FRS 7 expand the disclosure requirements in respect of fair value measurements and liquidity risk. In particular, the amendments require additional disclosure of fair value measurements by level of a fair value measurement hierarchy. Comparatives are not presented by virtue of the exemption given in the amendments.

2. **Changes in accounting policies (Cont'd)**

(iv) Annual Improvements to FRSs (2010) contain amendments to 11 accounting standards that result in accounting changes for presentation, recognition or measurement purposes.

The amendments to FRS 101 (Revised) clarify that an entity may choose to present the analysis of the items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group has chosen to present the items of other comprehensive income in the statement of changes in equity.

Other than the effects discussed above, the adoption of the above FRSs, Amendments and Interpretations do not have any significant financial impact on the Group's results.

The following FRSs and IC Interpretations were in issue but not yet effective and have not been applied by the Group and the Company:-

FRSs and IC Interpretations (including the Consequential Amendments)		**Effective for financial periods beginning on or after**
FRS 9	Financial Instruments	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
Revised FRS 119	Employee Benefits	1 January 2013
Revised FRS 124	Related Party Disclosures	1 January 2012
FRS 127 (2011)	Separate Financial Statements	1 January 2013
FRS 128 (2011)	Investments in Associates and Joint Ventures	1 January 2013
Revised Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7	Disclosures – Transfers of Financial Assets	1 January 2012
Revised Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 112	Recovery of Underlying Assets	1 January 2012
C Interpretation 15	Agreements for the Construction of Real Estate	Withdrawn on 19 November 2011
C Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011

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

The auditors' report of the previous financial period ended **31 March 2011** 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 2011.

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**

During the current financial quarter, the Company repurchased 1,000 ordinary shares of its issued share capital for a total consideration of RM3,515. These repurchased shares are to be held as treasury shares and the total number of treasury shares held as at 31 December 2011 is 3,019,400 ordinary shares.

8. **Dividends paid**

There was no dividend payment during the current financial quarter.

9. **Segmental Information**

	3 months ended		Cumulative Quarter	
	Current Quarter Ended		9 Months Ended	
	31/12/11	31/12/10	31/12/11	31/12/10
	RM’000	RM’000	RM’000	RM’000
Segment Revenue				
Automotive Components	89,178	N/A	240,083	N/A
Plantation	17,441	N/A	58,109	N/A
Vehicle Distribution	13,863	N/A	50,467	N/A
Others	470	N/A	3,833	N/A
Group Revenue	120,952	N/A	352,492	N/A
Segment Results				
Automotive Components	9,143	N/A	29,943	N/A
Plantation	7,826	N/A	22,797	N/A
Vehicle Distribution	(91)	N/A	227	N/A
Others	(1,050)	N/A	(2,816)	N/A
	15,828	N/A	50,151	N/A
Unrealised gain/(loss) on foreign exchange	(2,608)	N/A	(146)	N/A
Effects of FRS 139	(504)	N/A	(1,660)	N/A
	12,716	N/A	48,345	N/A
Share of profit less losses in associated companies (net of tax)	71	N/A	(813)	N/A
	12,787	N/A	47,532	N/A

Pursuant to the Company's announcement on 25 August 2010, the financial year end of the Company has been changed from 31 December 2010 to 31 March 2011. Due to the change of financial year end, there are no comparative figures given for preceding year corresponding quarter and cumulative quarter in the current report.

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 Statement of Financial Position date**

There were no material events subsequent to the end of the financial period ended 31 December 2011.

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

There were no significant changes in the composition of the Group during the financial period ended 31 December 2011.

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

Contingent liabilities of the Group as at 22 February 2012 amounted to **RM88.1 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 Quarter ended 31 December 2011

Group revenue was recorded at RM121.0 million for the current quarter while profit before taxation registered at RM15.8 million.

During the current quarter, 15 units of Articulated Buses were completed and delivered accounting for the increase in revenue for the automotive sector.

An unrealised foreign exchange loss recorded of RM2.6 million was due to the conversion of inter-company balances and bank loans designated in rupiah and US Dollar as the rupiah weakened against both the Ringgit and US Dollar in this quarter.

1.2 9 months ended 31 December 2011

Group revenue for the 9 months period stood at RM352.5 million and profit before taxation at RM50.2 million.

Despite prevailing global economic uncertainties, the Group results for the period remained strong and resilient.

During the first two quarters, the Rupiah strengthened but weakened in the current 3rd quarter thereby causing the unrealised loss of RM2.6 million in this quarter. However, the net unrealised exchange loss for the year to date was only RM0.1 million.

Under FRS 139, an adjustment of RM1.7 million arose from the fair value accounting of interest expense on the amount due to a related party.

1.3 Quarter ended 31 December 2011 against preceding quarter ended 30 September 2011

The Group reported an increase of 10.6% in revenue from RM109.4 million to RM121.0 million attributed mainly to the automotive sector.

The plantation sector revenue slipped further due to lower tonnage output resulting from the prolonged drought in Indonesia and CPO prices dampening further.

The tightening of the hire purchase loan approval process has affected the vehicle distribution sector shedding 16% in revenue for the current quarter.

The Group posted a 14% increase in profit from RM13.8 million to RM15.8 million.

The revenue was higher for the automotive sector. However, profit only added insignificantly mainly due to the subsidiaries in Indonesia and Thailand which were affected by supply disruptions caused by the floods disaster in Thailand.

Profit in the plantation sector was up by RM2.0 million even though revenue dropped because of the write-back of the overprovision of certain expenses amounting to RM2.7 million.

2. **Prospects**

With the uncertainties resulting from the Eurozone debt crisis, the poor external demand will weigh downwards on the near-term outlook of the Malaysian economy. Nevertheless, economists are optimistic that domestic demand, especially private consumption and investment, and the Economic Transformation Programme (ETP) projects would support GDP growth in the quarters ahead.

The Board envisages that revenue and earnings for the Group's automotive components sector will remain encouraging for the final quarter of the year inspite of the challenging economic environment.

Earnings contribution from the Group's plantation sector is also expected to be positive for the remaining quarter of the year. The plantations' FFB production is expected to improve in the coming months resulting from approximately 2,000 ha of newly matured plantings in the Belitung plantations.

With a reasonably strong year-to-date performance, the Board is confident that the overall results of the Group for the current financial year will be satisfactory.

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	
	31/12/11	31/12/10	31/12/11	31/12/10
	RM'000	RM'000	RM'000	RM'000
Income Tax				
- Local	1,543	N/A	5,825	N/A
- Overseas	585	N/A	3,093	N/A
	2,128	N/A	8,918	N/A
Deferred Tax	(88)	N/A	(264)	N/A
	2,040	N/A	8,654	N/A

The effective tax rate for the current quarter and year to date is lower than the statutory tax rate due to the utilisation of reinvestment and capital allowances and some dividend and foreign source income which are not taxable.

5. **Status of corporate proposals**

There was no corporate proposal announced but not completed as at 22 February 2012.

6. **Group borrowings and debt securities**

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

	31/12/2011 *RM'000*
Current	
Secured	24,426
Non Current	
Secured	42,483
	66,909

Borrowings denominated in foreign currency:

	RM'000 Equivalent
US Dollars	31,802
Euro	2,749
Indonesian Rupiah	3,952
	38,503

7. **Breakdown of the Realised and Unrealised Profits/Losses as at end of the reporting period ended 31 December 2011**

	Current Financial Period 31/12/2011 RM'000	Last Financial Period 31/03/2011 RM'000
Total retained profits/(accumulated losses) of Delloyd Ventures Berhad and its subsidiaries:		
- realised	21,387	244,249
- unrealised	(1,240)	4,838
	20,147	249,087
Total share of retained profits / (accumulated losses) from associated companies:		
- realised	(727)	18,699
- unrealised	(86)	-
	(813)	18,699
Less: Consolidation adjustments	-	-
Total group retained profits / (accumulated losses) as per consolidated accounts	19,334	267,786

8. **Capital Commitments**

Amount contracted but not provided for in the accounts:

	RM'000
- Property, plant and equipment	4,246

9. **Material litigation**

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

10. **Dividend**

No dividend has been declared for the current quarter ended 31 December 2011.

11. **Earnings per share**

The earnings per share is derived based on the net profit attributable to ordinary shareholders for the quarter ended 31 December 2011 of **RM8.332 million** divided by the weighted average number of ordinary shares in issue, net of treasury shares, at the balance sheet date of 92,617,380 shares.

The diluted earnings per share is derived based on the net profit attributable to ordinary shareholders for the quarter ended 31 December 2011 of **RM8.332 million** divided by the weighted average number of ordinary shares in issue and issuable, net of treasury shares of 92,639,056 shares.

By Order of The Board

Ng Say Or
Company Secretary
28 February 2012