

DELLOYD VENTURES BERHAD
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012**

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 March 2012**. 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 March 2012**.

2. Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2012 except for adoption of the following new/revised/amendments to Financial Reporting Standards (“FRSs”) and Interpretations effective for the financial period from 1 April 2012.

FRSs / IC Interpretations		Effective for financial periods beginning on or after
FRS 124	Related Party Disclosures	1 January 2012
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
Amendments to FRS 112	Recovery of Underlying Assets	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011

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

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 2015
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
FRS 119 (2011)	Employee Benefits	1 January 2013
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 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 1	Government Loans	1 January 2013
Annual Improvements to FRSs - 2012		1 January 2013
Amendments to FRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to IC Interpretation 2	Improvements to FRSs (2012)	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

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

The auditors' report of the previous financial year ended **31 March 2012** 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 2012.

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 49,600 ordinary shares of its issued share capital for a total consideration of RM172,689. These repurchased shares are to be held as treasury shares. The total number of treasury shares held as at 30 September 2012 is 3,069,000.

8. **Dividends paid**

There was no dividend payment during the current financial quarter.

9. **Segmental Information**

(i) Business Segments

	3 months ended		Cumulative Quarter	
	Current Quarter Ended		6 Months Ended	
	30/09/12	30/09/11	30/09/12	30/09/11
	RM'000	RM'000	RM'000	RM'000
<u>Segment Revenue</u>				
Automotive Components	85,811	74,015	160,046	153,729
Plantation	24,028	18,536	43,170	40,668
Vehicle Distribution	15,175	16,599	32,539	36,604
Others	277	267	583	539
Group Revenue	125,291	109,417	236,338	231,540
<u>Segment Results</u>				
Automotive Components	7,931	8,408	12,782	20,079
Plantation	8,616	5,832	15,958	14,971
Vehicle Distribution	107	54	233	318
Others	(420)	(477)	(832)	(1,045)
	16,234	13,817	28,141	34,323
Unrealised gain/(loss) on foreign exchange	(4,153)	1,476	(4,629)	2,462
Effects of FRS 139	(173)	(828)	(196)	(1,156)
	11,908	14,465	23,316	35,629
Share of profit less losses in associated companies (net of tax)	1,165	234	2,833	(884)
	13,073	14,699	26,149	34,745

There have been changes/reclassifications made within the segments and hence the comparative figures would not be as reported previously.

9. **Segmental Information (Cont'd)**

(ii) Geographical Segments

	3 months ended		Cumulative Quarter	
	Current Quarter Ended		6 Months Ended	
	30/09/12	30/09/11	30/09/12	30/09/11
<u>Segment Revenue</u>	RM'000	RM'000	RM'000	RM'000
Malaysia	77,409	81,496	154,843	178,757
Indonesia	46,475	27,262	78,864	51,130
Thailand	1,407	659	2,631	1,653
Group Revenue	125,291	109,417	236,338	231,540
<u>Segment Results</u>				
Malaysia	7,401	9,760	15,386	24,900
Indonesia	4,445	3,345	7,678	9,258
Thailand	62	1,360	252	1,471
	11,908	14,465	23,316	35,629
Share of profit less losses in associated companies (net of tax)	1,165	234	2,833	(884)
	13,073	14,699	26,149	34,745

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 30 September 2012.

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

There were no significant changes in the composition of the Group during the financial period ended 30 September 2012.

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

Contingent liabilities of the Group as at 22 November 2012 amounted to **RM87.7 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 Second Quarter ended 30 September 2012 compared with Second Quarter ended 30 September 2011

Profit before taxation was higher at RM16.2 million from RM13.8 million on the back of a revenue of RM125.3 million from RM109.4 million during the previous corresponding period.

The plantations in Indonesia registered increased output as more of the new plantings came into maturity. Despite the lower average CPO prices, the plantation sector recorded higher profit due to the higher output.

The automotive sector profit eased slightly due to continuing selling price pressures by customers.

Geographically, both revenue and profits in the automotive segment in Malaysia were lower due to lower sales during the festive holidays and margins. However, both the automotive and plantation segments in Indonesia recorded strong performances during the current quarter.

1.2 First half year ended 30 September 2012

Group revenue was marginally higher by 2.1% to RM236.3 million from RM231.5 million but profit before taxation was lower by 18.1% to RM28.1 million from RM34.3 million in the corresponding period last year.

This was mainly attributable to the selling price adjustments and additional depreciation charge resulting from expansion in the automotive sector during the current period.

The impact of the depreciating rupiah against both the Malaysian Ringgit and US Dollar further eroded profits for the Group after taking into account unrealised forex losses of RM4.6 million in the current half year against an unrealised exchange gain of RM2.5 million previous corresponding period.

1.3 Second Quarter ended 30 September 2012 against preceding quarter ended 30 June 2012

Revenue rose 12.9% from RM111.0 million to RM125.3 million mainly due to strong sales in the automotive sector and the inclusion of the sales of 8 units of bus chassis during the quarter. Profit before taxation was higher by 36.1% from RM11.9 million to RM16.2 million on higher revenue.

The results in the automotive sector fared better this quarter mainly due to higher sales mostly from the Indonesian market.

Even though average CPO prices was lower this quarter, profit from the plantation sector increased due to improved FFB yields.

2. **Prospects**

The Malaysian Automotive Association reported that the year-to-date new vehicles sales in October 2012 increased by 2% over the same period last year, and that sales in November will likely be maintained at October's level. With the positive consumers' sentiment and the encouraging demand for new vehicles, correspondingly, the Group's automotive parts sector is expected to remain positive.

The bearish CPO price which plunged by about 40% from its peak in April 2012, has had an adverse impact on the plantation industry. However, the Group's plantations in Pulau Belitung which registered encouraging FFB yields with new plantings coming into maturity, the Board maintains that this sector's performance although weakened by the lower CPO price will still contribute positively to the Group's results.

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	
	30/09/12	30/09/11	30/09/12	30/09/11
	RM'000	RM'000	RM'000	RM'000
Income Tax				
- Local	2,716	2,605	5,041	4,282
- Overseas	654	(730)	1,636	2,508
	3,370	1,875	6,677	6,790
Deferred Tax	(82)	(88)	(488)	(176)
	3,288	1,787	6,189	6,614

The effective tax rate for the current quarter is lower than the statutory tax rate due to the utilisation of reinvestment and capital allowances.

The deferred tax credit is the crystallisation of the deferred tax liability arising from the revaluation reserves.

5. **Status of corporate proposals**

As announced on 27 June 2012, the Company's wholly-owned subsidiary, Delloyd Industries (M) Sdn Bhd had entered into an agreement for the disposal of 51% of the total issued and paid-up shares in PT Delloyd to Murakami Corporation, Japan for a cash consideration of USD1,885,525.70. As of 16 November 2012, the total purchase consideration have been received and the completion of the disposal is pending final approval from Badan Koordinasi Penanaman Modal, Indonesia (BKPM) which is expected to take place before the end of December 2012.

6. **Group borrowings and debt securities**

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

	<u>30/09/2012</u>
	<i>RM'000</i>
Current	
Secured	23,448
Non Current	
Secured	39,155
	<hr/>
	62,603
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Borrowings denominated in foreign currency:	
	RM'000
	Equivalent
US Dollars	39,969
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7. **Breakdown of the Realised and Unrealised Profits/Losses as at end of the reporting period ended 30 September 2012**

	Current Financial Period 30/09/2012 RM'000	Last Financial Year 31/03/2012 RM'000
Total retained profits/(accumulated losses) of Delloyd Ventures Berhad and its subsidiaries:		
- realised	18,191	272,830
- unrealised	(2,449)	890
	15,742	273,720
Total share of retained profits / (accumulated losses) from associated companies:		
- realised	2,829	19,123
- unrealised	4	(128)
	2,833	18,995
Less: Consolidation adjustments	-	-
Total group retained profits / (accumulated losses) as per consolidated accounts	18,575	292,715

8. **Capital Commitments**

Amount contracted but not provided for in the accounts:

	RM'000
- Property, plant and equipment	<u>5,846</u>

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 30 September 2012.

11. **Earnings per share**

The earnings per share is derived based on the net profit attributable to ordinary shareholders for the quarter ended 30 September 2012 of **RM 9.329 million** divided by the weighted average number of ordinary shares in issue, net of treasury shares, at the balance sheet date of 96,949,117 shares.

The diluted earnings per share is derived based on the net profit attributable to ordinary shareholders for the quarter ended 30 September 2012 of **RM 9.329 million** divided by the weighted average number of ordinary shares in issue and issuable, net of treasury shares of 96,949,117 shares.

By Order of The Board

Ng Say Or
Company Secretary
28 November 2012