

DELLOYD VENTURES BERHAD
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2013**

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 2013**. 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 2013**.

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 2013 except for adoption of the amendment to Financial Reporting Standards (“FRSs”) and Interpretations that are applicable to the Group for the financial period beginning 1 April 2013.

The adoption of these amendments to FRSs and Interpretations does not have any significant impact on the financial statements of the Group.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued the MFRS Framework which comprises Standards and new/revised Standards as issued by the International Accounting Standards Board.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012.

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. However, the adoption of the MFRS Framework will be mandatory for financial statements or accounting period beginning on or after 1 January 2015. The Group falls within the definition of Transitioning Entities and has opted to prepare its first MFRSs financial statements for the financial year ending 31 March 2016.

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

The auditors' report of the previous financial year ended **31 March 2013** 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 2013.

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 RM3,385. These repurchased shares are to be held as treasury shares. The total number of treasury shares held as at 30 June 2013 is 3,208,200.

8. **Dividends paid**

There was no dividend payment during the current financial quarter.

9. **Segmental Information**

(i) Business Segments

	3 months ended	
	Current Quarter Ended	
	30/06/13	30/06/12
	RM'000	RM'000
<u>Segment Revenue</u>		
Automotive Components	61,088	74,235
Plantation	26,745	19,142
Vehicle Distribution	11,861	17,364
Others	234	306
Group Revenue	99,928	111,047
<u>Segment Results</u>		
Automotive Components	6,119	4,851
Plantation	2,631	7,342
Vehicle Distribution	(3)	126
Others	(365)	(412)
	8,382	11,907
Unrealised gain/(loss) on foreign exchange	(410)	(476)
Effects of FRS 139	12	(23)
	7,984	11,408
Share of profits less losses in associated companies (net of tax)	2,769	1,668
	10,753	13,076

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

(ii) Geographical Segments

	3 months ended	
	Current Quarter Ended	
	30/06/13	30/06/12
<u>Segment Revenue</u>	RM'000	RM'000
Malaysia	75,403	77,434
Indonesia	23,942	32,389
Thailand	583	1,224
Group Revenue	99,928	111,047
<u>Segment Results</u>		
Malaysia	6,432	7,985
Indonesia	1,020	3,233
Thailand	532	190
	7,984	11,408
Share of profit less losses in associated companies (net of tax)	2,769	1,668
	10,753	13,076

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 June 2013.

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 June 2013.

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

Contingent liabilities of the Group as at 20 August 2013 amounted to **RM 102.4 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 First Quarter ended 30 June 2013 compared with First Quarter ended 30 June 2012

Group revenue was lower by 10.0% to RM100.0 million from RM111.0 million. This was mainly attributed to the sale of a controlling stake in a subsidiary in Indonesia since February 2013.

Group earnings before tax declined 29.4% to RM8.4 million compared to RM11.9 million a year ago. The automotive sector fared better, increasing 24.5% from RM4.9 million to RM6.1 million. However, the plantation sector earnings dropped 64.4% from RM7.3 million to RM2.6 million mainly caused by the lower CPO prices.

1.2 First Quarter ended 30 June 2013 against preceding quarter ended 31 March 2013

Group revenue and earnings before tax improved 17.0% from RM85.5 million to RM100.0 million and 95.3% from RM4.3 million to RM8.4 million respectively.

Revenue trended upwards for all the sectors this quarter from the preceding quarter. Earnings for the automotive sector was higher due to higher revenue. As for the plantation sector, it was higher due to revenue from the higher tonnage of CPO sold.

2. Prospects

The recent introduction of several affordable car models have received very encouraging support. The increase in volume would result in better plant utilization and improved contribution from the automotive sector.

The operational profit margin for the automotive sector, especially for new business is constantly affected by pressures on selling prices. The Group is in a strong position through its years of experience in the industry to develop and produce parts to meet customers' target prices while maintaining a reasonable profit margin.

The current depressed CPO prices continue to impact the contribution from the plantation sector. However, the increase in yield particularly from the Belitung estates in Indonesia with more acres maturing and plants reaching higher yielding age bracket will partially mitigate this factor.

Under this challenging environment, the Board is cautiously optimistic that the Group's automotive and plantation sectors will sustain moderate growth 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	
	30/06/13	30/06/12
	RM'000	RM'000
Income Tax		
- Local	2,164	2,325
- Overseas	196	982
	2,360	3,307
Deferred Tax	(79)	(406)
	2,281	2,901

The effective tax rate for the current quarter and year to date is higher than the statutory tax rate due to the disallowance of certain expenses and the expiry of reinvestment allowance claims for certain subsidiaries.

5. **Status of corporate proposals**

There were no corporate proposals announced but not completed as at 20 August 2013.

6. **Group borrowings and debt securities**

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

	<u>30/06/2013</u> <i>RM'000</i>
Current	
Secured	22,477
Non Current	
Secured	19,997
	<u>42,474</u>
Borrowings denominated in foreign currency:	
	RM'000 Equivalent
US Dollars	<u>26,248</u>

7. **Breakdown of the Realised and Unrealised Profits/(Losses) Disclosure**

	As At The End Of Financial Period Ended 30/06/2013 RM'000	As At The End Of Financial Year Ended 31/03/2013 RM'000
Total retained profits of the Company and its subsidiaries:		
- realised	300,590	295,726
- unrealised	(5,159)	(4,884)
	295,431	290,842
Total share of retained profits from associated companies:		
- realised	26,100	23,171
- unrealised	(154)	6
	25,946	23,177
Total group retained profits as per statement of financial position	321,377	314,019

8. **Capital Commitments**

Amount contracted but not provided for in the accounts:

	RM'000
- Property, plant and equipment	9,463
- Foreign currency	301
	9,764

9. **Material litigation**

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

10. **Dividend**

The Board of Directors has recommended for shareholders' approval at the forthcoming Annual General Meeting, a final single-tier dividend of 5 sen per share.

The entitlement date for the dividend is 3 October 2013 and the dividend will be paid on 18 October 2013.

11. **Earnings per share**

The earnings per share is derived based on the net profit attributable to ordinary shareholders for the quarter ended 30 June 2013 of **RM 8.395 million** divided by the number of ordinary shares in issue, net of treasury shares, at the balance sheet date of 96,797,217 shares.

The diluted earnings per share is not computed as the Company does not have any dilutive potential ordinary shares in issue as at the end of the financial period under review.

By Order of The Board

Ng Say Or
Company Secretary
26 August 2013