DELLOYD VENTURES BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 MARCH 2014

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. **<u>Auditors' report on the preceding annual financial statements</u>**

The auditors' report of the previous financial year ended **31 March 2013** was not subject to any qualification.

4. **<u>Seasonal or cyclical factors</u>**

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. **<u>Unusual items due to their nature, size or incidence</u>**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter ended 31 March 2014.

6. **<u>Changes in estimates</u>**

There were no changes in estimates that have had a material effect in the current quarter results.

7. **<u>Debt and equity securities</u>**

During the current financial quarter, the Company repurchased 3,400 ordinary shares of its issued share capital for a total consideration of RM11,020. These repurchased shares are to be held as treasury shares. The total number of treasury shares held as at 31 March 2014 is 3,409,700.

8. **<u>Dividends paid</u>**

On 28 March 2014, the Company paid an interim dividend of 3% (Single-tier) for the financial year ended 31 March 2014 amounting to RM2,897,837.

9. **<u>Segmental Information</u>**

(i) Business Segments

	3 months ended		12 months ended	
	Current Quarter Ended		Cumulative Quarter	
	31/03/14	31/03/13	31/03/14	31/03/13
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Automotive Components	62,911	53,095	251,866	286,322
Plantation	30,264	18,501	109,481	78,532
Vehicle Distribution	10,954	13,681	49,243	58,694
Others	157	177	992	1,126
Group Revenue	104,286	85,454	411,582	424,674
Segment Results				
Automotive Components	5,186	4,670	22,488	22,825
Plantation	9,142	(8)	24,001	21,068
Vehicle Distribution	332	111	199	277
Others	(370)	(460)	(1,064)	(1,613)
	14,290	4,313	45,624	42,557
Unrealised gain/(loss) on foreign exchange	5,058	1,012	(11,375)	(3,742)
Effects of FRS 139	210	1,177	(186)	569
	19,558	6,502	34,063	39,384
Share of profits less losses in associated companies (net of tax)	789	1,131	1,447	4,182
	20,347	7,633	35,510	43,566

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

(ii) Geographical Segments

	3 months ended		12 months ended	
	Current Quarter Ended		Cumulative Quarter	
	31/03/14	31/03/13	31/03/14	31/03/13
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Malaysia	68,252	68,633	304,331	291,565
Indonesia	26,585	15,875	95,755	128,148
Thailand	9,449	946	11,496	4,961
Group Revenue	104,286	85,454	411,582	424,674
Segment Results				
Malaysia	7,090	5,992	28,666	26,877
Indonesia	12,351	(3)	5,374	11,713
Thailand	117	513	23	794
	19,558	6,502	34,063	39,384
Share of profit less losses in associated companies (net of tax)	789	1,131	1,447	4,182
	20,347	7,633	35,510	43,566

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**

i) On 16 May 2014, the Company announced that it received a Letter on even date from its major shareholder, Chung & Tee Ventures Sdn Bhd proposing that the Company undertake a selective capital reduction and repayment exercise pursuant to Section 64 of the Companies Act, 1965 ("Proposed SCR").

Chung & Tee Ventures Sdn Bhd together with the persons acting in concert, ("the Non-Entitled Shareholders"), collectively hold approximately 63.58% of the voting share capital of the Company.

Under the Proposed SCR, the Entitled Shareholders whose names appear in the Record of Depositors as at the close of business on an entitlement date to be determined at a later date will each receive a capital repayment of RM4.80 per ordinary share of RM1.00 each.

Completion of the Proposed SCR shall be subject to the fulfilment of all requisite Conditions Precedent as contained in the said Letter.

The Proposed SCR will become effective upon the filing of an original copy of the Order with the Companies Commission of Malaysia ("Lodgement"). It is contemplated that payment of the Proposed Cash Amount to the Entitled Shareholders will be made as soon as practicable following Lodgement.

ii) On 28 May 2014, AmInvestment Bank, on behalf of the Board announced that an application for the proposed exemption under Practice Note 44 of the Code in relation to the Proposed SCR has been submitted to the Securities Commission.

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

On 17 March 2014, the Company's wholly-owned subsidiary Atoz Motor Marketing Sdn Bhd (AMM) disposed of its entire shareholding in Atoz Motor Concept Sdn Bhd (AMC) comprising 1,000,000 shares of RM1.00 each for a total consideration of RM2.00.

On the same date, AMM also disposed of its entire shareholding in Atoz Motor Workshop Sdn Bhd (AMW) comprising 10 shares of RM1.00 each for a total consideration of RM2.00.

Effective from the same date, AMC and AMW ceased to be subsidiaries of AMM.

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

Contingent liabilities of the Group as at 23 May 2014 amounted to **RM 68.5 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 **Fourth Quarter ended 31 March 2014 compared with Fourth Quarter ended 31 March 2013**

Group revenue registered a 22.0% increase from RM85.5 million to RM104.3 million. This was mainly attributable to the automotive sector due to the inclusion of the revenue from a new investment in Thailand. The plantation sector also contributed to the increased revenue due to the higher yield & CPO prices.

Group profit before tax improved from RM7.6 million to RM20.3 million. The plantation sector, especially the estates in Indonesia, recorded a substantial increase due to the writeback of the provision for fertilizers amounting to RM2.9 million, gain on exchange of RM5.1 million resulting from the strengthening of the Indonesian Rupiah in this quarter and the higher yield and favourable CPO prices.

1.2 **12 months ended 31 March 2014**

Group revenue recorded a marginal decrease of 3.1% from RM424.7 million to RM411.6 million while profit before tax was down by 18.6% from RM43.6 million to RM35.5 million.

Even though the plantation sector performed fairly well, the current year's performance was significantly impacted by the weakening of the Indonesian Rupiah against the US Dollar and Ringgit Malaysia especially during the second and third quarter of this year resulting in substantial unrealised losses on exchange. The share in associated companies' profits was also significantly lower due to exchange losses in an Indonesian associate.

1.3 **Fourth Quarter ended 31 March 2014 against preceding quarter ended 31 December 2013**

Although Group revenue was very close at RM104.3 million against RM103.2 million last quarter, profit before tax improved from RM9.9 million to RM20.3 million.

This was mainly due to the Indonesian Rupiah which strengthened during the current quarter resulting in an unrealised gain on exchange of RM5.1 million in contrast to a loss of RM3.6 million the last quarter.

Furthermore, the better plantation sector results was due to the reversal of the overprovision of fertilizer costs amounting to RM2.9 million as explained above.

2. **Prospects**

The Malaysian economy is expected to remain on a steady growth path in 2014, expanding by 4.5% to 5.5%. Domestic demand will remain the key driver of growth, albeit at a more moderate pace, reflecting the continued public sector consolidation.

The Malaysian Automotive Association (MAA) reported an impressive Total Industry Volume (TIV) for the month of April 2014 with a 11.9% increase in sales year-on-year. This was mainly due to the introduction of several new car models into the market. However, rising costs of living and subsidies rationalization and the spillover effects of these adjustments on the prices of other goods and services resulting in inflation will likely see dampened consumers' sentiment for spending on big ticket items such as new motor vehicles. As such, it is envisaged that such strong performance as in April 2014 may not be sustainable through the year. Under the prevailing environment, the Board holds a cautious outlook for the Group's automotive sector for the next financial year.

The total FFB output from both the Sungai Rambai and Pulau Belitung estates is projected to register a moderate increase over the current year output. This is mainly contributed by the Belitung estates as more palms move into higher yielding age brackets.

The Group's plantation performance continues to be influenced by external forces, including world palm oil price movements, the impact of changes in weather conditions on crop production trends, input cost factors as well as currency exchange rates.

Notwithstanding, the Group is mindful of these factors and will continue to be vigilant and prudent in expenditure and productivity.

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	
	31/03/14	31/03/13	31/03/14	31/03/13
	RM'000	RM'000	RM'000	RM'000
Income Tax				
- Local	1,024	416	5,042	5,575
- Overseas	2,188	(36)	2,654	2,583
	3,212	380	7,696	8,158
Deferred Tax	(165)	1,339	(388)	771
	3,047	1,719	7,308	8,929

The effective tax rate for the current quarter and year to date is lower than the statutory tax rate due to certain non taxable foreign income, the deductibility of unrealised foreign exchange losses in Indonesia and the utilisation of tax allowances.

5. **<u>Status of corporate proposals</u>**

There were no corporate proposals announced but not completed as at 23 May 2014.

6. **<u>Group borrowings and debt securities</u>**

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

	31/03/2014 *RM'000*
Current	
Secured	22,758
Non Current	
Secured	8,054
	30,812

Borrowings denominated in foreign currency:

	RM'000 Equivalent
US Dollars	16,518
Thai Baht	3,362
	19,880

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

	As At The End Of Financial Year Ended 31/03/2014 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	319,859	295,726
- unrealised	(11,894)	(4,884)
	307,965	290,842
Total share of retained profits from associated companies:		
- realised	28,066	23,171
- unrealised	(3,441)	6
	24,625	23,177
Total group retained profits as per statement of financial position	332,590	314,019

8. **Capital Commitments**

Amount contracted but not provided for in the accounts:

	RM'000
- Property, plant and equipment	10,262
- Foreign currency	955
	11,217

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 is recommending for shareholders' approval at the forthcoming Annual General Meeting, a final dividend of 5% (single-tier dividend).

The date of the Annual General Meeting and book closure for the dividend entitlement will be announced in due course.

11. **Earnings per share**

The earnings per share is derived based on the net profit attributable to ordinary shareholders for the quarter ended 31 March 2014 of **RM 13.055 million** divided by the number of ordinary shares in issue, net of treasury shares, at the balance sheet date of 96,717,583 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
29 May 2014