

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

<u>Table of Contents</u>	Page
Consolidated Statement of Comprehensive Income	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Changes in Equity	3
Consolidated Statement of Cash Flow	4
Part A: Explanatory Notes Pursuant to FRS 134	5 - 12
Part B: Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing requirements of Bursa Malaysia Securities Berhad	13 - 16

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

RM'000	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	89,898	155,737	250,824	410,136
Cost of sales	(68,250)	(134,087)	(194,474)	(350,398)
Gross profit	21,648	21,650	56,350	59,738
Other income	324	296	947	686
Selling and distribution costs	(874)	(1,450)	(2,706)	(3,481)
Administrative expenses	(9,474)	(9,869)	(29,274)	(24,657)
Other operating expenses	(1,263)	(1,985)	(3,890)	(5,682)
Profit from operation	10,361	8,642	21,427	26,604
Finance costs	(513)	(365)	(1,254)	(978)
Share of post tax profits of associates	1,950	2,279	7,225	7,187
Profit before tax	11,798	10,556	27,398	32,813
Income tax expense	(2,528)	(1,891)	(5,857)	(7,284)
Profit for the period	9,270	8,665	21,541	25,529
Other comprehensive income				
Currency translation differences	(1,030)	(5)	(2,630)	259
Total comprehensive income for the period	8,240	8,660	18,911	25,788
Profit attributable to:				
- Equity holders of the Company	7,042	5,899	15,866	20,128
- Minority Interest	2,228	2,766	5,675	5,401
	9,270	8,665	21,541	25,529
Total comprehensive income attributable to:				
- Equity holders of the Company	6,566	5,884	14,544	20,397
- Minority Interest	1,674	2,776	4,367	5,391
	8,240	8,660	18,911	25,788
Earnings per share (EPS) attributable to equity holders of the Company (sen)				
- Basic EPS	7.04	5.90	15.87	20.13

The above consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010

RM'000	As at 30/09/2010 Unaudited	As at 31/12/2009 Audited
ASSETS		
Property, plant and equipment	95,295	93,984
Investment properties	988	1,006
Intangible Assets	1,810	529
Prepayments	478	-
Associates	39,796	42,509
Deferred tax assets	258	75
Non-current Assets	138,625	138,103
Inventories	6,884	8,294
Amounts due from associates	6	149
Trade receivables	69,712	54,320
Other receivables, deposits and prepayments	5,404	5,825
Tax recoverable	4,425	3,180
Deposits with licensed banks	45,803	47,577
Cash and bank balances	22,935	13,946
Current Assets	155,169	133,291
TOTAL ASSETS	293,794	271,394
EQUITY AND LIABILITIES		
Share capital	100,000	100,000
Retained earnings	118,107	112,824
Merger deficit	(50,000)	(50,000)
Currency translation differences	(2,678)	(1,356)
Equity attributable to Equity Holders of the Company	165,429	161,468
Minority interests	29,167	27,537
Total Equity	194,596	189,005
Borrowings	17,359	21,289
Deferred tax liabilities	4,726	3,330
Non-current liabilities	22,085	24,619
Trade payables	50,384	39,144
Other payables and accruals	18,338	11,140
Derivative financial liabilities	124	-
Taxation	2,070	1,940
Borrowings	5,734	3,968
Dividend payable	463	1,578
Current liabilities	77,113	57,770
Total Liabilities	99,198	82,389
TOTAL EQUITY AND LIABILITIES	293,794	271,394
Net assets per share attributable to equity holders of the Company (RM)	1.65	1.61

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

RM'000	← Attributable to equity holders of the Company →				Total	Minority interest	Total equity
	Share capital	Currency translation differences	Merger deficit	Retained earnings			
At 1 January 2009	100,000	(1,227)	(50,000)	97,375	146,148	24,328	170,476
Total comprehensive income for the period	-	269	-	20,128	20,397	5,391	25,788
Dividend	-	-	-	(11,000)	(11,000)	(3,828)	(14,828)
At 30 September 2009	<u>100,000</u>	<u>(958)</u>	<u>(50,000)</u>	<u>106,503</u>	<u>155,545</u>	<u>25,891</u>	<u>181,436</u>
At 1 January 2010 (as previously stated)	100,000	(1,356)	(50,000)	112,824	161,468	27,537	189,005
- Effects of adopting FRS 139	-	-	-	(83)	(83)	-	(83)
At 1 January 2010 (as restated)	<u>100,000</u>	<u>(1,356)</u>	<u>(50,000)</u>	<u>112,741</u>	<u>161,385</u>	<u>27,537</u>	<u>188,922</u>
Total comprehensive income for the period	-	(1,322)	-	15,866	14,544	4,367	18,911
Dividend	-	-	-	(10,500)	(10,500)	(2,737)	(13,237)
At 30 September 2010	<u>100,000</u>	<u>(2,678)</u>	<u>(50,000)</u>	<u>118,107</u>	<u>165,429</u>	<u>29,167</u>	<u>194,596</u>

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

DELEUM BERHAD (715640-T)

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010**

RM'000	CUMULATIVE QUARTER	
	PERIOD ENDED	PERIOD ENDED
	30/09/2010 Unaudited	30/09/2009 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	21,541	25,529
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	8,647	7,155
Share of results of associates	(7,225)	(7,187)
Tax expense	5,857	7,284
Interest expense	1,254	978
Interest income	(865)	(378)
Loss on derivative	67	-
Amortisation of intangible assets	354	451
Others	393	1,763
Operating profit before working capital changes	30,023	35,595
Decrease / (increase) in inventories	1,754	(1,982)
Increase in receivables	(10,582)	(13,030)
Increase in payables	15,744	26,471
Cash generated from operation	36,939	47,054
Interest received	865	378
Tax paid	(5,923)	(4,705)
Interest paid	(1,254)	(978)
Net cash generated from operating activities	30,627	41,749
CASH FLOWS FROM INVESTING ACTIVITIES		
Amount due from associates	143	1,337
Property, plant and equipment		
- Purchases	(7,098)	(40,567)
- Proceeds from disposals	30	326
Acquisition of subsidiary	(6,396)	-
Dividends received from associate	7,528	7,073
Net cash used in investing activities	(5,793)	(31,831)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings:		
- Proceeds	-	20,000
- Repayments	(3,135)	(603)
Dividends paid to:		
- Shareholders	(10,500)	(11,000)
- Minority interest	(3,852)	(3,828)
Net cash (used in) / generated from financing activities	(17,487)	4,569
Net increase in cash and cash equivalents	7,347	14,487
Effects of exchange rate changes	(101)	(166)
Cash and cash equivalents at beginning of year	60,978	36,046
Cash and cash equivalents at end of period	68,224	50,367
COMPOSITION OF CASH AND CASH EQUIVALENTS		
Short term deposits	45,803	41,812
Cash and bank balances	22,935	8,555
	68,738	50,367
Less: Cash held in trust for dividends	(13)	-
Cash held in trust in a designated account	(501)	-
Cash and cash equivalents at end of period	68,224	50,367

The above consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

A1. BASIS OF PREPARATION

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in Financial Reporting Standards (“FRS”) No.134 – “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009 and the attached explanatory notes. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of new standards, amendments to standards and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2010. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial information of the Group except for the adoption of the following standards as set out below:

(a) FRS 8: Operating Segments

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. In conjunction with the adoption of FRS 8, a review of the Group’s reportable segment was performed. The review concluded that the Group is primarily engaged in one operating segment namely, oilfield equipment and services to the oil and gas industry. This conclusion is consistent with the financial information regularly reviewed by the Group’s Group Managing Director to make decisions about resources to be allocated and to assess the Group’s performance.

(b) FRS 101: Presentation of Financial Statements

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transaction with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 (Cont'd)

A2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) **Amendment to FRS 117: Leasehold Land**

Leasehold land is classified as a finance lease if the Group has substantially all the risks and rewards incidental to ownership. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term. Following the amendment to FRS 117, the classification of leasehold land has been changed from operating to finance lease. The effect of the change which is adjusted for retrospectively is disclosed as follows:

RM'000	Previously stated	Effects of FRS 117	As restated
Balance at 31 December 2009			
Property, plant and equipment	90,096	3,888	93,984
Prepaid lease rentals	3,888	(3,888)	-

(d) **FRS 139: Financial Instruments: Recognition and Measurement**

The Group classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, available-for-sale and other financial liabilities. The classification depends on the nature of the financial instruments and the purpose for which the instrument was required. Management determines the classification of its financial instruments at initial recognition. Set out below are the major changes in classifications of financial instruments of the Group:

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently carried at amortised cost using the effective interest method.

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 (Cont'd)

A2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) FRS 139: Financial Instruments: Recognition and Measurement (Cont'd)

(ii) Loans and receivables

Loans and receivables are initially measured at fair value plus transaction costs and subsequently at amortised cost using the effective interest method.

When loans and receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

(iii) Derivative financial instruments

Derivative financial instruments were not previously recognised in the financial statements on inception. These are now recognised and measured at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value with changes in fair value recognised in profit or loss at each reporting date.

The Group has applied the new policies in relation to the financial instruments above in accordance with the transitional provisions in FRS139 by recognising and re-measuring all financial assets and financial liabilities as at 1 January 2010 as appropriate. The related adjustments to the previous carrying amounts are made to the opening retained earnings. Comparatives are not restated. The effects of changes are disclosed as follows:

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 (Cont'd)

A2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) **FRS 139: Financial Instruments: Recognition and Measurement (Cont'd)**

Balance as at 1 January 2010:

RM'000	Previously stated	Effects of FRS 139	As restated
Liabilities			
Derivatives Financial Liabilities	-	57	57
Borrowings	25,257	26	25,283
Equity			
Retained earnings	112,824	(83)	112,741

A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's operation is not affected by any significant seasonal or cyclical factors in the financial year-to-date.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE, OR INCIDENCE

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flows during the financial year-to-date except for the effects arising from the adoption of FRS 139 as disclosed in Note A2.

A5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no material changes to estimates that have had any material effect on the financial year-to-date results.

A6. EQUITY AND DEBT SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year-to-date.

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 (Cont'd)

A7. OUTSTANDING DERIVATIVES

- (a) The Group had not entered into any new type of derivatives in the current interim quarter that was not disclosed in the preceding year's annual financial statements. As at 30 September 2010, total contract value and fair value of the Group's outstanding forward foreign exchange contract stood at RM0.8 million with a fair value of RM0.1 million. The contract was realised in October 2010 for RM0.8 million.
- (b) The credit and price risk associated with the forward foreign exchange contracts and the policies in place for mitigating such risks were disclosed in the annual financial statements for the year ended 31 December 2009. The accounting policy adopted by the Group to account for the forward foreign exchange contracts is set out in Note A2d(iii).
- (c) The losses arising from the fair value changes of derivative financial instruments that are carried at fair value to profit or loss for the current and cumulative quarters ended on 30 September 2010 are as follows:

Derivatives	Contract or notional value RM '000	Fair value as at 30 September 2010 RM '000	(Gain) / Loss arising from fair value changes	
			Individual Quarter Ended 30/9/2010 RM '000	Cumulative Quarter Ended 30/9/2010 RM '000
Forward foreign currency contracts	837	(124)	(220)	67

A8. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 30 September 2010, the Group does not have any financial liabilities measured at fair value through profit and loss, except as disclosed in Note A7.

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 (Cont'd)

A9. DIVIDEND PAID

During the second quarter of the current financial year, the Company paid the following final single tier tax exempt dividend of 7 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2009.

RM'000

Final tax exempt dividend of 7 sen per ordinary share
paid on 27 May 2010

7,000

During the quarter under review, the Company paid a first interim single tier tax exempt dividend of 3.5 sen per ordinary share of RM1.00 each in respect of the current financial year ending 31 December 2010.

RM'000

Interim tax exempt dividend of 3.5 sen per ordinary share
paid on 21 September 2010

3,500

A10. SEGMENT INFORMATION

The financial information is not presented as the Group operates in one operating segment.

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revalued property, plant and equipment as at 30 September 2010.

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 (Cont'd)

A12. MATERIAL EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

There were no material subsequent events that took place subsequent to the balance sheet date.

A13. CHANGES IN THE COMPOSITION OF THE GROUP

- (a). On 2 July 2010, the Company incorporated a wholly-owned subsidiary via its wholly-owned subsidiary, Delcom Services sdn. Bhd., under the name of Sledgehammer Malaysia Sdn. Bhd. ("SMSB") with a paid-up capital of RM100.00. SMSB is currently dormant and is intended for venturing into the oilfield business.
- (b). On 6 July 2010, the Company completed the share sale transaction in connection with the proposed acquisition of 1,275,000 ordinary shares of RM1.00 each representing the entire issued and paid-up ordinary share capital of Rotary Technical Services Sdn. Bhd. ("Rotary") for a total revised consideration of RM7.390 million. Rotary is now a wholly-owned subsidiary of the Company via its wholly-owned subsidiary, Delcom Services Sdn. Bhd.

Management is in the midst of identifying the fair value of Rotary's identifiable net assets as at 6 July 2010. For the purpose of the announcement, the provisional amount of goodwill is calculated to be RM1,701,015.

Save as disclosed above, there were no other changes in the composition of the Group during the quarter and financial year-to-date.

A14. CONTINGENT LIABILITIES / ASSETS

As at 30 September 2010, the Group does not have any contingent liabilities or assets except for guarantees in respect of credit facilities from licensed financial institutions of RM4.3 million for guarantees given to third parties in relation to operating requirements, utilities and maintenance contracts.

A15. COMMITMENTS

Capital commitments for property, plant and equipment not provided for as at 30 September 2010 are as follows:

	RM '000
Authorised and contracted for	<u>1,478</u>

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 (Cont'd)

A16. RELATED PARTY TRANSACTIONS

The following transaction is with a party related to a corporate shareholder of a subsidiary of the Group, Turboservices Sdn. Bhd.

RM '000	Individual Quarter Ended		Cumulative Quarter Ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Purchases from Solar Turbines International Company	23,305	27,324	75,886	86,165

The following transactions are with a corporate shareholder and parties related to a corporate shareholder of a subsidiary of the Group, Penaga Dresser Sdn. Bhd.

RM '000	Individual Quarter Ended		Cumulative Quarter Ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Sales to related parties of Dresser Italia S.R.L.	-	-	21	-
Purchases from Dresser Italia S.R.L.	83	639	282	784
Purchases from related parties of Dresser Italia S.R.L.	3,402	11,713	11,667	21,798

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**

B1. PERFORMANCE REVIEW

For the current quarter under review as compared to the corresponding quarter in the previous year, the Group's revenue declined by 42.3% from RM155.7 million to RM89.9 million whilst the Group's profit before taxation ("PBT") improved by 11.3% from RM10.6 million to RM11.8 million.

The lower revenue was mainly attributable to lower project sales and service activities.

Though revenue has dropped by 42.3%, PBT increased by 11.3%. The increase in PBT was primarily due to higher gross profit margin from service activities and lower operating expenses in the current quarter as compared to the corresponding quarter in the previous year, where higher expenses were incurred for marketing and business promotion expenses and write-off of goodwill on acquisition of a subsidiary.

The period to date revenue has decreased by 38.8% as compared to the corresponding period in the previous year. The decrease was predominantly due to completion of several projects in the prior period coupled with lower project sales and service activities in the current period.

The less than proportionate decrease in PBT is due to higher margins in service activities.

B2. MATERIAL CHANGE IN THE PROFIT BEFORE TAX AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER PROFIT BEFORE TAX

The Group's PBT increased by 59.5% from last quarter of RM7.4 million to RM11.8 million primarily due to higher margins from service activities in the current quarter and the provision for gratuity in the preceding quarter.

B3. 2010 PROSPECTS

Even though the economic environment has shown some improvement with stabilised crude oil prices from an average of USD53 per barrel in the previous year to an average of USD76 per barrel in the first nine months of this year, however there does not appear to be any significant increase in activities. Thus, for the remainder of the current financial year, the Board is of the view that the current level of activities will prevail.

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**

B4. PROFIT FORECAST

The Group has not issued any profit forecast for the current financial period and therefore no comparison is available.

B5. INCOME TAX EXPENSE

RM '000	Individual Quarter Ended		Cumulative Quarter Ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Current tax	2,096	105	5,079	5,195
Over provision in prior year	(269)	-	(269)	-
Deferred tax	701	1,786	1,047	2,089
Total income tax expense	2,528	1,891	5,857	7,284

Excluding the associates' results which are presented net of tax, the effective tax rate of the Group for the financial period ended 30 September 2010 is higher than the statutory tax rate mainly due to certain expenses which are not deductible for tax purposes and the unabsorbed tax loss and utilised capital allowance of a subsidiary.

B6. PROFIT ON SALES OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments and/or properties during the financial year-to-date.

B7. QUOTED SECURITIES

There were no sales or purchases of quoted securities for the financial year-to-date.

B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced as of 12 November 2010 (being the latest practicable date which shall not be earlier than 7 days from the date of issue of this report).

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**

B9. GROUP BORROWINGS

The amount of Group borrowings as at 30 September 2010 is as follows:

	<u>Short Term</u> RM '000	<u>Long Term</u> RM '000	<u>Total</u> RM '000
Borrowings (secured) – at fair value	5,734	17,359	23,093
	<hr/>	<hr/>	<hr/>

The borrowings are all denominated in Ringgit Malaysia.

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 30 September 2010.

B11. CHANGES IN MATERIAL LITIGATION

Saved as disclosed in the audited financial statements for the year ended 31 December 2009, there was no other material litigation as at 12 November 2010.

B12. DIVIDEND

Save as disclosed in A9, there were no other dividends declared during the quarter under review for the financial year ending 31 December 2010.

DELEUM BERHAD (715640-T)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Cont'd)**

B13. EARNINGS PER SHARE (“EPS”)

The calculations of basic earnings per share for the reporting period are computed as follows:

RM '000	Individual Quarter Ended		Cumulative Quarter Ended	
	30/09/2010	30/09/2009	30/09/2010	30/09/2009
Basic earnings per share				
Profit attributable to equity holders of the Company	7,042	5,899	15,866	20,128
Weighted average number of ordinary shares	100,000	100,000	100,000	100,000
Basic earnings per share	7.04 sen	5.90 sen	15.87 sen	20.13 sen

The diluted earnings per share for the Group is not presented as there is no dilutive potential ordinary share during the current financial period under review.

B14. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2009 was unqualified.

B15. AUTHORISATION OF ISSUE

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated on 19 November 2010.

By order of the Board

Lee Sew Bee (MAICSA no. 0791319)
Lim Hooi Mooi (MAICSA no. 0799764)
Company Secretaries
Kuala Lumpur
19 November 2010