



**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

	Note	(UNAUDITED)			(UNAUDITED)		
		INDIVIDUAL QUARTER		Changes Increase / (Decrease) RM'000	CUMULATIVE QUARTER		Changes Increase / (Decrease) RM'000
		1 APR 2018 to 30 JUN 2018	1 APR 2017 to 30 JUN 2017		1 JAN 2018 to 30 JUN 2018	1 JAN 2017 to 30 JUN 2017	
CURRENT QUARTER RM'000	PRECEDING YEAR CORRESPONDING QUARTER RM'000		CURRENT YEAR TO DATE RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE RM'000			
Revenue		26,523	28,423	(1,900)	48,651	56,311	(7,660)
Cost of sales		(28,022)	(24,277)	(3,745)	(51,801)	(47,965)	(3,836)
Gross (Loss) / Profit		(1,499)	4,146	(5,645)	(3,150)	8,346	(11,496)
Interest income		82	-	82	210	-	210
Other income		2,612	15	2,597	2,625	24	2,601
Administrative expenses		(3,371)	(3,698)	327	(6,539)	(7,268)	729
Finance costs		(261)	(419)	158	(532)	(888)	356
Share of result on an associate		(23)	-	(23)	(42)	-	(42)
Share of result on the joint venture		(302)	-	(302)	(302)	-	-
(Loss) / Profit before tax		(2,762)	44	(2,806)	(7,730)	214	(7,944)
Income tax expense	B5	-	-	-	-	-	-
(Loss) / Profit for the period		(2,762)	44	(2,806)	(7,730)	214	(7,944)
Attributable To :							
Owner of the company		(2,762)	44	(2,806)	(7,730)	214	(7,944)
Non controlling interest		-	-	-	-	-	-
		(2,762)	44	(2,806)	(7,730)	214	(7,944)
(Loss) / Earning Per Shares:							
- Basic (Sen)		(0.10)	0.01		(0.29)	0.02	
- Diluted*		N/A	N/A		N/A	N/A	

Note:

* The Group does not have any dilutive potential ordinary shares as the market price of the share was lower than the exercise price. As a result, these warrant are anti-dilutive in nature and have not been considered in the computation of diluted earning per share.



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

Note	(UNAUDITED) INDIVIDUAL QUARTER			(UNAUDITED) CUMULATIVE QUARTER		
	1 APR 2018 to 30 JUN 2018	1 APR 2017 to 30 JUN 2017	Changes Increase / (Decrease) RM'000	1 JAN 2018 to 30 JUN 2018	1 JAN 2017 to 30 JUN 2017	Changes Increase / (Decrease) RM'000
	CURRENT QUARTER RM'000	PRECEDING YEAR CORRESPONDING QUARTER RM'000		CURRENT YEAR TO DATE RM'000	PRECEDING YEAR CORRESPONDING YEAR TO DATE RM'000	
(Loss) / Profit for the period	(2,762)	44	(2,806)	(7,730)	214	(7,944)
Other comprehensive income						
Revaluation surplus, net of deferred tax	-	9,721	(9,721)	-	9,721	(9,721)
Total comprehensive (loss) / income for the period	<u>(2,762)</u>	<u>9,765</u>	<u>(12,527)</u>	<u>(7,730)</u>	<u>9,935</u>	<u>(17,665)</u>
Total Comprehensive (loss) / income attributable to:						
Equity holders of the parent	(2,762)	9,765	(12,527)	(7,730)	9,935	(17,665)
Minority interest	-	-	-	-	-	-
	<u>(2,762)</u>	<u>9,765</u>	<u>(12,527)</u>	<u>(7,730)</u>	<u>9,935</u>	<u>(17,665)</u>



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	NOTES	UNAUDITED AS AT 30 JUN 2018 RM'000	AUDITED AS AT 31 DEC 2017 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		78,155	79,963
Investment in associates		169	211
		<u>78,324</u>	<u>80,174</u>
Current assets			
Inventories		8,249	7,125
Biological assets		9,965	8,733
Trade receivables		11,497	13,474
Other receivables, deposits and prepayments		2,545	7,146
Development Properties		1,196	-
Tax recoverable		8	7
Deposits with licensed banks		7,029	1,363
Cash and bank balances		367	15,302
		<u>40,856</u>	<u>53,150</u>
TOTAL ASSETS		<u>119,180</u>	<u>133,324</u>
EQUITY AND LIABILITIES			
Share capital		56,842	56,842
Reserves		58,425	58,425
Accumulated losses		(37,267)	(29,537)
Total Equity		<u>78,000</u>	<u>85,730</u>
Non-current liabilities			
Hire-purchase payables	B9	1,180	1,572
Term loans	B9	8,252	8,926
Deferred tax liabilities		5,513	5,513
		<u>14,945</u>	<u>16,011</u>
Current liabilities			
Trade payables		13,843	15,686
Other payables and accruals		6,147	8,470
Amounts due to directors		4,002	107
Hire - purchase payables	B9	886	1,035
Term loans	B9	1,357	1,387
Other bank borrowings	B9	-	4,898
		<u>26,235</u>	<u>31,583</u>
Total liabilities		<u>41,180</u>	<u>47,594</u>
TOTAL EQUITY AND LIABILITIES		<u>119,180</u>	<u>133,324</u>
Net Assets per ordinary share of RM0.01 each (RM)		0.03	0.03

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial report.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

	← Non-Distributable Asset →				Accumulated Losses RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Other Reserve RM'000		
As at 1 January 2018	56,842	-	19,847	38,578	(29,537)	85,730
Total comprehensive loss for the period	-	-	-	-	(7,730)	(7,730)
As at 30 June 2018	56,842	-	19,847	38,578	(37,267)	78,000
As at 1 January 2017	10,832	9,961	10,759	38,578	(9,857)	60,475
Issuance of Redeemable Convertible Notes (Equity Component)	2,364	4,635	-	-	-	7,158
Total comprehensive income for the period	-	-	9,721	-	214	9,935
As at 30 June 2017	13,196	14,596	20,480	38,578	(9,643)	77,568

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018**

	(UNAUDITED) 6 MONTHS CURRENT FINANCIAL PERIOD 1 JAN 18 TO 30 JUN 18 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING YEAR TO DATE 1 JAN 17 TO 31 JUN 17 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit before tax	(7,730)	214
Adjustments for :		
Depreciation of property, plant and equipment	3,030	2,486
Amortisation of leasehold land	83	51
Deficit in Revaluation	-	124
Interest income	(210)	-
Finance costs	532	888
Share of result in associate	42	-
Property, plant and equipment written off	-	1
Gain on disposal of property, plant and equipment	-	(35)
Operating (Loss) / Profit Before Working Capital Changes	(4,253)	3,729
Changes in working capital:		
Net change in current assets	3,025	(4,152)
Net change in current liabilities	(4,166)	(25)
Finance costs paid	(532)	(888)
Net Cash Used In Operating Activities	(5,926)	(1,336)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	210	-
Proceeds from disposal of property, plant and equipment	2,000	139
Withdrawal of fixed deposits pledged to bank	1,334	-
Purchases of property, plant and equipment	(3,305)	(2,697)
Net Cash Generated From / (Used In) Investing Activities	239	(2,558)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	7,000
Net of Proceeds from issuance of Redeemable Convertible Notes	-	2,000
Repayment of term loans	(704)	(6,279)
Repayment of banker acceptance	(4,800)	1,155
Net drawdown of Islamic bank financing	-	(191)
(Repayment to) / Drawdown of hire purchase liabilities	(540)	377
Repayment by / (to) directors	3,895	(39)
Net Cash (Used In) / Generated From Financing Activities	(2,149)	4,023
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(7,836)	129
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,232	1,113
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,396	1,242
Note :	30 JUN 2018	30 JUN 2017
Cash and cash equivalent comprises :	RM'000	RM'000
Cash and bank balances	367	1,125
Fixed deposits with licensed bank	7,029	216
Overdraft	-	(99)
	7,396	1,242
Fixed deposits pledged bank	-	-
	7,396	1,242



NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad (“BMSB”).

The quarterly consolidated financial statement should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2017. The explanatory notes attached to the quarterly consolidated financial statement provide an explanation of events and transaction 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 2017.

A2. Comparatives

The comparative figures have not been restated.

A3. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2017.

A4. Auditors' Report on Preceding Annual Financial Statements

The Auditors' report on the financial statements for the year ended 31 December 2017 was not qualified.

A5. Seasonal or cyclical factors

The business operations of the Group were not affected by any seasonal or cyclical factors.

A6. Unusual items affecting Assets, Liabilities, Equity, Net income or Cash flow

There was no unusual item of significant size or nature recorded during the current quarter.

A7. Material changes in estimates

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

A8. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

A9. Dividend paid

There were no dividend paid during the quarter under review.

A10. Segment information

For the current quarter, the segmental report is consist of two divisions which are poultry and property developments. The poultry division consists of integrated services from farming to retail business, while the property development division is mainly in the mixed development of residential and commercial properties.

The segmental report for the second quarter ended 30 June 2018 is as follow:

	Poultry Farming & Processing RM'000	Property Development RM'000	Group RM'000
Revenue	22,717	3,806	26,523
(Loss) / Profit before tax	<u>(3,632)</u>	<u>870</u>	<u>(2,762)</u>

A11. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment for the current quarter under review.

A12. Subsequent events

The Company via its wholly-owned subsidiary, D.B.E. Poultry Sdn Bhd (“DBEP”) had on 16 July 2018 entered into a Supply of Poultry Products Agreement with Ayamas Food Corporation Sdn Bhd (Company No: 139112-H) to supply poultry products to all the KFC restaurants situated in the entire Perak state for a period effective from 16 July 2018 to 15 July 2019, which is expected to generate a turnover of approximately RM36 million to DBE Group per annum.



NOTES TO THE INTERIM FINANCIAL STATEMENTS

A13. Changes in composition of the Group

There was no changes in the composition of the Group during the current quarter under review.

A14. Capital commitment

There were no material capital expenditure commitments during the current quarter under review.

A15. Related party transactions

There were no significant related party transactions during the quarter under review.



ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B1. Performance review

	2nd Quarter ended 30 JUN 2018		2nd Quarter ended 30 JUN 2017		Increase / (Decrease) RM'000
	'000 KG	RM'000	'000 KG	RM'000	
Sales of Processed Chicken	1,752	11,051	3,100	20,502	(9,451)
Sales of Live Broiler	2,462	10,619	1,421	6,990	3,629
Sales of Marinated & Breaded Chicken		525		681	(156)
Sales from Property Development		3,806		-	3,806
Others		522		250	272
		<u>26,523</u>		<u>28,423</u>	(1,900)
(Loss) / Profit before tax		<u>(2,762)</u>		<u>44</u>	(2,806)

For the current quarter ended 30 June 2018, the Group's revenue recorded RM26.52 million, which represented a decrease of 6.68% over the prior year corresponding quarter's revenue of RM28.42 million. The decrease in revenue of approximately RM1.9 million in current quarter was mainly due to the non-renewal of a one-off KFC contracts which ended on 31 December 2017 resulting in the decrease in revenue of RM9.45 million from RM20.50 million to RM11.05 million in the relation to the sales of processed chicken in current quarter. However, the decrease was mainly offset against the increase in revenue from Property Development which had contributed RM3.80 million in current quarter since the Group diversified into property development in April 2018.

The Group recorded a loss before tax of RM2.76 million in current quarter as compared to the profit before tax of RM44,000 in the prior year corresponding quarter. These were mainly due to the lower gross profit margin as a result of lower average selling price from RM6.61 to RM6.31 whilst the average selling costs maintained coupled with lower sales due to the non-renewal of KFC contract in current quarter. However, the property development division contributed profit before tax of approximately RM0.87 million in the current quarter.

B2. Material change in loss before taxation of current quarter compared with immediate preceding quarter

	2nd Quarter ended 30 JUN 2018		1st Quarter ended 31 Mar 2018		Increase / (Decrease) RM'000
	'000 KG	RM'000	'000 KG	RM'000	
Sales of Processed Chicken	1,752	11,051	1,602	9,184	1,867
Sales of Live Broiler	2,462	10,619	2,525	11,902	(1,283)
Sales of Marinated & Breaded Chicken		525		366	159
Sales from Property Development		3,806		-	3,806
Others		522		676	(154)
		<u>26,523</u>		<u>22,128</u>	4,395
Loss before tax		<u>(2,762)</u>		<u>(4,968)</u>	2,206

For the current quarter ended 30 June 2018, the Group's revenue had increased from RM22.12 million to RM26.52 million. This was mainly due to the contribution from the Property Development division which had contributed RM3.8 million in current quarter as compared to zero in preceding quarter.

The Group recorded a loss before tax of RM2.76 million in current quarter as compared to the loss before tax of RM4.96 million in the preceding quarter. The main reasons are as follow:

- (i) reversal of impairment loss on debtors amounting to RM2.49 million in current quarter because the repayment was fully settled by debtors; and
- (ii) the contribution from property development division of RM0.87 million

B3. Commentary on prospects

Despite the recent contract with Ayamas, the Group's poultry division business still remain challenging. The Group believes that moving forward, the property development business will remain as the main driver for the growth of the Group. Financial performance for the current financial year is expected to further improve as compared to previous financial year mainly due to higher revenue and profit contribution from the Group's property development projects.

B4. Profit forecast

The Group did not issue any profit forecast.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 JUN 2018 RM'000	Preceding Year Quarter 30 JUN 2017 RM'000	Current Year To Date 30 JUN 2018 RM'000	Preceding Year To Date 30 JUN 2017 RM'000
Taxation	-	-	-	-

B6. Profit & loss on sale of unquoted investments and properties

There were no material sale of unquoted investments and properties during the current quarter.

B7. Purchase or disposal of quoted securities

There were no purchases or disposals of quoted securities during the current quarter and financial year to-date.



ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B8. Corporate Proposals

During the current quarter, the wholly-owned subsidiary of the Company, DBE Development Sdn Bhd ("DDSB"), had on 5 June 2018 entered into a conditional sale and purchase agreement with Glitter Holdings Sdn Bhd ("GHSB") whereby GHSB agreed to sell and DDSB agreed to purchase all that piece of leasehold land measuring approximately 11.33 hectares located within Mukim of Sungai Terap, District of Kinta, State of Perak ("Land") for a total cash consideration of RM5,390,000 ("Proposed Land Acquisition") to be used for property development. The Proposed Land Acquisition is expected to be completed within five (5) years from the date of the sale and purchase agreement. Nonetheless, the legal and beneficial ownership of the Land shall be transferred to DDSB by fourth (4th) quarter of 2018, following the registration of the Memorandum of Transfer with the relevant authorities.

B9. Borrowings and debts securities

The Group's borrowings as at 30 June 2018 all of which were denominated in Ringgit Malaysia are as follows:

	RM'000
<u>Short Term - Secured</u>	
- Hire purchases	886
- Term loans	1,357
Sub-total	2,243
<u>Long Term - Secured</u>	
- Hire purchases	1,180
- Term Loans	8,252
Sub-total	9,432
Total borrowings	11,675

The above bank borrowings are secured by means of the followings:-

- (i) a debenture incorporating fixed charge over the assets of the Group,
- (ii) legal charge over landed properties belonging to certain subsidiaries, and
- (iii) joint and several guarantee of some of the directors of the company.

B10. Financial instruments

There were no outstanding financial instruments as at the date of issue of this quarterly report.

B11. Material Litigation

There was no pending material litigation as at the date of issue of this quarterly report.

B12. Dividend

The Directors do not recommend any dividend for the current quarter.

B13. Earnings per share

(i) Basic Earning Per Shares

The basic earnings per ordinary share and diluted earnings per ordinary shares were calculated by dividing the Group's net profit / (loss) attributable to ordinary shareholders by the number of weighted ordinary shares in issue as follows:-

	Current Year Quarter Ended 30 JUN 2018	Corresponding Quarter Ended 30 JUN 2017	Current Year Period To date 30 JUN 2018	Corresponding Period To date 30 JUN 2017
Net (Loss) / Profit (RM'000)	(2,762)	44	(7,730)	214
Weighted average number of ordinary shares in issue ('000)	2,678,229	1,052,494	2,678,229	1,052,494
Basic (loss) / Earning Per Share (sen)	(0.10)	0.01	(0.29)	0.02

(ii) Diluted Earning Per Shares

The Group does not have any dilutive potential ordinary shares as the market price of the share was lower than the exercise price. As these warrant are anti-dilutive in nature and have not been considered in the computation of diluted earning per share.

BY ORDER OF THE BOARD

ERIC TOH CHEE SEONG (MAICSA 7016178)
JESSLYN ONG BEE FANG (MAICSA 7020672)
Company Secretaries

Perak
27-Aug-18