



**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE THIRD QUARTER ENDED 30 SEPT 2018**

	Note	(UNAUDITED)			(UNAUDITED)		
		INDIVIDUAL QUARTER		Changes Increase / (Decrease) RM'000	CUMULATIVE QUARTER		Changes Increase / (Decrease) RM'000
		1 JUL 2018 to 30 SEPT 2018	1 JUL 2017 to 30 SEPT 2017		1 JAN 2018 to 30 SEPT 2018	1 JAN 2017 to 30 SEPT 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		28,651	28,546	105	77,302	84,857	(7,555)
Cost of sales		(27,639)	(28,521)	882	(79,743)	(76,486)	(3,257)
<b>Gross Profit / (Loss)</b>		<b>1,012</b>	<b>25</b>	<b>987</b>	<b>(2,441)</b>	<b>8,371</b>	<b>(10,812)</b>
Interest income		0	1	(1)	210	1	209
Other income		23	18	5	2,648	42	2,606
Administrative expenses		(4,003)	(3,614)	(389)	(10,541)	(10,882)	341
Finance costs		(262)	(425)	163	(794)	(1,313)	519
Share of result on an associate		-	-	-	(42)	-	(42)
<b>Loss before tax</b>		<b>(3,230)</b>	<b>(3,995)</b>	<b>765</b>	<b>(10,960)</b>	<b>(3,781)</b>	<b>(7,179)</b>
Income tax expense	B5	(391)	5	(396)	(391)	5	(396)
<b>Loss for the period</b>		<b>(3,621)</b>	<b>(3,990)</b>	<b>369</b>	<b>(11,351)</b>	<b>(3,776)</b>	<b>(7,575)</b>
<b>Attributable To :</b>							
Owner of the company		(3,621)	(3,990)	369	(11,351)	(3,776)	(7,575)
Non controlling interest		-	-	-	-	-	-
		<b>(3,621)</b>	<b>(3,990)</b>	<b>369</b>	<b>(11,351)</b>	<b>(3,776)</b>	<b>(7,575)</b>
<b>Loss Per Shares:</b>							
- Basic ( Sen )		(0.14)	(0.33)		(0.42)	(0.31)	
- 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 THIRD QUARTER ENDED 30 SEPT 2018**

Note	(UNAUDITED) INDIVIDUAL QUARTER			(UNAUDITED) CUMULATIVE QUARTER		
	1 JUL 2018 to 30 SEPT 2018	1 JUL 2017 to 30 SEPT 2017	Changes Increase / (Decrease) RM'000	1 JAN 2018 to 30 SEPT 2018	1 JAN 2017 to 30 SEPT 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	
<b>Loss for the period</b>	(3,621)	(3,990)	369	(11,351)	(3,776)	(7,575)
Other comprehensive income						
Revaluation surplus, net of deferred tax	-	9,721	(9,721)	-	9,721	(9,721)
<b>Total comprehensive (loss) / income for the period</b>	<u>(3,621)</u>	<u>5,731</u>	<u>(9,352)</u>	<u>(11,351)</u>	<u>5,945</u>	<u>(17,296)</u>
<b>Total Comprehensive (loss) / income attributable to:</b>						
Equity holders of the parent	(3,621)	5,731	(9,352)	(11,351)	5,945	(17,296)
Minority interest	-	-	-	-	-	-
	<u>(3,621)</u>	<u>5,731</u>	<u>(9,352)</u>	<u>(11,351)</u>	<u>5,945</u>	<u>(17,296)</u>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPT 2018**

	NOTES	UNAUDITED AS AT 30 SEPT 2018 RM'000	AUDITED AS AT 31 DEC 2017 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		76,735	79,963
Investment in associates		169	211
		<u>76,904</u>	<u>80,174</u>
<b>Current assets</b>			
Development Properties		5,932	-
Inventories		9,561	7,125
Biological assets		9,699	8,733
Trade receivables		12,736	13,474
Other receivables, deposits and prepayments		1,939	7,146
Tax recoverable		8	7
Deposits with licensed banks		6,279	1,363
Cash and bank balances		1,093	15,302
		<u>47,247</u>	<u>53,150</u>
<b>TOTAL ASSETS</b>		<b><u>124,151</u></b>	<b><u>-</u></b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		56,842	56,842
Reserves		58,425	58,425
Accumulated losses		(40,888)	(29,537)
<b>Total Equity</b>		<u>74,379</u>	<u>85,730</u>
<b>Non-current liabilities</b>			
Hire-purchase payables	B9	1,223	1,572
Term loans	B9	8,009	8,926
Deferred tax liabilities		5,513	5,513
		<u>14,745</u>	<u>16,011</u>
<b>Current liabilities</b>			
Trade payables		14,620	15,686
Other payables and accruals		7,735	8,470
Amounts due to directors		10,098	107
Hire - purchase payables	B9	945	1,035
Tax liabilities		391	-
Term loans	B9	1,238	1,387
Other bank borrowings	B9	-	4,898
		<u>35,027</u>	<u>31,583</u>
<b>Total liabilities</b>		<u>49,772</u>	<u>47,594</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>124,151</u></b>	<b><u>133,324</u></b>
Net Assets per ordinary share (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 NINE MONTHS PERIOD ENDED 30 SEPT 2018**

	←		Non-Distributable Asset		→		
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Other Reserve RM'000	Redeemable Convertible Notes RM'000	Accumulated Losses RM'000	Total Equity RM'000
As at 1 January 2018	56,842	-	19,847	38,578	-	(29,537)	85,730
Total comprehensive loss for the period	-	-	-	-	-	(11,351)	(11,351)
As at 30 September 2018	56,842	-	19,847	38,578	-	(40,888)	74,379
As at 1 January 2017	10,832	9,961	10,759	38,578	202	(9,857)	60,475
Issuance of Redeemable Convertible Notes (Equity Component)	3,204	5,696	-	-	167	-	9,067
Total comprehensive income for the period	-	-	9,721	-	-	(3,776)	5,945
As at 30 September 2017	14,036	15,657	20,480	38,578	369	(13,633)	75,487

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 to the interim financial



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPT 2018**

	(UNAUDITED) 9 MONTHS CURRENT FINANCIAL PERIOD 1 JAN 18 TO 30 SEPT 18 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING YEAR TO DATE 1 JAN 17 TO 30 SEPT 17 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(10,960)	(3,781)
Adjustments for :		
Depreciation of property, plant and equipment	4,588	3,940
Property, plant and equipment written off	420	1
Amortisation of leasehold land	124	94
Deficit in Revaluation	-	124
Interest income	(210)	(1)
Finance costs	794	1,313
Share of result in associate	42	-
Gain on disposal of property, plant and equipment	-	(31)
<b>Operating (Loss) / Profit Before Working Capital Changes</b>	<b>(5,202)</b>	<b>1,659</b>
Changes in working capital:		
Net change in current assets	(3,390)	(5,507)
Net change in current liabilities	(1,801)	730
Income tax paid	-	(12)
Finance costs paid	(794)	(1,313)
<b>Net Cash Used In Operating Activities</b>	<b>(11,187)</b>	<b>(4,443)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	210	1
Proceeds from disposal of property, plant and equipment	2,000	144
Withdrawal of fixed deposits pledged to bank	1,334	-
Purchases of property, plant and equipment	(3,904)	(3,703)
<b>Net Cash Used In Investing Activities</b>	<b>(360)</b>	<b>(3,558)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	-	8,900
Net of Proceeds from issuance of Redeemable Convertible Notes	-	2,100
Repayment of term loans	(1,066)	(6,825)
Repayment of banker acceptance	(4,800)	4,795
Net drawdown of Islamic bank financing	-	(511)
(Repayment to) / Drawdown of hire purchase liabilities	(438)	1,008
Loan from directors	9,991	76
<b>Net Cash Generated From Financing Activities</b>	<b>3,687</b>	<b>9,543</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(7,860)</b>	<b>1,542</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>15,232</b>	<b>1,113</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>7,372</b>	<b>2,655</b>
<b>Note :</b>	<b>30 SEPT 2018</b>	<b>30 SEPT 2017</b>
<b>Cash and cash equivalent comprises :</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	1,093	1,969
Fixed deposits with licensed bank	6,279	784
Overdraft	-	(98)
	<b>7,372</b>	<b>2,655</b>



**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 MFRS 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 third quarter ended 30 September 2018 is as follow:

	<b>Poultry Farming &amp; Processing RM'000</b>	<b>Property Development RM'000</b>	<b>Group RM'000</b>
Revenue	24,903	3,748	<b>28,651</b>
(Loss) / Profit before tax	<u>(3,992)</u>	<u>762</u>	<u><b>(3,230)</b></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**

In relation to the Conditional Mandatory Take-Over Offer (“Offer”) by Doh Properties Holdings Sdn Bhd (“Offeror”), the Joint Ultimate Offerors and persons acting in concert (“PAC”) with it, the Company had on 15 October 2018 (“Closing Date”) announced that as at 5.00 p.m. on the Closing Date, the Acceptance Condition (i.e more than 50% of the voting shares of DBE) of the Offer had not been fulfilled as the Offeror, the Joint Ultimate Offerors and PAC hold in aggregate, together with such DBE Shares that are already acquired or agreed to be acquired, held or entitled to be acquired or held, only approximately 38.34% of the voting shares of DBE.

Accordingly, the Offeror had returned all the DBE Shares and DBE Warrants which had been transferred into the Central Depository Account of the Offeror pursuant to the acceptance of the Offer by the respective holders.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

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**A13. Changes in composition of the Group**

During the quarter under review, the Company via its wholly-owned subsidiary, D.B.E. Poultry Sdn Bhd had on 26 September 2018 invested 30% equity interest in an associate company, namely GW Seasoning (M) Sdn Bhd (“GWSM”). The holding company of GWSM is GW Seasonings International Limited, a company incorporated in Hong Kong. The principal activity of GWSM is to carry on the business of wholesaling, distribution and supplying of seasoning powder for poultry products under HARUMi brand. GWSM has the intention to become seasoning distributor in South East Asia. The seasoning powder business will facilitate the operation of HARUMi fried chicken brand in South East Asia.

**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**

	3rd Quarter ended 30 SEPT 2018		3rd Quarter ended 30 SEPT 2017		Increase / (Decrease) RM'000
	'000 KG	RM'000	'000 KG	RM'000	
Sales of Processed Chicken	2,898	17,746	3,004	19,681	(1,935)
Sales of Live Broiler	1,349	5,742	1,559	7,478	(1,736)
Sales of Marinated & Breaded Chicken		729		219	510
Sales from Property Development		3,748		-	3,748
Others		686		1,168	(482)
		<u>28,651</u>		<u>28,546</u>	105
Loss before tax		<u>(3,230)</u>		<u>(3,995)</u>	765

For the current quarter ended 30 Sept 2018, the Group's revenue recorded RM28.65 million, which represented a marginal increase of 0.36% over the prior year corresponding quarter's revenue of RM28.54 million. The increase in revenue was mainly contributed from Property Development which had recorded RM3.74 million in current quarter since the Group diversified into property development in April 2018. Nonetheless, it was offset against the decrease in revenue from poultry & processing divisions of approximately RM3.64 million in current quarter as compared to the prior year corresponding quarter.

The decrease in revenue in poultry products was mainly due to decrease supply to KFC outlets as compared to last year as this year the Group only supplies to Perak area as compared to Selangor and Perak area in previous year. Besides, the decrease in sales of live broiler was also affected the revenue which was due to the lower demand coupled with its lower selling price which dropped by 11.2% for current quarter as compared to the prior year corresponding quarter.

The Group recorded a loss before tax of RM3.23 million in current quarter as compared to the loss before tax of RM3.99 million in the prior year corresponding quarter. The relatively better performance was mainly due to the profit contributed from property development division of approximately RM0.76 million in current quarter as compared to zero in the prior year corresponding quarter and also better costs control in poultry products in current year which resulted an increase of gross profit margin increased by 4.5%.

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

	3rd Quarter ended 30 SEPT 2018		2nd Quarter ended 30 JUN 2018		Increase / (Decrease) RM'000
	'000 KG	RM'000	'000 KG	RM'000	
Sales of Processed Chicken	2,898	17,746	1,752	11,051	6,695
Sales of Live Broiler	1,349	5,742	2,462	10,619	(4,877)
Sales of Marinated & Breaded Chicken		729		525	204
Sales from Property Development		3,748		3,806	(58)
Others		686		522	164
		<u>28,651</u>		<u>26,523</u>	2,128
Loss before tax		<u>(3,230)</u>		<u>(2,762)</u>	(468)

For the current quarter ended 30 Sept 2018, the Group's revenue had increased from RM26.52 million to RM28.65 million. This was mainly due to the higher demand from sales of processed chicken which had contributed 2.89 million kilogram in current quarter as compared to 1.75 million kilogram in preceding quarter. The increased in sales volume of processed chicken was mainly attributed to additional contracts secured with KFC during the quarter. As a result of increased sales to KFC, the Group reduced its sales of live broiler as its production almost consumed by KFC during the quarter.

Despite the higher revenue recorded in current quarter, the Group recorded a loss before tax of RM3.23 million in current quarter as compared to the loss before tax of RM2.76 million in the preceding quarter. However, this was mainly due to the one-off reversal of impairment loss on debtors amounting to RM2.49 million in preceding quarter as a result of a repayment by debtor. Without the reversal of impairment loss in debtors, the loss in preceding quarter for the poultry division will be higher than current quarter. Therefore, the increase in supply of processed chicken to KFC would allow the Group to ascertain a more predictable margin as compared to selling of live broiler. This has somewhat cushioned the Group's loss in the live broiler section. Furthermore, the property development has contributed a profit before tax of RM0.76 million for the current quarter.

**B3. Commentary on prospects**

Despite the recent contract entered into with Ayamas Food Corporation Sdn Bhd, the Group's poultry division business still remains challenging. The Group believes that moving forward, the property development business will remain as the main driver for the growth of the Group and will continue to contribute profits to the Group in the current financial year.

**B4. Profit forecast**

The Group did not issue any profit forecast.





**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS**

**B5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 SEPT 2018 RM'000	Preceding Year Quarter 30 SEPT 2017 RM'000	Current Year To Date 30 SEPT 2018 RM'000	Preceding Year To Date 30 SEPT 2017 RM'000
Taxation	(391)	5	(391)	5

The current quarter tax expenses is inclusive of the under provision of tax expenses for the preceding quarter of approximately RM0.21 million.

**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.

**B8. Corporate Proposals**

DBE Development Sdn Bhd ("DDSB"), the wholly-owned subsidiary of the Company, 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.

On 27 September 2018, DDSB and GHSB have agreed to extend the period for fulfilling the Conditions Precedent of the sale and purchase agreement from within four (4) months ("Cut-Off Date") to within seven (7) months from the date of the sale and purchase agreement ("Extended Cut-Off Date") to facilitate GHSB to obtain the state authority's consent for the transfer of the ownership of the Land to DDSB. As such, the legal and beneficial ownership of the Land shall be transferred to DDSB by first quarter of 2019.

**B9. Borrowings and debts securities**

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

	RM'000
<b><u>Short Term - Secured</u></b>	
- Hire purchases	945
- Term loans	1,238
Sub-total	<u>2,183</u>
<b><u>Long Term - Secured</u></b>	
- Hire purchases	1,223
- Term Loans	8,009
Sub-total	<u>9,232</u>
<b>Total borrowings</b>	<u>11,415</u>

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.



**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS**

**B13. Loss per share**

**(i) Basic Loss Per Share**

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

	Current Year Quarter Ended 30 SEPT 2018	Corresponding Quarter Ended 30 SEPT 2017	Current Year Period To date 30 SEPT 2018	Corresponding Period To date 30 SEPT 2017
Loss for the period (RM'000)	(3,621)	(3,990)	(11,351)	(3,776)
Weighted average number of ordinary shares in issue ('000)	2,678,229	1,226,872	2,678,229	1,226,872
Basic Loss Per Share (sen)	(0.14)	(0.33)	(0.42)	(0.31)

**(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  
19-Nov-18