



**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

	Note	(UNAUDITED)			(UNAUDITED)	(AUDITED)	Changes Increase / (Decrease) RM'000
		INDIVIDUAL QUARTER		PRECEDING YEAR CORRESPONDING QUARTER RM'000	CUMULATIVE QUARTER		
		1 OCT 2017 to 31 DEC 2017	1 OCT 2016 to 31 DEC 2016		1 JAN 2017 to 31 DEC 2017	1 JAN 2016 to 31 DEC 2016	
		CURRENT QUARTER RM'000		CURRENT YEAR TO DATE RM'000	PRECEDING YEAR YEAR TO DATE RM'000		
Revenue		26,872	29,055	(2,183)	111,729	112,980	(1,251)
Cost of sales		(31,751)	(26,261)	(5,490)	(108,237)	(95,512)	(12,725)
Gross (Loss) / Profit		(4,879)	2,794	(7,673)	3,492	17,468	(13,976)
Interest income		28	-	28	29	-	29
Other income		1,011	29	982	1,054	80	974
Administrative expenses		(12,090)	(3,493)	(8,597)	(22,974)	(15,742)	(7,232)
Finance costs		(781)	(416)	(365)	(2,095)	(1,710)	(385)
Share of result on an associate		(29)	-	(29)	(29)	-	(29)
(Loss) / Profit before tax		(16,740)	(1,086)	(15,654)	(20,523)	96	(20,619)
Income tax expense	B5	204	154	50	209	154	55
(Loss) / Profit for the period		(16,536)	(932)	(15,604)	(20,314)	250	(20,564)
Attributable To :							
Owner of the company		(16,536)	(932)	(15,604)	(20,314)	250	(20,564)
Non controlling interest		-	-	-	-	-	-
		(16,536)	(932)	(15,604)	(20,314)	250	(20,564)
(Loss) / Earning Per Shares:							
- Basic (Sen)		(1.15)	(0.10)		(1.41)	0.03	
- 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 FOURTH QUARTER ENDED 31 DECEMBER 2017**

Note	(UNAUDITED)			(UNAUDITED)	(AUDITED)	Changes Increase / (Decrease) RM'000
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER			
	1 OCT 2017 to 31 DEC 2017	1 OCT 2016 to 31 DEC 2016		1 JAN 2017 to 31 DEC 2017	1 JAN 2016 to 31 DEC 2016	
	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	(16,536)	(932)	(15,604)	(20,314)	250	(20,564)
Other comprehensive income						
Revaluation surplus, net of deferred tax	-	-	-	9,721	-	9,721
Total comprehensive (loss) / income for the period	<u>(16,536)</u>	<u>(932)</u>	<u>(15,604)</u>	<u>(10,593)</u>	<u>250</u>	<u>(10,843)</u>
Total Comprehensive (loss) / income attributable to:						
Equity holders of the parent	(16,536)	(932)	(15,604)	(10,593)	250	(10,843)
Minority interest	-	-	-	-	-	-
	<u>(16,536)</u>	<u>(932)</u>	<u>(15,604)</u>	<u>(10,593)</u>	<u>250</u>	<u>(10,843)</u>



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	NOTES	UNAUDITED AS AT 31 DEC 2017 RM'000	AUDITED AS AT 31 DEC 2016 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		79,963	68,120
Investment in associates		211	-
		<u>80,174</u>	<u>68,120</u>
Current assets			
Inventories		7,125	6,781
Biological assets		8,733	9,725
Trade receivables		13,474	15,681
Other receivables, deposits and prepayments		7,153	8,838
Deposits with licensed banks		1,363	29
Cash and bank balances		15,302	1,183
		<u>53,150</u>	<u>42,237</u>
TOTAL ASSETS		<u>133,324</u>	<u>110,357</u>
EQUITY AND LIABILITIES			
Share capital		56,842	10,832
Share premium		-	9,961
Reserves		58,425	49,337
Redeemable Convertible Notes		-	202
Accumulated losses		(29,537)	(9,856)
Total Equity		<u>85,730</u>	<u>60,476</u>
Non-current liabilities			
Hire-purchase payables	B9	1,510	1,197
Term loans	B9	8,988	10,125
Deferred tax liabilities		5,513	3,000
		<u>16,011</u>	<u>14,322</u>
Current liabilities			
Trade payables		15,686	15,053
Other payables and accruals		8,470	8,236
Redeemable Convertible Notes		-	2,283
Amounts due to directors		107	46
Hire-purchase payables	B9	1,097	633
Tax liabilities		-	17
Term loans	B9	1,325	9,192
Other bank borrowings	B9	4,898	99
		<u>31,583</u>	<u>35,559</u>
Total liabilities		<u>47,594</u>	<u>49,881</u>
TOTAL EQUITY AND LIABILITIES		<u>133,324</u>	<u>110,357</u>
Net Assets per ordinary share of RM0.01 each (RM)		0.03	0.06

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2017**

			Non-Distributable				Accumulated Profit / (Losses) RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Asset Revaluation Reserve RM'000	Other Reserve RM'000	Warrants Reserve RM'000	Redeemable Convertible Notes RM'000		
As at 1 January 2017	10,832	9,961	10,759	38,578	-	202	(9,856)	60,476
Transfer pursuant to Section 618(2) of the Companies Act 2016	9,961	(9,961)	-	-	-	-	-	-
Issuance of Redeemable Convertible Notes (Equity Component)	36,049	-	-	-	-	(202)	-	35,847
Realisation of asset revaluation reserves / disposal	-	-	(633)	-	-	-	633	-
Total comprehensive income / (loss) for the period	-	-	9,721	-	-	-	(20,314)	(10,593)
As at 31 December 2017	56,842	-	19,847	38,578	-	-	(29,537)	85,730
As at 1 January 2016	7,682	2,710	11,301	38,578	6,061	135	(16,709)	49,758
Reversal of warrants reserve	-	-	-	-	(6,061)	-	6,061	-
Issuance of Redeemable Convertible Notes (Equity Component)	3,150	7,251	-	-	-	67	-	10,468
Realisation of asset revaluation reserves / disposal	-	-	(542)	-	-	-	542	-
Total comprehensive income for the period	-	-	-	-	-	-	250	250
As at 31 December 2016	10,832	9,961	10,759	38,578	-	202	(9,856)	60,476

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2017**

	(UNAUDITED) 12 MONTHS CURRENT FINANCIAL PERIOD 1 JAN 17 TO 31 DEC 17 RM'000	(AUDITED) PRECEDING YEAR CORRESPONDING YEAR TO DATE 1 JAN 16 TO 31 DEC 16 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit before tax	(20,523)	96
Adjustments for :		
Depreciation of property, plant and equipment	5,483	4,916
Amortisation of leasehold land	136	103
Deficit in Revaluation	124	-
Interest income	(29)	748
Finance costs	2,095	1,248
Waiver of interest	-	(285)
Share of result in associate	29	-
Property, plant and equipment written off	1	8
Gain on disposal of property, plant and equipment	(31)	(2)
Operating (Loss) / Profit Before Working Capital Changes	(12,715)	6,832
Changes in working capital:		
Net change in current assets	2,663	3,082
Net change in current liabilities	2,744	(13,725)
Income tax paid	192	171
Finance costs paid	(2,095)	(1,710)
Net Cash Used In Operating Activities	(9,211)	(5,350)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	29	-
Proceeds from disposal of property, plant and equipment	(57)	(156)
Purchases of property, plant and equipment	(5,201)	(3,160)
Investment in associated company	(240)	-
Net Cash Used In Investing Activities	(5,469)	(3,316)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	36,050	10,400
Net of Proceeds from issuance of Redeemable Convertible Notes	(2,550)	850
Repayment of term loans	(8,282)	(561)
Drawdown of banker acceptance	4,800	-
Increase in fixed deposits pledged	(1,334)	-
Repayment of Islamic bank financing	(722)	(832)
Drawdown of hire purchase liabilities	777	106
Repayment By / (To) directors	61	(516)
Net Cash Generated From Financing Activities	28,800	9,447
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,120	781
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,113	332
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15,233	1,113
Note :	31 DEC 2017	31 DEC 2016
Cash and cash equivalent comprises :	RM'000	RM'000
Cash and bank balances	15,302	1,183
Fixed deposits with licensed bank	1,363	29
Overdraft	(98)	(99)
	16,567	1,113
Fixed deposits pledged bank	(1,334)	-
	15,233	1,113

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial report.



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 2016. 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 position and performance of the Group since the financial year ended 31 December 2016.

On 19 November 2011, the Malaysian Accounting Standard Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreement for Construction or Real Estate, including its parent, significant investor and venturer (herein called “Transitioning Entities”).

Based on the MASB announcement on 30 June 2012, Transitioning Entities are allowed to defer the adoption of new MFRS Framework from the previous adoption date of 1 January 2013 to 1 January 2014.

On 7 August 2013, MASB announced that the Transitioning Entities will be allowed to defer the adoption of the new MFRS Framework from the previous adoption date of 1 January 2014 to 1 January 2015. Consequently, the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015. Subsequently, on the 2 September 2014, MASB has further announced that Transitioning Entities shall be required to apply the MFRS Framework for annual period beginning on or after 1 January 2017.

The Group is a transitioning entity has elected to continue preparing its financial statement in accordance with the FRS framework for annual financial periods beginning before 1 January 2017. As such, the Group will prepare its first financial statements using the MFRS framework for the financial year ending 31 December 2017. In presenting its first MFRS financial statements, the Group may be required to restate the comparative financial statement to amounts reflecting the application of the MFRS Framework.

The Group is currently in the process of determining the financial impact arising from the adoption of the MFRS Framework.

Effective for annual periods beginning on or after 1 January 2018

FRS 9	Financial Instruments
FRS 15	Revenue from Contracts with Customers
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to FRS 4	Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts
Annual Improvements to FRS Standards 2014-2016 Cycle	
Amendments to FRS 128	Investments in Associates and Joint Ventures
Amendments to FRS 140	Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The Directors anticipate that the abovementioned Annual Improvements, Amendments to Standards and Standards will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Annual Improvements, Amendments to Standards and Standards will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

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 2016.

A4. Auditors' Report on Preceding Annual Financial Statements

The Auditors' report on the financial statements for the year ended 31 December 2016 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.



NOTES TO THE INTERIM FINANCIAL STATEMENTS

A8. Debt and equity securities

During the quarter under review, the Company issued Redeemable Convertible Notes (RCN) amounting to RM27,150,000 which subsequently converted into 1,274,647,879 new ordinary shares. The RCN Programme had completed pursuant to the listing of the final tranche of the RCN on 21 December 2017. There are no outstanding RCN as at to date and all RCN under the RCN programme has been fully drawdown and converted into ordinary shares. The number of ordinary shares issued in total was 2,004,895,973 from the beginning of the RCN Programme up to the completion date on 21 December 2017.

A9. Dividend paid

There were no dividend paid during the quarter under review.

A10. Segment information

No segmental reporting by industry and geographical segments has been prepared as the Group is primarily involved in the business of poultry farming and operates principally in Malaysia.

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

On 5 February 2018, the Company had announced that it intends to undertake the following proposals:-

- (i) Proposed joint development via a joint development agreement dated 5 February 2018 entered into between DBE Development Sdn Bhd, a wholly-owned subsidiary of DBE, and Misi Jutari Sdn Bhd for the construction and development of a mixed development project comprising 10 units of single storey semi-detached house, 85 units of single-storey terrace house, 3 units of double storey shop house and 16 units of single-storey shop house on a piece of freehold land known as Lot 8502, Mukim Bota, Daerah Perak Tengah, Perak Darul Ridzuan held under Geran Mukim 4705 ("Proposed Joint Development");
- (ii) Proposed diversification of DBE's existing business into property development and construction ("Proposed Diversification"); and
- (iii) Proposed variation of the utilisation of proceeds raised from the Company's redeemable convertible notes exercise ("Proposed Variation").

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 (DBEP) had subscribed for 240,000 ordinary shares in Super Harumi Sdn Bhd (SHSB), representing 40% of the total shareholding in SHSB. As such, SHSB has become a 40% owned associate company of DBEP.

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

	4th Quarter ended 31 DEC 2017		4th Quarter ended 31 DEC 2016		Increase / (Decrease) RM'000
	'000 KG	RM'000	'000 KG	RM'000	
Sales of Processed Chicken	3,177	20,480	3,215	20,804	(324)
Sales of Live Broiler	1,286	5,330	1,768	7,343	(2,013)
Sales of Marinated & Breaded Chicken		255		532	(277)
Others		807		376	431
		<u>26,872</u>		<u>29,055</u>	(2,183)
Loss before tax		<u>(16,740)</u>		<u>(1,086)</u>	(15,654)

For the current quarter ended 31 December 2017, the Group's revenue recorded RM26.87 million, which represented a decrease of 7.51% over the prior year corresponding quarter's revenue of RM29.05 million. The loss as compared to prior year corresponding quarter was mainly due to lower gross profit margin from 9.6% in 2016 to gross loss margin 18.1% in 2017. The lower margin as a result of lower selling price of its live broiler chicken which approximately RM4.14 per kg in current quarter as compared to RM4.15 per kg in prior year corresponding quarter and processed chicken which average of approximately RM6.45 per kg in current quarter as compared to RM6.47 per kg in prior year corresponding quarter coupled with the lower demand. In addition, the average cost of production also registered an increase by 20.9% as compared to prior year corresponding quarter which was mainly due to maintenance cost increased by RM3.4 million in current quarter.

The Group recorded a loss before tax of RM16.74 million in current quarter as compared to the loss before tax of RM1.08 million in the prior year corresponding quarter. The increase in administrative expenses of approximately RM8.29 million which were as a result of impairment loss on debtors amounting RM7.17, impairment loss on revaluation amounting RM0.12 and additional professional fees amounting RM1million in current quarter.

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

	4th Quarter ended 31 DEC 2017		3rd Quarter ended 30 SEPT 2017		Increase / (Decrease) RM'000
	'000 KG	RM'000	'000 KG	RM'000	
Sales of Processed Chicken	3,177	20,480	3,004	19,681	799
Sales of Live Broiler	1,286	5,330	1,559	7,478	(2,148)
Sales of Marinated & Breaded Chicken		255		219	36
Others		807		1,168	(361)
		<u>26,872</u>		<u>28,546</u>	(1,674)
Loss before tax		<u>(16,740)</u>		<u>(3,995)</u>	(12,745)

For the current quarter ended 31 December 2017, the Group's revenue had decreased from RM 28.54 million to RM 26.87 million. This was mainly due to lower gross loss margin in current quarter. The lower margin as a result of lower selling price of its live broiler chicken which approximately RM4.14 per kg in current quarter as compared to RM4.80 per kg in preceding quarter.

The Group recorded a loss before tax of RM16.74 million in current quarter as compared to the loss before tax of RM3.99 million in the preceding quarter. The increase in administrative expenses of approximately RM8.29 million which were as a result of impairment loss on debtors amounting RM7.17, impairment loss on revaluation amounting RM0.12 and additional professional fees amounting RM1million in current quarter.

B3. Commentary on prospects

Despite the continued challenging conditions, the Group will strive to improve its operation efficiencies in the coming quarter and would continue to enhance its investments in the downstream activities via HARUMi brand with the aim achieving a more sustainable income stream in the future.

B4. Profit forecast

The Group did not issue any profit forecast.

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 DEC 2017 RM'000	Preceding Year Quarter 31 DEC 2016 RM'000	Current Year To Date 31 DEC 2017 RM'000	Preceding Year To Date 31 DEC 2016 RM'000
Taxation	<u>204</u>	<u>154</u>	<u>209</u>	<u>154</u>

Taxation for current year quarter was due to realisation of deferred tax liabilities during year 2017.



ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

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

There are no corporate developments for the current quarter under review.

B9. Borrowings and debts securities

The Group's borrowings as at 31 December 2017 all of which were denominated in Ringgit Malaysia are as follows:

RM'000

Short Term - Secured

- Bank overdrafts	98
- Hire purchases	1,097
- Bankers' acceptances/STA	4,800
- Term loans	1,325
Sub-total	<u>7,320</u>

Long Term - Secured

- Hire purchases	1,510
- Term Loans	8,988
Sub-total	<u>10,498</u>

Total borrowings

17,818

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. 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 31 DEC 2017	Corresponding Quarter Ended 31 DEC 2016	Current Year Period To date 31 DEC 2017	Corresponding Period To date 31 DEC 2016
Net (Loss) / Profit (RM'000)	(16,536)	(932)	(20,314)	250
Weighted average number of ordinary shares in issue ('000)	1,443,463	906,834	1,443,463	906,834
Basic (loss) / Earning Per Share (sen)	(1.15)	(0.10)	(1.41)	0.03

(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.

B14. Disclosure of realised and unrealised portions of accumulated losses:-

	As at 31 DEC 2017 RM'000	As at 31 Dec 2016 RM'000
Accumulated Loss:		
- Realised loss	(83,366)	(51,557)
- Unrealised loss	(5,513)	(2,935)
	(88,879)	(54,492)
Less: Consolidation Adjustment	59,342	44,636
Total Accumulated Loss	(29,537)	(9,856)

BY ORDER OF THE BOARD

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

Perak
27-Feb-18