



**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

	Note	(UNAUDITED) INDIVIDUAL QUARTER		(UNAUDITED) CUMULATIVE QUARTER	
		1 Jan 2014 to 31 Mar 2014 CURRENT QUARTER RM'000	1 Jan 2013 to 31 Mar 2013 PRECEDING YEAR CORRESPONDING QUARTER RM'000	1 Jan 2014 to 31 Mar 2014 CURRENT YEAR TO DATE RM'000	1 Jan 2013 to 31 Mar 2013 PRECEDING YEAR CORRESPONDING YEAR TO DATE RM'000
Revenue		37,804	34,754	37,804	34,754
Cost of sales		(36,106)	(31,504)	(36,106)	(31,504)
<b>Gross profit</b>		<b>1,698</b>	<b>3,250</b>	<b>1,698</b>	<b>3,250</b>
Interest Income		0	-	0	-
Other income		65	-	65	-
Administrative expenses		(3,234)	(2,400)	(3,234)	(2,400)
Finance costs		(584)	(730)	(584)	(730)
<b>Profit / Loss before tax</b>		<b>(2,055)</b>	<b>120</b>	<b>(2,055)</b>	<b>120</b>
Income tax expense	B5	-	336	-	336
<b>Profit / Loss for the period</b>		<b>(2,055)</b>	<b>456</b>	<b>(2,055)</b>	<b>456</b>
<b>Attributable To :</b>					
Equity holders of the parent		(2,055)	456	(2,055)	456
Minority interest		-	-	-	-
		<b>(2,055)</b>	<b>456</b>	<b>(2,055)</b>	<b>456</b>
<b>Earnings per share attributable to equity holders of the parent (Note B13)</b>					
- Basic ( Sen )		(0.31)	0.07	(0.31)	0.07
- Diluted ( Sen )		(0.24)	0.05	(0.24)	0.05



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

	(UNAUDITED) INDIVIDUAL QUARTER		(UNAUDITED) CUMULATIVE QUARTER	
	1 Jan 2014 to 31 Mar 2014 CURRENT QUARTER RM'000	1 Jan 2013 to 31 Mar 2013 PRECEDING YEAR CORRESPONDING QUARTER RM'000	1 Jan 2014 to 31 Mar 2014 CURRENT YEAR TO DATE RM'000	1 Jan 2013 to 31 Mar 2013 PRECEDING YEAR CORRESPONDING YEAR TO DATE RM'000
<b>Profit / Loss for the period</b>	(2,055)	456	(2,055)	456
Other Comprehensive Income, net of tax:	-	-	-	-
<b>Total comprehensive income for the period</b>	(2,055)	456	(2,055)	456
<b>Total Comprehensive income attributable to:</b>				
Equity holders of the parent	(2,055)	456	(2,055)	456
Minority interest	-	-	-	-
	(2,055)	456	(2,055)	456

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014**

	NOTES	UNAUDITED AS AT 31 Mar 2014 RM'000	AUDITED AS AT 31 Dec 2013 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		84,138	84,844
		<u>84,138</u>	<u>84,844</u>
<b>Current assets</b>			
Inventories		6,640	7,459
Trade receivables		25,826	26,362
Other receivables, deposits and prepayments		428	3,186
Deposits with licensed banks		-	-
Cash and bank balances		413	718
		<u>33,307</u>	<u>37,725</u>
<b>TOTAL ASSETS</b>		<b><u>117,445</u></b>	<b><u>122,569</u></b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		67,333	67,333
Share premium		109	109
Reserve		23,199	23,199
Retained loss		(25,694)	(23,639)
<b>Total Equity</b>		<u>64,947</u>	<u>67,002</u>
<b>Non-current liabilities</b>			
Hire-purchase payables	B9	1,517	1,606
Term loans	B9	18,296	17,070
Deferred tax liabilities		4,567	4,567
		<u>24,380</u>	<u>23,243</u>
<b>Current liabilities</b>			
Trade payables		12,982	13,176
Other payables and accruals		7,144	7,957
Amounts due to directors		1,215	1,365
Hire- purchase payables	B9	460	443
Tax liabilities		287	312
Term loans	B9	5,932	8,971
Other bank borrowings	B9	98	100
		<u>28,118</u>	<u>32,324</u>
<b>Total liabilities</b>		<u>52,498</u>	<u>55,567</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>117,445</u></b>	<b><u>122,569</u></b>
Net Assets per ordinary share of RM0.10 (RM)		0.10	0.10



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2014**

	← Non-Distributable →				Retained Profit/(Loss) RM'000	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Warrants Reserve RM'000		
As at 1 January 2014	67,333	109	17,138	6,061	(23,639)	67,002
Realisation of revaluation reserves	-	-	-	-	-	-
Loss for the period	-	-	-	-	(2,055)	(2,055)
As at 31 March 2014	<u>67,333</u>	<u>109</u>	<u>17,138</u>	<u>6,061</u>	<u>(25,694)</u>	<u>64,947</u>
As at 1 January 2013	67,333	109	27,371	6,061	(33,359)	67,515
Revaluation Surplus	-	-	(4,191)	-	4,191	-
Profit for the period	-	-	-	-	456	456
As at 31 March 2013	<u>67,333</u>	<u>109</u>	<u>23,180</u>	<u>6,061</u>	<u>(28,712)</u>	<u>67,971</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2014**

	(UNAUDITED) 3 MONTHS CURRENT FINANCIAL PERIOD 1 Jan 14 to 31 Mar 14 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING YEAR TO DATE 1 Jan 13 to 31 Mar 13 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / Loss before Taxation	(2,055)	120
Adjustments for :		
Depreciation of property, plant and equipment	1,089	1,286
Amortisation of leasehold land	24	24
Interest income	-	-
Finance costs	584	730
(Gain)/Loss on disposal of property, plant and equipment	(5)	54
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	(363)	2,214
Changes in working capital:		
Net change in current assets	4,112	499
Net change in current liabilities	(1,008)	(2,023)
Income tax paid	(25)	(70)
Finance costs paid	(584)	(730)
<b>Net Cash Generated From / (Used in) Operating Activities</b>	2,132	(110)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	-	-
Proceeds from disposal of property, plant and equipment	5	4,120
Withdrawal/(Placement) of fixed deposits pledged to bank	-	-
Purchases of Property, Plant and Equipment	(407)	(51)
<b>Net Cash (Used In)/Generated From Investing Activities</b>	(402)	4,069
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	-	-
Drawdown / (Repayment) of term loans	(1,885)	(3,204)
Drawdown / (Repayment) of banker acceptance/STA	-	(541)
Repayment of Islamic bank financing	73	(220)
Repayment of hire purchase liabilities	(72)	(269)
Advance from / (Repayment to) directors	(150)	117
<b>Net Cash Generated from/(Used In) Financing Activities</b>	(2,034)	(4,117)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(304)	(158)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	619	(379)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	315	(537)

**Note :**

Cash and cash equivalent comprises :

	31 Mar 2014 RM'000	31 Mar 2013 RM'000
Cash and bank balances	413	35
Fixed deposits with licensed bank	-	-
Overdraft	(98)	(572)
	315	(537)

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial report.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

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**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements are in compliance with the Financial Reporting Standard (FRSs) and Issue Committee Interpretation (IC Int.).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013. The explanatory notes attached to the interim financial statements 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 year ended 31 December 2013.

**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 2013.

**A4. Auditors' Report on Preceding Annual Financial Statements**

The Auditors' report on the financial statements for the year ended 31 December 2013 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**

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.

**DBE GURNEY RESOURCES BERHAD** (Company No : 535763-A)  
(Incorporated 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**

No material subsequent events arises after the end of the current quarter.

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

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

**A14. Contingent liabilities and contingent assets**

The contingent liabilities of the Group are as follows :-

Unsecured:

Corporate guarantee in respect of banking facilities  
granted to subsidiary companies

RM'000

15,924

**A15. Capital commitment**

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

**A16. 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**

	1st Quarter ended 31 Mar 2014		1st Quarter ended 31 Mar 2013	
	KGs	RM'000	KGs	RM'000
Sales of processed chicken	2.05 million	12,951	1.81 million	11,500
Sales of Feeds	7.47 million	12,186	6.53 million	11,254
Sales of Live Broiler	1.95 million	8,967	1.96 million	8,118
Others		3,700		3,882
		<b>37,804</b>		<b>34,754</b>
Loss before tax		<b>(2,055)</b>		<b>120</b>

For the quarter ended 31 March 2014, the Group's revenue recorded RM 37.80 million, which represented an increase of 8.78% over the prior year corresponding quarter's revenue of RM 34.75 million. This was mainly due to the increase in demand from sales of processed chicken & demand from sales of feeds coupled with better average selling price of live birds as compared to the prior year corresponding quarter.

Although the Group had made the higher revenue as compare to preceding quarter, the Group recorded a loss before tax of RM 2.05 million as compared with the prior year corresponding quarter profit from operation of RM0.12 million. This was mainly due to increase in production cost as compared to the prior corresponding quarter. Furthermore, the higher administration costs for current quarter which was due to farm rental incurred.

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

	1st Quarter ended 31 Mar 2014		4th Quarter ended 31 Dec 2013	
	KGs	RM'000	KGs	RM'000
Sales of processed chicken	2.05 million	12,951	2.10 million	13,245
Sales of Feeds	7.47 million	12,186	7.87 million	13,544
Sales of Live Broiler	1.95 million	8,967	1.98 million	7,781
Others		3,700		4,002
		<b>37,804</b>		<b>38,572</b>
Profit / (Loss) before tax		<b>(2,055)</b>		<b>(2,554)</b>

For the current quarter ended 31 March 2014, the Group's revenue decrease mainly due to the demand from all the sales dropped.

Despite the lower revenue recorded as compared to the preceding quarter, the Group's loss before tax of RM 2.05 million in current quarter was lower than the loss before tax of RM 2.55 million in the preceding quarter. This was mainly due to better average selling price of live birds as compared to preceding quarter.

**B3. Commentary on prospects**

The Group continues to emphasise on its production efficiency and better cost management in order to improve its future results.

**B4. Profit forecast**

Not applicable for the current quarter.

**B5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2014 RM'000	Preceding Year Quarter 31 Mar 2013 RM'000	Current Year To Date 31 Mar 2014 RM'000	Preceding Year To Date 31 Mar 2013 RM'000
Taxation	-	336	-	336

**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.



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**B9. Borrowings and debts securities**

The Group's borrowings as at 31 December 2013 all of which were denominated in Ringgit Malaysia are as follows:

	<b>RM'000</b>
<b><u>Short Term</u></b>	
- Bank overdrafts	98
- Hire purchases	460
- Term loans	5,932
Sub-total	6,490
<b><u>Long Term</u></b>	
- Hire purchases	1,517
- Term Loans	18,296
Sub-total	19,814
<b>Total borrowings</b>	26,304

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,
- (iii) joint and several guarantee of some of the directors of the company, and
- (iv) pledge and lodgement of a subsidiary company's fixed deposits.

**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**

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

	Current Year Quarter Ended 31 Mar 2014	Corresponding Quarter Ended 31 Mar 2013	Current Year Period To date 31 Mar 2014	Corresponding Period To date 31 Mar 2013
Net Profit / Loss (RM'000)	(2,055)	456	(2,055)	456
Weighted average number of ordinary shares in issue ('000)	673,333	673,333	673,333	673,333
Diluted number of share in issue ('000)	873,333	873,333	873,333	873,333
Basic earnings per share (sen)	(0.31)	0.07	(0.31)	0.07
Diluted earnings per share (sen)	(0.24)	0.05	(0.24)	0.05

**B14. Disclosure of realised and unrealised portions of revenue reserve:-**

	<b>As at 31 Mar 2014 RM'000</b>	<b>As at 31 Dec 2013 RM'000</b>
Profit/(loss) :		
Realised	(21,127)	(19,072)
Unrealised	(4,567)	(4,567)
	(25,694)	(23,639)

The first quarter results has been reviewed by the company's external auditors, Kreston John & Gan.

BY ORDER OF THE BOARD

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

Perak  
23-May-14