



**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	Note	(UNAUDITED) INDIVIDUAL QUARTER		(UNAUDITED) CUMULATIVE QUARTER	
		1 Jul 2014 to 30 Sept 2014 CURRENT QUARTER RM'000	1 Jul 2013 to 30 Sept 2013 PRECEDING YEAR CORRESPONDING QUARTER RM'000	1 Jan 2014 to 30 Sept 2014 CURRENT YEAR TO DATE RM'000	1 Jan 2013 to 30 Sept 2013 PRECEDING YEAR CORRESPONDING YEAR TO DATE RM'000
Revenue		42,401	41,509	118,839	114,449
Cost of sales		(40,914)	(37,919)	(115,418)	(104,287)
<b>Gross profit</b>		1,487	3,590	3,421	10,162
Interest Income		0	3	0	3
Other income		35	-	100	-
Administrative expenses		(3,324)	(2,819)	(7,145)	(7,703)
Finance costs		(302)	(717)	(1,436)	(2,188)
<b>(Loss) / Profit before tax</b>		(2,104)	57	(5,060)	274
Income tax expense	B5	(0)	174	(0)	1,684
<b>(Loss) / Profit for the period</b>		(2,104)	231	(5,060)	1,958
<b>Attributable To :</b>					
Equity holders of the parent		(2,104)	231	(5,060)	1,958
Minority interest		-	-	-	-
		(2,104)	231	(5,060)	1,958
<b>Earning / (Loss) per share attributable to equity holders of the parent (Note B13)</b>					
- Basic ( Sen )		(0.31)	0.03	(0.75)	0.29

The Condensed Consolidated Income 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.



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	(UNAUDITED) INDIVIDUAL QUARTER		(UNAUDITED) CUMULATIVE QUARTER	
	1 Jul 2014 to 30 Sept 2014 CURRENT QUARTER RM'000	1 Jul 2013 to 30 Sept 2013 PRECEDING YEAR CORRESPONDING QUARTER RM'000	1 Jan 2014 to 30 Sept 2014 CURRENT YEAR TO DATE RM'000	1 Jan 2013 to 30 Sept 2013 PRECEDING YEAR CORRESPONDING YEAR TO DATE RM'000
<b>(Loss) / Profit for the period</b>	(2,104)	231	(5,060)	1,958
Other Comprehensive Income, net of tax:	-	-	-	-
<b>Total comprehensive income for the period</b>	(2,104)	231	(5,060)	1,958
<b>Total Comprehensive income attributable to:</b>				
Equity holders of the parent	(2,104)	231	(5,060)	1,958
Minority interest	-	-	-	-
	(2,104)	231	(5,060)	1,958

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 30 SEPTEMBER 2014**

	NOTES	UNAUDITED AS AT 30 Sept 2014 RM'000	AUDITED AS AT 31 Dec 2013 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		82,110	97,396
Trade receivables		4,971	12,552
		<u>87,081</u>	<u>109,949</u>
<b>Current assets</b>			
Inventories		7,866	7,459
Trade receivables		19,769	13,810
Other receivables, deposits and prepayments		844	3,186
Cash and bank balances		373	718
		<u>28,852</u>	<u>25,173</u>
<b>TOTAL ASSETS</b>		<b><u>115,933</u></b>	<b><u>135,122</u></b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		67,333	67,333
Share premium		109	109
Reserve		23,199	23,199
Accumulated losses		(28,699)	(23,639)
<b>Total Equity</b>		<u>61,942</u>	<u>67,002</u>
<b>Non-current liabilities</b>			
Hire-purchase payables	B9	1,279	1,606
Term loans	B9	15,611	17,070
Deferred tax liabilities		4,567	4,567
		<u>21,457</u>	<u>23,243</u>
<b>Current liabilities</b>			
Trade payables		16,984	13,176
Other payables and accruals		8,569	7,957
Amounts due to directors		870	1,365
Hire- purchase payables	B9	444	443
Tax liabilities		130	312
Term loans	B9	5,437	8,971
Other bank borrowings	B9	100	100
		<u>32,534</u>	<u>32,324</u>
<b>Total liabilities</b>		<u>53,991</u>	<u>55,567</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>115,933</u></b>	<b><u>122,569</u></b>
Net Assets per ordinary share of RM0.10 (RM)		0.09	0.10



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014**

	← Non-Distributable →				Accumulated Losses 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
Loss for the period	-	-	-	-	(5,060)	(5,060)
As at 30 September 2014	67,333	109	17,138	6,061	(28,699)	61,942
As at 1 January 2013	67,333	109	27,371	6,061	(33,359)	67,515
Revaluation Surplus	-	-	(10,234)	-	10,234	-
Profit for the period	-	-	-	-	1,957	1,957
As at 30 September 2013	67,333	109	17,137	6,061	(21,168)	69,472



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014**

	(UNAUDITED) 9 MONTHS CURRENT FINANCIAL PERIOD 1 Jan 14 to 30 Sept 14 RM'000	(UNAUDITED) PRECEDING YEAR CORRESPONDING YEAR TO DATE 1 Jan 13 to 30 Sept 13 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before tax	(5,060)	274
Adjustments for :		
Depreciation of property, plant and equipment	3,242	3,640
Amortisation of leasehold land	73	73
Interest income	-	(3)
Finance costs	1,436	2,188
Property, plant and equipment written off	75	0
Gain on disposal of property, plant and equipment	(5)	(95)
<b>Operating (Loss) / Profit Before Working Capital Changes</b>	<u>(239)</u>	<u>6,077</u>
Changes in working capital:		
Net change in current assets	3,558	(1,559)
Net change in current liabilities	4,420	(3,803)
Income tax paid	(182)	(190)
Finance costs paid	(1,436)	(2,188)
<b>Net Cash Generated From / (Used in) Operating Activities</b>	<u>6,121</u>	<u>(1,663)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	-	3
Proceeds from disposal of property, plant and equipment	5	13,820
Withdrawal of fixed deposits pledged to bank	-	89
Purchases of Property, Plant and Equipment	(657)	(853)
<b>Net Cash Generated From / (Used in) Investing Activities</b>	<u>(652)</u>	<u>13,059</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loans	(4,479)	(8,069)
Repayment of banker acceptance/STA	-	(1,830)
Repayment of Islamic bank financing	(514)	(661)
Repayment of hire purchase liabilities	(326)	(481)
(Repayment to) / Advance from directors	(495)	16
<b>Net Cash Used In Financing Activities</b>	<u>(5,814)</u>	<u>(11,025)</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(345)	371
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>618</u>	<u>(379)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>273</u>	<u>(8)</u>
<b>Note :</b>	<b>30 Sept 2014</b>	<b>30 Sept 2013</b>
<b>Cash and cash equivalent comprises :</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	373	92
Overdraft	(100)	(100)
	<u>273</u>	<u>(8)</u>

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.



## 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 2013. 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 2013.

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, 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.

Financial reporting standards under the existing FRS Framework that have yet to be adopted in presenting this quarterly consolidated financial statements are disclosed below. These adoptions will not result in any significant changes to the Group’s accounting policies, results and financial position.

		<b>Effective for financial periods beginning on or after</b>
<u>New FRS</u>		
FRS 9	Financial Instruments	To be advised by MASB
FRS 14	Regulatory Deferral Account*	1-Jan-2016
<u>Amendments / Improvements to FRSs</u>		
FRS 2	Share-based Payment	1-Jul-2014
FRS 3	Business Combinations	1-Jul-2014
FRS 8	Operating Segments*	1-Jul-2014
FRS 11	Joint Arrangement*	1-Jan-2016
FRS 13	Fair Value Measurement	1-Jul-2014
FRS 116	Property, Plant and Equipment	1-Jul-2014
FRS 116	Property, Plant and Equipment	1-Jan-2016
FRS 119	Employee Benefit	1-Jul-2014
FRS 124	Related Party Disclosures	1-Jul-2014
FRS 138	Intangible Assets	1-Jul-2014
FRS 138	Intangible Assets	1-Jan-2016
FRS 140	Investment Property*	1-Jul-2014

\* Not applicable to the Group

### 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.

**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. 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 2014		3rd Quarter ended 30 Sept 2013	
	KGs	RM'000	KGs	RM'000
Sales of processed chicken	2.08 million	13,863	2.24 million	14,455
Sales of Feeds	8.00 million	13,154	7.91 million	13,622
Sales of Live Broiler	2.30 million	10,516	2.02 million	9,358
Others		4,868		4,074
		<b>42,401</b>		<b>41,509</b>
(Loss) / Profit before tax		<b>(2,104)</b>		<b>57</b>

For the current quarter ended 30 September 2014, the Group's revenue recorded RM 42.40 million, which represented an increase of 2.15% over the prior year corresponding quarter's revenue of RM 41.50 million. This was mainly due to increase in sales of live bird with higher sales volume as compared to the prior year corresponding quarter.

Although the Group had made the higher revenue as compared to preceding quarter, the Group recorded a loss before tax of RM 2.10 million as compared with the prior year corresponding quarter profit before tax of RM0.06 million. This was mainly due to increase in production cost as compared to the prior corresponding quarter.

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

	3rd Quarter ended 30 Sept 2014		2nd Quarter ended 30 June 2014	
	KGs	RM'000	KGs	RM'000
Sales of processed chicken	2.08 million	13,863	2.17 million	14,055
Sales of Feeds	8.00 million	13,154	7.43 million	12,158
Sales of Live Broiler	2.30 million	10,516	2.11 million	8,460
Others		4,868		3,961
		<b>42,401</b>		<b>38,634</b>
Loss before tax		<b>(2,104)</b>		<b>(901)</b>

For the current quarter ended 30 September 2014, the Group's revenue increased mainly due to the higher demand from sales of live broiler together with the better selling price and higher sales volume as compared to the preceding year.

The Groups' incurred a loss before tax of RM 2.10 million in current quarter compared to the loss before tax RM 0.90 million in preceding quarter. This was mainly due to the reversal of impairment loss from the settlement of contract farming in last 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 30 Sept 2014 RM'000	Preceding Year Quarter 30 Sept 2013 RM'000	Current Year To Date 30 Sept 2014 RM'000	Preceding Year To Date 30 Sept 2013 RM'000
Taxation	(0)	174	(0)	1,684

**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.



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

**B9. Borrowings and debts securities**

The Group's borrowings as at 30 September 2014 all of which were denominated in Ringgit Malaysia are as follows:

	RM'000
<b><u>Short Term</u></b>	
- Bank overdrafts	100
- Hire purchases	444
- Term loans	5,437
Sub-total	<u>5,981</u>
<b><u>Long Term</u></b>	
- Hire purchases	1,279
- Term Loans	15,611
Sub-total	<u>16,890</u>
<b>Total borrowings</b>	<u>22,871</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,
- (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 (loss) / profit attributable to ordinary shareholders by the number of weighted ordinary shares in issue as follows:-

	Current Year Quarter Ended 30 Sept 2014	Corresponding Quarter Ended 30 Sept 2013	Current Year Period To date 30 Sept 2014	Corresponding Period To date 30 Sept 2013
Net Profit / (Loss) (RM'000)	(2,104)	231	(5,060)	1,958
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 earning / (loss) per share (sen)	(0.31)	0.03	(0.75)	0.29

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.

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

	As at 30 Sept 2014 RM'000	As at 31 Dec 2013 RM'000
Profit/(loss) :		
Realised	(24,132)	(19,072)
Unrealised	(4,567)	(4,567)
	<u>(28,699)</u>	<u>(23,639)</u>

The third quarter results has been reviewed by the company's external auditors, Moore Stephens Associates PLT.

BY ORDER OF THE BOARD

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

Perak  
28-Nov-14