



**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**

	Note	(UNAUDITED) INDIVIDUAL QUARTER		(UNAUDITED)	(AUDITED)
		1 Oct 2014 to 31 Dec 2014 CURRENT QUARTER RM'000	1 Oct 2013 to 31 Dec 2013 PRECEDING YEAR CORRESPONDING QUARTER RM'000	1 Jan 2014 to 31 Dec 2014 CURRENT YEAR TO DATE RM'000	1 Jan 2013 to 31 Dec 2013 PRECEDING YEAR CORRESPONDING YEAR TO DATE RM'000
Revenue		38,238	38,571	157,077	153,020
Cost of sales		(40,785)	(39,543)	(156,203)	(143,830)
<b>Gross (Loss) / Profit</b>		(2,547)	(972)	874	9,190
Interest Income		-	-	-	3
Other income		368	2,430	468	2,430
Administrative expenses		(2,691)	(3,582)	(9,836)	(11,285)
Finance costs		(808)	(432)	(2,244)	(2,620)
<b>Loss before tax</b>		(5,678)	(2,556)	(10,738)	(2,282)
Income tax expense	B5	563	86	562	1,769
<b>Loss for the period</b>		(5,115)	(2,470)	(10,176)	(513)
<b>Attributable To :</b>					
Equity holders of the parent		(5,115)	(2,470)	(10,176)	(513)
Minority interest		-	-	-	-
		(5,115)	(2,470)	(10,176)	(513)
<b>Loss per share attributable to equity holders of the parent (Note B13)</b>					
- Basic ( Sen )		(0.76)	(0.37)	(1.51)	(0.08)



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**

	(UNAUDITED) INDIVIDUAL QUARTER		(UNAUDITED) CUMULATIVE QUARTER	(AUDITED) CUMULATIVE QUARTER
	1 Oct 2014 to 31 Dec 2014 CURRENT QUARTER RM'000	1 Oct 2013 to 31 Dec 2013 PRECEDING YEAR CORRESPONDING QUARTER RM'000	1 Jan 2014 to 31 Dec 2014 CURRENT YEAR TO DATE RM'000	1 Jan 2013 to 31 Dec 2013 PRECEDING YEAR CORRESPONDING YEAR TO DATE RM'000
<b>Loss for the period</b>	(5,115)	(2,470)	(10,176)	(513)
Other Comprehensive Income, net of tax:	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>(5,115)</u>	<u>(2,470)</u>	<u>(10,176)</u>	<u>(513)</u>
<b>Total Comprehensive income attributable to:</b>				
Equity holders of the parent	(5,115)	(2,470)	(10,176)	(513)
Minority interest	-	-	-	-
	<u>(5,115)</u>	<u>(2,470)</u>	<u>(10,176)</u>	<u>(513)</u>

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 DECEMBER 2014**

	NOTES	UNAUDITED AS AT 31 Dec 2014 RM'000	AUDITED AS AT 31 Dec 2013 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		79,292	84,844
Trade receivables		-	12,552
		<u>79,292</u>	<u>97,396</u>
<b>Current assets</b>			
Inventories		4,406	5,554
Biological assets		2,934	1,905
Trade receivables		24,568	13,810
Other receivables, deposits and prepayments		1,163	3,186
Cash and bank balances		346	718
		<u>33,417</u>	<u>25,173</u>
<b>TOTAL ASSETS</b>		<b><u>112,709</u></b>	<b><u>122,569</u></b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		67,333	67,333
Share premium		109	109
Reserves		21,501	23,199
Accumulated losses		(32,117)	(23,639)
<b>Total Equity</b>		<b><u>56,826</u></b>	<b><u>67,002</u></b>
<b>Non-current liabilities</b>			
Hire-purchase payables	B9	1,162	1,606
Term loans	B9	18,802	17,070
Deferred tax liabilities		4,004	4,567
		<u>23,968</u>	<u>23,243</u>
<b>Current liabilities</b>			
Trade payables		18,554	13,176
Other payables and accruals		9,225	7,957
Amounts due to directors		1,026	1,365
Hire- purchase payables	B9	480	443
Tax liabilities		46	312
Term loans	B9	2,484	8,971
Bank overdrafts	B9	100	100
		<u>31,915</u>	<u>32,324</u>
<b>Total liabilities</b>		<b><u>55,883</u></b>	<b><u>55,567</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>112,709</u></b>	<b><u>122,569</u></b>
Net Assets per ordinary share of RM0.10 (RM)		0.08	0.10



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2014**

	← Non-Distributable Asset →					Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Warrants Reserve RM'000	Accumulated Losses RM'000	
As at 1 January 2014	67,333	109	17,138	6,061	(23,639)	67,002
Realisation of asset revaluation reserves	-	-	(1,698)	-	1,698	-
Loss for the period	-	-	-	-	(10,176)	(10,176)
As at 31 December 2014	<u>67,333</u>	<u>109</u>	<u>15,440</u>	<u>6,061</u>	<u>(32,117)</u>	<u>56,826</u>
As at 1 January 2013	67,333	109	27,371	6,061	(33,359)	67,515
Realisation of asset revaluation reserves	-	-	(10,233)	-	10,233	-
Loss for the period	-	-	-	-	(513)	(513)
As at 31 December 2013	<u>67,333</u>	<u>109</u>	<u>17,138</u>	<u>6,061</u>	<u>(23,639)</u>	<u>67,002</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 TWELVE MONTH PERIOD ENDED 31 DECEMBER 2014**

	(UNAUDITED) 12 MONTHS CURRENT FINANCIAL PERIOD 1 Jan 14 to 31 Dec 14 RM'000	(AUDITED) PRECEDING YEAR CORRESPONDING YEAR TO DATE 1 Jan 13 to 31 Dec 13 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(10,738)	(2,282)
Adjustments for :		
Depreciation of property, plant and equipment	6,802	4,757
Amortisation of leasehold land	108	98
Reversal of impairment loss on receivables	-	(2,034)
Interest income on loans and receivables at amortised cost basis	-	(224)
Fair value loss on loan and receivable	-	537
Interest income	-	(3)
Finance costs	2,244	2,620
Property, plant and equipment written off	165	79
Gain on disposal of property, plant and equipment	(43)	(172)
<b>Operating (Loss) / Profit Before Working Capital Changes</b>	<b>(1,462)</b>	<b>3,376</b>
Changes in working capital:		
Net change in current assets	3,936	(8,170)
Net change in current liabilities	6,646	(1,403)
Income tax paid	(266)	(190)
Finance costs paid	(2,244)	(2,620)
<b>Net Cash Generated From / (Used in) Operating Activities</b>	<b>6,610</b>	<b>(9,007)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	-	3
Proceeds from disposal of property, plant and equipment	65	20,820
Withdrawal of fixed deposits pledged to bank	-	89
Purchases of property, plant and equipment	(1,546)	(1,198)
<b>Net Cash (Used in) / Generated From Investing Activities</b>	<b>(1,481)</b>	<b>19,714</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loans	(4,168)	(7,722)
Repayment of banker acceptance/STA	-	(1,830)
Repayment of Islamic bank financing	(587)	(948)
Repayment of hire purchase liabilities	(407)	(574)
(Repayment to) / Advances from directors	(339)	1,364
<b>Net Cash Used In Financing Activities</b>	<b>(5,501)</b>	<b>(9,710)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(372)</b>	<b>997</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>618</b>	<b>(379)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>246</b>	<b>618</b>
<b>Note :</b>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
<b>Cash and cash equivalent comprises :</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	346	718
Overdraft	(100)	(100)
	<b>246</b>	<b>618</b>

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 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.

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	01-Jan-16
FRS 9 (2014)	Financial Instruments	01-Jan-18
FRS 14	Regulatory Deferral Accounts*	01-Jan-16
<u>Amendments / Improvements to FRSs</u>		
FRS 2	Amendment to Share-Based Payment	01-Jul-14
FRS 3	Amendment to Business Combinations	01-Jul-14
FRS 5	Amendment to Non-current Assets Held for Sale and Discontinued Operations*	01-Jan-16
FRS 7	Amendment to Financial Instruments: Disclosures	01-Jan-16
FRS 8	Amendment to Operating Segments*	01-Jul-14
FRS 10	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to FRS 10 and FRS 128)*	01-Jan-16
FRS 10	Investment Entities: Applying the Consolidation Exception	01-Jan-16
FRS 11	Accounting for Acquisitions of Interests in Joint Operations*	01-Jan-16
FRS 12	Investment Entities*	01-Jan-16
FRS 13	Amendment to Fair Value Measurement	01-Jul-14
FRS 101	Disclosure Initiative	01-Jan-16
FRS 116	Amendment to Property, Plant and Equipment	01-Jul-14
FRS 116	Clarification of Acceptable Methods of Depreciation and Amortisation	01-Jan-16
FRS 119	Defined Benefit Plans: Employee Contributions	01-Jul-14
FRS 119	Amendment to Employee Benefits	01-Jan-16
FRS 124	Amendment to Related Party Disclosures	01-Jul-14
FRS 127 (2011)	Equity Method in Separate Financial Statements	01-Jan-16
FRS 128 (2011)	Investment Entities: Applying the Consolidation Exception	01-Jan-16
FRS 134	Amendment to Interim Financial Reporting	01-Jan-16
FRS 138	Amendment to Intangible Assets*	01-Jul-14
FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	01-Jan-16
FRS 140	Amendment to Investment Property*	01-Jul-14

\* Not applicable to the Group

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

**A2. Comparatives**

	As previously stated RM'000	Group 2013 Reclassification RM'000	As restated RM'000
<b>Group 2013 Statement of Financial Position</b>			
Inventories	7,459	(1,905)	5,554
Biological assets	-	1,905	1,905

The above reclassification was made to conform with current year's presentation.

**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**

	4th Quarter ended 31 Dec 2014		4th Quarter ended 31 Dec 2013	
	KGs	RM'000	KGs	RM'000
Sales of processed chicken	2.35 million	14,221	2.10 million	13,245
Sales of Feeds	7.69 million	12,605	7.87 million	13,544
Sales of Live Broiler	2.13 million	6,730	1.98 million	7,780
Others		4,682		4,002
		<b>38,238</b>		<b>38,571</b>
Loss before tax		<b>(5,678)</b>		<b>(2,556)</b>

For the current quarter ended 31 December 2014, the Group's revenue recorded RM 38.23million, which represented a decrease of 0.86% over the prior year corresponding quarter's revenue of RM 38.57 million. This was mainly due to average selling price in this quarter has dropped as compared to the prior year corresponding quarter especially on the live broiler.

The Group recorded a loss from operations of RM 5.67 million as compared with the prior year corresponding quarter loss before tax of RM 2.55 million. This was mainly contributed by annual monsoon rains which hit the northeastern states of Kelantan, Terengganu and Pahang state.

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

	4th Quarter ended 31 Dec 2014		3rd Quarter ended 30 Sept 2014	
	KGs	RM'000	KGs	RM'000
Sales of processed chicken	2.35 million	14,221	2.08 million	13,863
Sales of Feeds	7.69 million	12,605	8.00 million	13,154
Sales of Live Broiler	2.13 million	6,730	2.30 million	10,516
Others		4,682		4,868
		<b>38,238</b>		<b>42,401</b>
Loss before tax		<b>(5,678)</b>		<b>(2,104)</b>

For the current quarter ended 31 December 2014, the Group's revenue decreased mainly due to the lower demand from sales of live broilers together with the lower selling price as compared to the preceding quarter.

The Groups' incurred a loss before tax of RM 5.67 million in current quarter compared to the loss before tax RM 2.10 million in preceding quarter. The uncertainties posed by the sharp drop in world oil prices and weakening of local currency certainly causing the challenging landscape confronting DBE's market competitiveness in the local poultry industry. With that the Group are facing negative gross margin which caused by poorer selling price and higher cost of good sold.

**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 Dec 2014 RM'000	Preceding Year Quarter 31 Dec 2013 RM'000	Current Year To Date 31 Dec 2014 RM'000	Preceding Year To Date 31 Dec 2013 RM'000
Taxation	563	86	562	1,769

Taxation for current year quarter was due to realisation of deferred tax liabilities for revaluation of land and building.

**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 31 December 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	480
- Term loans	2,484
Sub-total	<u>3,064</u>
<b><u>Long Term</u></b>	
- Hire purchases	1,162
- Term Loans	18,802
Sub-total	<u>19,964</u>
<b>Total borrowings</b>	<u>23,028</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.

**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 31 Dec 2014	Corresponding Quarter Ended 31 Dec 2013	Current Year Period To date 31 Dec 2014	Corresponding Period To date 31 Dec 2013
Net Loss (RM'000)	(5,115)	(2,470)	(10,176)	(513)
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)	(0.76)	(0.37)	(1.51)	(0.08)

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 31 Dec 2014 RM'000	As at 31 Dec 2013 RM'000
Profit/(loss) :		
Realised	(28,113)	(19,072)
Unrealised	<u>(4,004)</u>	<u>(4,567)</u>
	<u>(32,117)</u>	<u>(23,639)</u>

BY ORDER OF THE BOARD

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

Perak  
24-Feb-15