



**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FOURTH QUARTER ENDED 31 DEC 2018**

	Note	(UNAUDITED) INDIVIDUAL QUARTER		Changes Increase / (Decrease)	(UNAUDITED)	(AUDITED)	Changes Increase / (Decrease)
		1 OCT 2018 to 31 DEC 2018	1 OCT 2017 to 31 DEC 2017		CUMULATIVE QUARTER		
		CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER		1 JAN 2018 to 31 DEC 2018 CURRENT YEAR TO DATE	1 JAN 2017 to 31 DEC 2017 PRECEDING YEAR CORRESPONDING YEAR TO DATE (RESTATED)	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue		30,930	26,872	4,058	108,232	111,721	(3,489)
Cost of sales		(26,923)	(33,178)	6,255	(106,026)	(109,114)	3,088
Gross Profit / (Loss)		4,007	(6,306)	10,313	2,206	2,607	(401)
Interest income		3	28	(25)	213	-	213
Other income		4,294	1,011	3,283	6,942	1,121	5,821
Administrative expenses		(23,102)	(10,843)	(12,259)	(33,665)	(22,307)	(11,358)
Finance costs		(335)	(781)	446	(1,128)	(2,095)	967
Share of result of associate		(39)	(29)	(10)	(81)	(29)	(52)
Loss before tax		(15,172)	(16,920)	1,748	(25,513)	(20,703)	(4,810)
Income tax expense	B5	(555)	204	(759)	(946)	209	(1,155)
Loss for the period		(15,727)	(16,716)	989	(26,459)	(20,494)	(5,965)
Attributable To :							
Owner of the company		(15,727)	(16,716)	989	(26,459)	(20,494)	(5,965)
Non controlling interest		-	-	-	-	-	-
		(15,727)	(16,716)	989	(26,459)	(20,494)	(5,965)
Loss Per Shares:							
- Basic (Sen)		(0.59)	(0.62)		(0.99)	(0.77)	
- Diluted*		N/A	N/A		N/A	N/A	

Note:

* The Group does not have any potential dilutive 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 DEC 2018**

Note	(UNAUDITED) INDIVIDUAL QUARTER			(UNAUDITED)	(AUDITED)	Changes Increase / (Decrease)
	1 OCT 2018 to 31 DEC 2018	1 OCT 2017 to 31 DEC 2017	PRECEDING YEAR CORRESPONDING QUARTER	1 JAN 2018 to 31 DEC 2018	1 JAN 2017 to 31 DEC 2017	
	CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER		CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE (RESTATED)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Loss for the period	(15,727)	(16,716)	989	(26,459)	(20,494)	(5,965)
Other comprehensive income						
Revaluation surplus, net of deferred tax	223	-	223	223	9,721	(9,498)
Total comprehensive (loss) / income for the period	<u>(15,504)</u>	<u>(16,716)</u>	1,212	<u>(26,236)</u>	<u>(10,773)</u>	(15,463)
Total Comprehensive (loss) / income attributable to:						
Owner of the Company	(15,504)	(16,716)	1,212	(26,236)	(10,773)	(15,463)
Non-Controlling Interest	-	-	-	-	-	-
	<u>(15,504)</u>	<u>(16,716)</u>	1,212	<u>(26,236)</u>	<u>(10,773)</u>	(15,463)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DEC 2018

	NOTES	UNAUDITED AS AT 31 DEC 2018 RM'000	AUDITED AS AT 31 DEC 2017 (RESTATED) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		68,367	79,963
Investment in associates		-	211
		<u>68,367</u>	<u>80,174</u>
Current assets			
Property development cost		9,030	-
Inventories		7,151	6,479
Biological assets		8,133	8,761
Trade receivables		17,443	13,069
Other receivables, deposits and prepayments		2,415	7,146
Tax recoverable		8	7
Deposits with licensed banks		5,367	1,363
Cash and bank balances		3,136	15,302
		<u>52,683</u>	<u>52,127</u>
TOTAL ASSETS		<u>121,050</u>	<u>132,301</u>
EQUITY AND LIABILITIES			
Share capital		56,842	56,842
Reserves		19,530	58,425
Accumulated losses		(17,901)	(30,560)
Total Equity		<u>58,471</u>	<u>84,707</u>
Non-current liabilities			
Hire-purchase payables	B9	1,458	1,572
Term loans	B9	4,720	8,926
Trade payable		3,081	-
Deferred tax liabilities		5,354	5,513
		<u>14,613</u>	<u>16,011</u>
Current liabilities			
Trade payables		15,812	15,686
Other payables and accruals		13,620	8,470
Amounts due to directors		12,255	107
Hire - purchase payables	B9	1,010	1,035
Tax liabilities		1,117	-
Term loans	B9	4,152	1,387
Other bank borrowings	B9	-	4,898
		<u>47,966</u>	<u>31,583</u>
Total liabilities		<u>62,579</u>	<u>47,594</u>
TOTAL EQUITY AND LIABILITIES		<u>121,050</u>	<u>132,301</u>
Net Assets per ordinary share (RM)		0.02	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 TWELVE MONTHS PERIOD ENDED 31 DEC 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 (Restated)	56,842	-	19,847	38,578	-	(30,560)	84,707
Reclassification	-	-	-	(38,578)	-	38,578	-
Realisation of asset revaluation reserves	-	-	(540)	-	-	540	-
Total comprehensive income / (loss) for the period	-	-	223	-	-	(26,459)	(26,236)
As at 31 December 2018	56,842	-	19,530	-	-	(17,901)	58,471
As at 1 January 2017 (Restated)	10,832	9,961	10,759	38,578	202	(10,699)	59,633
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	-	-	(633)	-	-	633	-
Total comprehensive income for the period (Restated)	-	-	9,721	-	-	(20,494)	(10,773)
As at 31 December 2017 (Restated)	56,842	-	19,847	38,578	-	(30,560)	84,707

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 TWELVE MONTHS PERIOD ENDED 31 DEC 2018**

	(UNAUDITED) 12 MONTHS CURRENT FINANCIAL PERIOD 1 JAN 18 TO 31 DEC 18 RM'000	(AUDITED) PRECEDING YEAR CORRESPONDING YEAR TO DATE 1 JAN 17 TO 31 DEC 17 (RESTATED) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(25,513)	(20,703)
Adjustments for :		
Depreciation of property, plant and equipment	6,227	5,483
Property, plant and equipment written off	420	1
Amortisation of leasehold land	166	136
Impairment loss on property, plant and equipment	16,489	124
Impairment loss on receivables	711	7,170
Impairment loss on investment in associates	268	-
Reversal of impairment loss on receivables	(6,197)	(1,002)
Reversal of banker's guarantee	20	-
Interest income	(213)	-
Finance costs	1,128	2,095
Share of result in associate	81	29
Gain on disposal of property, plant and equipment	-	(31)
Operating Loss Before Working Capital Changes	(6,413)	(6,698)
Changes in working capital:		
Net change in current assets	(3,261)	(1,441)
Net change in current liabilities	5,354	867
Net change in non- current liabilities	3,081	-
Income tax paid	(1)	(15)
Finance costs paid	(1,128)	(2,095)
Net Cash Used In Operating Activities	(2,368)	(9,382)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	213	-
Proceeds from disposal of property, plant and equipment	22	39
Withdrawal of fixed deposits pledged to bank	1,363	-
Purchases of property, plant and equipment	(11,492)	(5,097)
Investment in associated company	(138)	(240)
Net Cash Used In Investing Activities	(10,032)	(5,298)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	36,050
Net of proceeds from issuance of redeemable convertible notes	-	(2,550)
Repayment of term loans	(1,441)	(8,954)
(Repayment to) /Drawdown of banker acceptance	(4,800)	4,750
Increase in fixed deposits pledged	-	(1,334)
Repayment of banker overdraft	(98)	-
(Repayment to) / Drawdown of hire purchase liabilities	(139)	777
Loan from directors	12,148	61
Net Cash Generated From Financing Activities	5,669	28,800
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(6,730)	14,120
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,233	1,113
CASH AND CASH EQUIVALENTS AT END OF PERIOD	8,503	15,233
Note :	31 DEC 2018	31 DEC 2017
Cash and cash equivalent comprises :	RM'000	RM'000
Cash and bank balances	3,136	15,302
Fixed deposits with licensed bank	5,367	1,363
Overdraft	-	(98)
	8,503	16,567
Fixed deposits pledged bank	-	(1,334)
	8,503	15,233

The Condensed Consolidated Cash Flow Statement 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.



NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. Basis of preparation

The financial statements of the Group for the financial year ended 31/12/2018 are the first set of financial statements prepared in accordance with the MFRS, including MFRS 1 – First-time Adoption of Malaysian Financial Reporting Standards. Subject to certain transition elections as disclosed in Note A1(b), the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 January 2017, being the transition date, and throughout all years presented, as if these policies had always been in effect. The impact of the transition to MFRS on the Group's reported financial position, financial performance and cash flows, are disclosed in Note A1(b).

Except for the adoption of MFRS and below, the accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited annual financial statements for the financial year ended 31 December 2017.

a) New accounting pronouncements

i) Accounting pronouncements that has been adopted for this interim financial report:

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 15	Clarification to MFRS 15: Revenue from Contracts with Customers
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretations 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements to MFRSs 2014 - 2016 Cycle	

ii) Accounting pronouncements that are not yet effective are set out below:

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interest in Associates and Joint Ventures
IC Interpretations 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRSs 2015 - 2017 Cycle	

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 2	Share-Based Payment
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets
IC Interpretations 12	Service Concession Arrangements
IC Interpretations 19	Extinguishing Financial Liabilities with Equity Instruments
IC Interpretations 20	Stripping Costs in the Production Phase of a Surface Mine
IC Interpretations 132	Intangible Assets-Web Site Costs

Effective for financial periods beginning on or after 1 January 2021

MFRS 17	Insurance Contracts
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iii) Accounting pronouncements where the effective date has been deferred to a date to be determined by the Malaysian Accounting Standards Board (MASB) are set out below:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)

b) First-time Adoption of MFRS

Transition from Financial Reporting Standards (FRSs) to MFRS

The Company, in its consolidated financial statements, measured the assets and liabilities of subsidiaries at the same carrying amounts as in the financial statements of these subsidiaries that have adopted the MFRS framework or International Financial Reporting Standards (IFRS), after adjusting for consolidation adjustments. The change in accounting policy has been applied retrospectively at 1 January 2017 and 31 December 2017, respectively. The Group has reflected these impacts in its consolidated financial statements accordingly.

As provided in MFRS 1, first-time adopter of MFRS can elect optional exemptions from full retrospective application of MFRSs. The Group has elected to apply MFRS 3 – Business Combinations and MFRS 10 – Consolidated Financial Statements prospectively from the date FRS 3 – Business Combinations was adopted and to deem the carrying amount of investment in each subsidiary and associate to be the cost of the investment in the separate financial statements as at the date of transition to MFRSs.

The following optional exemptions elected by the Group that have an impact on the reported financial positions prepared in accordance with FRSs have been applied in the opening MFRS statement of financial position as at 1 January 2017 and throughout all periods presented in the financial statements.

(i) Effects of MFRS 141

Prior to the adoption of MFRS 141 and Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141), produce growing on bearer plants were not recognised and livestock were stated at cost. Following the adoption, these biological assets are measured at fair value less cost to sell. Changes in fair value less costs to sell are recognised in profit or loss.



NOTES TO THE INTERIM FINANCIAL STATEMENTS

A2. Comparatives

The table below show the amount of adjustment for each financial statement line item affected by application of MFRS for the previous financial year and other restatement to conform with current year presentation

Condensed Consolidated Statements of Financial Position

	As previously stated	Effects of transitions to MFRSs	Prior year adjustment	As restated
	RM'000	RM'000	RM'000	RM'000
As at 1st January 2018				
Inventories	7,125	-	(646)	6,479
Biological assets	8,733	28	-	8,761
Trade receivables	13,474	(405)	-	13,069
Accumulated losses	(29,537)	(377)	(646)	(30,560)

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 unqualified.

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 fourth quarter ended 31 December 2018 is as follow:

	Poultry Farming & Processing	Property Development	Group
	RM'000	RM'000	RM'000
Revenue	25,742	5,188	30,930
(Loss) / Profit before tax	(19,109)	3,937	(15,172)

A11. Valuation of property, plant and equipment

During the quarter under review, there was a revaluation of three (3) vacant lands belonging to its subsidiary, namely D.B.E. Poultry Sdn Bhd by an independent qualified valuer namely Jordan Lee & Jaafar Sdn Bhd for a total valuation figure of RM1,150,000. After deduction of deferred tax amounting to RM11,750, the revaluation has resulted in a net surplus of RM223,250 which was then credited into the revaluation reserve.



NOTES TO THE INTERIM FINANCIAL STATEMENTS

A12. Subsequent events

On 18 February 2019, the Company's wholly-owned subsidiary, D.B.E. Poultry Sdn Bhd ("DBEP") had entered into a Memorandum of Understanding ("MOU") with Fammesh Foods Co LTD ("FFCL") to open and operate jointly a trading and distribution agency in Malaysia.

The MOU will form another strategic alliance with FFCL to establish distribution and supply chain between Thailand and Malaysia mainly to import FFCL live chicken from Thailand to Malaysia for processing and distribution of fresh and frozen poultry products in Malaysia. Other trading and distribution channel might also be established between the parties including but not limited to DBEP feedmill products, HARUMi™ products and FFCL processed poultry products (fresh and frozen). This strategic alliance with FFCL will further expand DBEP retailing business in poultry products and sustain the Group's business competitiveness locally.

Under the MOU, both DBEP and FFCL had agreed to operate the trading and distribution channel in Malaysia through a joint venture company with 70% equity interest held by DBEP and 30% held by FFCL.

A13. Changes in composition of the Group

During the quarter under review, there was no changes in the composition of the Group.

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 2018		4th Quarter ended 31 DEC 2017		Increase / (Decrease)
	'000 KG	RM'000	'000 KG	RM'000	RM'000
Sales of Processed Chicken	3,053	19,806	3,177	20,480	(674)
Sales of Live Broiler	1,078	4,565	1,286	5,330	(765)
Sales of Marinated & Breaded Chicken		1,041		255	786
Sales from Property Development		5,188		-	5,188
Others		330		807	(477)
		<u>30,930</u>		<u>26,872</u>	4,058
Loss before tax		<u>(15,172)</u>		<u>(16,920)</u>	1,748

For the current quarter ended 31 Dec 2018, the Group's revenue recorded RM30.93 million, which represented a marginal increase of 15.10% over the prior year corresponding quarter's revenue of RM26.87 million. The higher margin was mainly contributed from Property Development which had recorded RM5.18 million in current quarter since the Group diversified into property development in April 2018. Nonetheless, it was offsetted against the decrease in revenue from poultry & processing divisions of approximately RM1.13 million in current quarter as compared to the prior year corresponding quarter.

The decrease in revenue in poultry products was mainly due to reduction in supply to KFC outlets located in Selangor in current quarter as compared to prior year corresponding quarter. Furthermore, sales of live broiler was also affected due to the lower market demand in current quarter.

The Group recorded a loss before tax of RM15.17 million in current quarter as compared to the loss before tax of RM16.92 million in the prior year corresponding quarter. This was mainly due to the increase in contribution from property development division of approximately RM3.93 million, however it was offsetted by increase in administrative expenses of impairment loss on property, plant and machinery amounting to RM16.48 million in current quarter.

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

	4th Quarter ended 31 DEC 2018		3rd Quarter ended 30 SEPT 2018		Increase / (Decrease)
	'000 KG	RM'000	'000 KG	RM'000	RM'000
Sales of Processed Chicken	3,053	19,806	2,898	17,746	2,060
Sales of Live Broiler	1,078	4,565	1,349	5,742	(1,177)
Sales of Marinated & Breaded Chicken		1,041		729	312
Sales from Property Development		5,188		3,748	1,440
Others		330		686	(356)
		<u>30,930</u>		<u>28,651</u>	2,279
Loss before tax		<u>(15,172)</u>		<u>(3,230)</u>	(11,942)

For the current quarter ended 31 Dec 2018, the Group's revenue had increased from RM28.65 million to RM30.93 million. These were mainly due to the higher average selling price from sales of processed chicken which approximately of RM6.49 per kilogram in current quarter as compared to RM6.12 per kilogram in preceding quarter coupled with the higher demand. However, this was offsetted against lower demand from sales of live broiler which had reduced from 1.34 million kilogram in preceding quarter to 1.07 million kilogram in current quarter. On the other hand, the property development has recorded an increase in revenue of approximately RM1.44 million in current quarter as compared to preceding quarter.

Despite the higher revenue recorded in current quarter, the Group recorded a loss before tax of RM15.17 million in current quarter as compared to the loss before tax of RM3.23 million in the preceding quarter. The increase in administrative expenses from poultry & processing divisions of approximately RM18.01 million which was as a result of impairment loss on property, plant and equipment amounting to RM16.48 million in current quarter. However, it was offsetted against the profit contributed from property development division of approximately RM3.93 million in current quarter.

B3. Commentary on prospects

The Group's poultry and processing division business still remains challenging. With the upward trend of the revenue and profit contribution from the property development division, this division will continue to be the growth driver and expected to contribute positively to the overall financial performance of the Group

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 31 DEC 2018 RM'000	Preceding Year Quarter 31 DEC 2017 RM'000	Current Year To Date 31 DEC 2018 RM'000	Preceding Year To Date 31 DEC 2017 RM'000
Deferred Tax Liabilities	170	200	170	200
Taxation	(725)	4	(1,116)	9
Income tax expenses	(555)	204	(946)	209

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

On 27 December 2018, all the Conditions Precedent stipulated in the SPA has been fulfilled and as such, the Proposed Land Acquisition has become unconditional on even date.

On 30 November 2018, DBED had also entered into a development rights agreement ("DRA") with Yik Wang Development Sdn Bhd ("Yik Wang") for the proposed participation in the development and assumption of the development rights to an ongoing development project of 780 units of apartments known as Pangsapuri Seri Iskandar ("Project") for a total cash consideration of RM3,800,000 ("Landowner's Entitlement") ("Proposal").

The Project is currently being developed on a parcel of leasehold land held under PN 405295 Lot 15845, Bandar Seri Iskandar, Mukim Bota, Daerah Perak Tengah, Negeri Perak Darul Ridzuan ("Master Land") measuring approximately 40,470 square metres in area. Yik Wang, the registered owner of the Master Land as at the date of the DRA, is currently carrying out the development works on the Project ("Initial Announcement").

In the Initial Announcement, it was stated that the highest percentage ratio applicable for the Proposal based on the Landowner's Entitlement pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") is approximately 4.43% ("Initial Percentage Ratio").

The Company had since included the percentage ratio computation for business arrangement pursuant to the Listing Requirements for the Proposal. Hence, the highest percentage ratio applicable for the Proposal pursuant to Paragraph 10.02(g)(vii) of the Listing Requirements is now 32.22% ("Revised Percentage Ratio"). As such, the Proposal is being deemed as a related party transaction and DBE is now required to:

- (i) appoint a main adviser and an independent adviser.
- (ii) submit to Bursa Securities the valuation report in regard to the Project prepared by the Valuer.
- (iii) send a circular to its shareholders and obtain the approval of its non-interested shareholders at an extraordinary general meeting ("EGM") to be convened for the Proposal.

The Proposal is now expected to be completed by the first half of 2019 instead of December 2018 as previously announced in the Initial Announcement. In view of the above, DBED had on 11 January 2019 entered into a supplemental agreement with Yik Wang ("Supplemental DRA") to revise certain terms and conditions contained in the DRA dated 30 November 2018.

The valuation report prepared by CH Williams Talhar & Wong Sdn Bhd for the Project has been submitted to Bursa Securities on 11 February 2019.



ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B9. Borrowings and debts securities

The Group's borrowings as at 31 December 2018 all of which were denominated in Ringgit Malaysia are as follows:

	RM'000
<u>Short Term - Secured</u>	
- Hire purchases	1,010
- Term loans	4,152
Sub-total	5,162
<u>Long Term - Secured</u>	
- Hire purchases	1,458
- Term loans	4,720
Sub-total	6,178
Total borrowings	11,340

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. 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 31 DEC 2018	Corresponding Quarter Ended 31 DEC 2017	Current Year Period To date 31 DEC 2018	Corresponding Period To date 31 DEC 2017
Loss for the period (RM'000)	(15,727)	(16,716)	(26,459)	(20,494)
Weighted average number of ordinary shares in issue ('000)	2,678,229	2,678,229	2,678,229	2,678,229
Basic Loss Per Share (sen)	(0.59)	(0.62)	(0.99)	(0.77)

(ii) Diluted Earning Per Shares

The Group does not have any potential dilutive 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
26-Feb-19