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KUALA LUMPUR (Feb 22): DBE Gurney Resources Bhd is collaborating with seven Taiwanese companies in secondary processing of chickens and marketing of its value-added chicken products via franchising.

The group announced to Bursa Malaysia today that its wholly-owned subsidiary DBE Poultry Sdn Bhd has signed a memorandum of understanding (MoU) with seven partners, namely Taiwan Shing Shang Co Ltd, JienPeng International Co Ltd, FuHsin International Co Ltd, Solatek Co Ltd, HTS Technology Co Ltd, UltraBrave Technology, and Formosa Food King Co Ltd.

DBE Gurney said it entered into the agreement to enhance its business activities by venturing into retailing of chicken products under "Harumi" brand.

In a statement today, DBE Gurney said it will set up a new business division, with Harumi as the franchise brand to market the said products.

The group said the partnership is part of DBE Gurney's plan to increase its market share locally and sustain its business competitiveness.

"The company is now focusing on poultry processing and new food and beverage (F&B) business that provide better margin," it said.

According to the statement, Shing Shang will provide DBE Gurney one set of battering and breading equipment, and transfer related secondary processing technologies.

JienPeng's role is to work with DBE Gurney to develop a marketing strategy in promoting the new products in Malaysia; while FuHsin is to assist in executing the marketing plan and promoting the newly launched Harumi franchise brand.

Solatek, on the other hand, is to develop, customise and supply all the Harumi food machineries and patented fryers; and HTS will be providing Radio Frequency technologies for oil frying.

Under the MoU, UltraBrave will bring its franchise information technology know-how to develop supply chain management system.

As for Formosa, its task is to develop new flavours for all future Harumi products.

"Today's signing with the vendors is in line with DBE Gurney's strategy to increase contribution and sustainable revenue from its downstream business. We look forward to a fruitful and satisfying partnership with them," the group's managing director Alex Ding Seng Huat said.

Ding revealed that DBE Gurney intends to open its first fast-food restaurant in Perak by mid-2016.

"We aim to have 30 restaurants, 3,000 kiosks and 300 mobile trucks in the next three years through franchising," he further elaborated.

To date, the integrated poultry company has a feed mill production capacity of 9,500 metric tonnes per month, six breeder farms with 100,000 chickens per year, six sets of incubators with 12 million eggs per year, 11 broiler farms with 10 million chickens per year and a processing factory that has a capacity of 1.5 million chickens per month.

DBE Gurney shares fell 0.5 sen or 9.09% to close at five sen today, giving it a market capitalisation of RM38.41 million.

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