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DBE Gurney venturing into downstream retail

Poultry firm set to market processed chicken products under the label 'Harumi'

by **PREMALATHA JAYARAMAN**

POULTRY firm DBE Gurney Resources Bhd is moving towards downstream activities and delivering value-added chicken products to end users to boost earnings and stop the bleeding in its financials.

The company, which has been in the red due to stiff competition and narrowing margins in the poultry business, is set to market processed chicken products under the label "Harumi".

It recently inked a memorandum of understanding with seven Taiwanese companies for collaboration in secondary chicken processing



Pic by Muhd Amin Naharul

DBE is confident it will be able to turn around the company's fortune once the processed chicken meat venture takes off, says Ding

venture and marketing.

The Taiwanese companies offer technical know-how, machinery, pro-

duction expertise, branding and promotion, fryer facilities and related

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JVs with Taiwan partners to be formalised end-April

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software while DBE will provide the raw material.

Group MD Datuk Alex Ding Seng Huat said DBE is confident it will be able to turn around the company's fortune once the processed chicken meat venture takes off. "Our intention is to start joint ventures (JVs) with Taiwanese parties. We are discussing with our partners. We hope to formalise everything before the end of April," he told *The Malaysian Reserve*.

Ding said despite its brand "Harumi" being a newcomer to the local retail scene, the company has lined up big plans to make it a familiar household brand.

"In three years, we are targeting to establish up to 3,000 kiosks, 300 mobile trucks and 30 restaurants (in the country) to sell our chicken products," he said.

He said it would take longer to franchise the brand as it requires a three-year track record.

"To achieve our goal, right now we are using the licensing method."

DBE posted a net loss of RM10.75 million for the 12-month period of 2015 compared to RM10.18 million a year earlier as revenue slumped to RM119.6 million from RM157.1 million.

He said the company has

started its retail endeavour by opening 10 and five kiosks in Teluk Intan and Sitiawan respectively.

"At the moment, we are only operating in Perak. So far, our trials have received positive response from the market. Now we plan to expand to other parts of Malaysia. Our next target is the Klang Valley. Five kiosks will also be opened in Penang next month," he said.

Ding said the company is seeking entrepreneurs to partner DBE in this new venture.

He said interested entrepreneurs only need to pay RM3,500 to run a kiosk. DBE will provide all the necessary support including management expertise, equipment, fryer and the raw material (marinated chicken meat).

"They have to follow our standard operating procedure and we will monitor the quality," Ding said, adding that the company is targeting sales from "Harumi" to reach RM100 million within three years.

On the poultry industry, Ding said it has recorded a steady growth of between 4% and 5% each year.

"Every year, per head consumption is over 40kg. The business is good and the demand is still there as the population is growing," he said.