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(From left) Ng Yong Khoi, Ding Chong Chow, Chen and Alex Ding Seng after the signing of the DBE - Pexden agreement.

DBE Gurney to see 30% sales boost from Harumi

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KUALA LUMPUR — Fully integrated poultry company, DBE Gurney Resources Bhd's (DBE) wholly-owned subsidiary, DBE Poultry Sdn Bhd inked a strategic co-operation agreement with Pexden Holding Sdn Bhd (Pexden) to co-operate in secondary processing of chicken and marketing of its secondary processed value added chicken products. Also present at the signing ceremony were DBE group executive chairman Datuk Ding Chong Chow, Pexden Holding Sdn Bhd director Ng Yong Khoi and Shing Shang Co Ltd director Chen Fu-Hsin.

The project will boost DBE's overall sales by 30%, said the company.

DBE managing director Datuk Alex Ding

Seng Huat said the new segment would act as a catalyst in generating higher income, thus placing DBE in a better position.

"We can see the contribution from Harumi to be realised in this third quarter and we will be in the black again in this financial year (FY)," he told reporters during a press conference after launching Harumi yesterday.

For the financial year ended Dec 31, 2015, DBE posted a pre-tax loss of RM5.96 million compared to a pre-tax loss of RM5.68 million in FY14.

Ding said: "This strategic co-operation agreement reflects our respective commitment to strengthen our partnership and jointly develop new products under the Harumi brand. We believe that by leveraging on the respective expertise, resource advantages, cross market asset allocation

capabilities and client services, it would be a win-win situation for both companies."

Harumi consists of four products namely chicken chop, chicken wing, chicken popcorn and sweet potato.

Ding said the Perak-based company is introducing the franchise model to venture into food kiosk, food truck and fast-food restaurant operations.

"We are looking to open 500 kiosks and 50 food trucks this year, as well as restaurants. Within three years, DBE plans to open 3,000 kiosks, 300 food trucks and 30 restaurants.

"We have opened a few kiosks in Penang, Perak and Selangor," he added.

Asked on DBE's current production capacity, he noted that the company would utilise its current processing plant for the production of Harumi.

DBE has a feed mill production capacity of 9,500 metric tonnes per month, six breeder farms producing 100,000 chickens per year, six sets of incubators generating 12 million eggs yearly, and 11 broiler farms producing 10 million chickens per year.

Ding said obtaining halal certification from the Department of Islamic Development Malaysia is an important milestone for the group.

It will also provide opportunities for young entrepreneurs, especially among Bumiputras.

Capital investments for kiosks and food trucks have yet to be determined, but Ding said it will be below RM100,000 and RM200,000 respectively, as the group does not encourage heavy investment since it aims to provide high returns with low investments.