

This Prospectus has been seen and approved by the Directors, Promoters and Offerors of DBE Gurney Resources Berhad ("DBE" or the "Company") and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statements herein false or misleading. The directors hereby accept full responsibility for the profit estimate and forecast included in this prospectus and confirm that the profit estimate and forecast have been prepared based on the assumptions made.

The Adviser and Managing Underwriter acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the public offering and are satisfied that any profit estimate and forecast (for which the Directors of DBE are fully responsible) prepared for inclusion in the prospectus have been stated by the Directors after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

The Securities Commission has approved the issue, offer or invitation in respect of the public offering and that the approval shall not be taken to indicate that the Securities Commission and the Malaysia Securities Exchange Berhad recommends the public offering.

The Securities Commission shall not be liable for any non-disclosure on the part of DBE and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBTS AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITORS, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

The Malaysia Securities Exchange Berhad shall not be liable for any non-disclosure on the part of DBE and takes no responsibility for the contents of this prospectus, makes no representation as to its correctness or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus. Admission to the Official List is not to be taken as an indication of the merits of DBE or of its securities.

A copy of this Prospectus has been registered with the Securities Commission. A copy of this Prospectus, together with the form of application has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

TENTATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the entire issued and paid-up share capital of DBE of RM40,000,000 comprising 80,000,000 ordinary shares of RM0.50 each on the Second Board of the Malaysia Securities Exchange Berhad is set out below:-

<u>Date</u>	<u>Event</u>
15 January 2004	- Issue of Prospectus/Opening date of the Public Issue/Offer for Sale
28 January 2004	- Closing date of the Public Issue/Offer for Sale *
30 January 2004	- Date for Balloting of Applications
11 February 2004	- Listing date

* The application will remain open until 5.00 p.m. on 28 January 2004 or for such future period or periods as the Directors, Promoters and Offerors of DBE together with the Managing Underwriter in their absolute discretion may decide.

Where the closing of the application is extended from the original date, a notice of such extension(s) will be advertised in a widely circulated Bahasa Malaysia and English newspaper not less than one (1) market day before the original closing date. Should the closing date of the application be extended, the date of the allotment of the issue shares and the listing of and quotation for the entire enlarged issued and paid up share capital of DBE will be extended accordingly.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Prospectus:-

ADA	— Authorised Depository Agent, a person or body of persons appointed by the MCD which may include the MSEB, banks licensed under the Islamic Banking Act 1983, banks, merchant banks or finance companies licensed under the Banking and Financial Institutions Act 1989, banks established under an Act of Parliament or a body corporate prescribed under the Securities Industry (Central Depositories) Act 1991
ADA Code	— ADA (Broker) Code
Application	— Refers to application for the IPO Shares by way of Application Forms or by way of Electronic Share Application
Application Form	— Application for IPO Shares by way of a printed Application Form
AmMerchant Bank	— AmMerchant Bank Berhad (Company No. 23742-V)
ATM	— Automated Teller Machine
Bonus Issue	— The issue of 12,606,641 new Shares to the existing shareholders on the basis of 584 new Shares for every 1,000 existing Shares held in DBE
CDS	— Central Depository System
DBE Group or Group	— DBE and its subsidiary companies
DBE or Company	— DBE Gurney Resources Berhad (Company No. 535763-A)
EBIDTA	— Earnings before interest, depreciation, taxation and amortisation
Electronic Share Application	— Application for IPO Shares through a Participating Financial Institution's ATM
EPS	— Earnings Per Share
FIC	— Foreign Investment Committee
Fortune Junction	— Fortune Junction Sdn Bhd, (Company No. 568731-D) a family-owned company of the non-bumiputera Promoters of DBE
GDP	— Gross Domestic Product
Initial Public Offering or IPO	— Public Issue and Offer for Sale collectively
IPO Shares	— The Public Issue and Offer for Sale of 11,600,000 and 9,400,000 Shares respectively at an IPO price of RM1.20 payable in full on application
MSEB or the Exchange	— Malaysia Securities Exchange Berhad (Company No. 635998-W)
Listing	— Admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of RM40,000,000 comprising 80,000,000 ordinary shares of RM0.50 each on the Second Board of the MSEB
Listing Scheme	— The Bonus Issue, Public Issue, Offer for Sale and Listing collectively

DEFINITIONS (CONT'D)

- Malaysian Public** — Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
- MCD or Central Depository** — Malaysian Central Depository Sdn Bhd (Company No.165570-W), a subsidiary company of MSEB
- MIH or Issuing House** — Malaysian Issuing House Sdn Bhd (Company No. 258345-X)
- MITI** — Ministry of International Trade and Industry
- NTA** — Net Tangible Assets
- Offer for Sale or Offer** — Offer for Sale of 9,400,000 Shares in DBE at an offer price of RM1.20 per Share by the Offerors to Bumiputera investors approved by MITI and to the Malaysian Public as follows:-

	No. of Shares
Bumiputera investors approved by MITI	4,000,000
Malaysian Public	5,400,000
Total	9,400,000

- Offer Shares** — The 9,400,000 Shares in DBE, which are the subject of the Offer for Sale
- Offerors** — The offerors of the Offer Shares and the respective number of DBE Shares offered for sale are as follows:-

Name	No. of Shares
Fortune Junction	4,793,864
Dato' Ding Chong Chow	360,967
Ding Choon Yung	234,985
Ding Seng Huat	234,985
Cheng Lay Miew	234,985
Hong Lew Wea	234,985
Raja Taharudin bin Raja Datuk Nong Chik	70,343
PNS	3,234,886
Total	9,400,000

- Participating Financial Institution(s)** — Refers to the Participating Financial Institutions for Electronic Share Application as listed in Section 13 of this Prospectus
- PAT** — Profit After Tax
- PBT** — Profit Before Tax
- PE Multiple** — Price Earnings Multiple
- Placement Agent** — AmMerchant Bank
- PNS** — Perbadanan Nasional Berhad (Co. No 9157-K)
- Promoters** — The existing substantial shareholders and/or Directors of the DBE Group, as set out in Section 5.1 of this Prospectus
- Proposals** — The Public Issue, Placement and Offer for Sale collectively

DEFINITIONS (CONT'D)

Public Issue or Issue	— Public Issue of 11,600,000 new Shares in DBE at an issue price of RM1.20 per Share to the eligible employees, Directors and business associates of DBE Group and the Malaysian public
Public Issue Shares or Issue Shares	— The 11,600,000 new Shares in DBE, which are the subject of the Public Issue
RM and sen	— Ringgit Malaysia and sen respectively
SC	— Securities Commission
Share(s)	— Ordinary share(s) of RM0.50 each

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CORPORATE INFORMATION**BOARD OF DIRECTORS**

Name	Address	Designation/ Occupation	Nationality
Dato' Ding Chong Chow <i>(Executive Director)</i>	643, Pekan Gurney 32010 Sitiawan Perak Darul Ridzuan	Executive Chairman	Malaysian
Raja Taharudin bin Raja Datuk Nong Chik <i>(Executive Director)</i>	No. 7, Jalan Silat Cemande 11/3D 40100 Shah Alam Selangor Darul Ehsan	Deputy Executive Chairman	Malaysian
Ding Seng Huat <i>(Executive Director)</i>	643, Pekan Gurney 32010 Sitiawan Perak Darul Ridzuan	Group Managing Director	Malaysian
Ding Choon Yung <i>(Executive Director)</i>	581, Pekan Gurney 32010 Sitiawan Perak Darul Ridzuan	Deputy Managing Director	Malaysian
Cheng Lay Miew <i>(Executive Director)</i>	Lot 10104 (6), Jln Spg Lima Pekan Gurney 32010 Sitiawan Perak Darul Ridzuan	General Manager Operations I	Malaysian
Hong Lew Wea <i>(Executive Director)</i>	643, Pekan Gurney 32010 Sitiawan Perak Darul Ridzuan	General Manager Operations II	Malaysian
Hairul' Anuar bin Othman <i>(Non-Executive Director)</i>	No 22, Jalan Impian Gemilang 1/3 Saujana Impian 43000 Kajang Selangor Darul Ehsan	Company Director	Malaysian
Ling Sing Kiong <i>(Independent Non- Executive Director)</i>	26 Taman Bauhinia 32000 Sitiawan, Perak Darul Ridzuan	Company Director	Malaysian
Fong Weng Keong <i>(Independent Non- Executive Director)</i>	27, Jalan 1, Taman Tasik Indah 34000 Taiping Perak Darul Ridzuan	Company Director	Malaysian
Ting Heng Peng <i>(Independent Non- Executive Director)</i>	37 Jalan BU 7/1 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Fong Weng Keong	Chairman	Independent Non-Executive Director
Ling Sing Kiong	Member	Independent Non-Executive Director
Ding Seng Huat	Member	Group Managing Director

CORPORATE INFORMATION (CONT'D)

COMPANY SECRETARY	: Goh Beng Chu (f) LS00812 101 Jalan Taman Pertama 3 Taman Pertama 34000 Taiping Perak Darul Ridzuan
REGISTERED OFFICE	: No. 400 Jalan Kamunting Batu 2, Taman Saujana 34600 Kamunting Perak Darul Ridzuan Tel No.: 05-8075998 Fax No.: 05-8073366
HEAD OFFICE	: Plot 137 & 138 Kawasan Perindustrian Pelabuhan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6922822 Fax No.: 05-6922322
REGISTRAR	: Insurban Corporate Services Sdn Bhd (76260-W) 149, Jalan Aminuddin Baki Taman Tun Dr. Ismail 60000 Kuala Lumpur
ISSUING HOUSE	: Malaysia Issuing House Sdn Bhd (258345-X) 27 th Floor, Menara Multi-Purpose Capital Square No.8 Jalan Munshi Abdullah 50100 Kuala Lumpur
AUDITORS & REPORTING ACCOUNTANTS	: Siva Tan & Co. (AF 0785) 400A Batu 2 Jalan Kamunting 34600 Kamunting Perak Darul Ridzuan
SOLICITORS FOR DUE DILIGENCE	: Lee Choon Wan & Co No. 12, Lorong Dungun Damansara Heights 50490 Kuala Lumpur
ADVISER AND MANAGING UNDERWRITER	: AmMerchant Bank Berhad (23742-V) 22nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur
UNDERWRITERS	: AmMerchant Bank Berhad (23742-V) 22nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur AmSecurities Sdn Bhd (92977-U) 15 th Floor, Bangunan AmBank Group 55 Jalan Raja Chulan 50200 Kuala Lumpur

CORPORATE INFORMATION (CONT'D)

PRINCIPAL BANKERS

: Alliance Bank Malaysia Berhad (88103-W)
No. 23 & 24, Jalan Raja Omar
Taman Selamat
32000 Sitiawan
Perak Darul Ridzuan

OCBC Bank (Malaysia) Bhd (295400-W)
24-30, Jalan Berek
34000 Taiping
Perak Darul Ridzuan

LISTING SOUGHT

: Second Board of the Exchange

DBE GURNEY RESOURCES BERHAD

(Company No. 535763-A)
(Incorporated in Malaysia under the Companies Act, 1965)

1. INFORMATION SUMMARY

THE FOLLOWING INFORMATION IS ONLY A SUMMARY OF THE SALIENT INFORMATION RELATING TO THE DBE GROUP. INVESTOR SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST.

1.1 History and Business

DBE was incorporated in Malaysia under the Companies Act, 1965 on 2 January 2001 as a private limited company under the name of DBE Gurney Resources Sdn Bhd. On 6 February 2003, the Company was converted to a public limited company and since then assumed its present name. DBE is principally an investment holding company. The principal activities of its subsidiaries are as follows:-

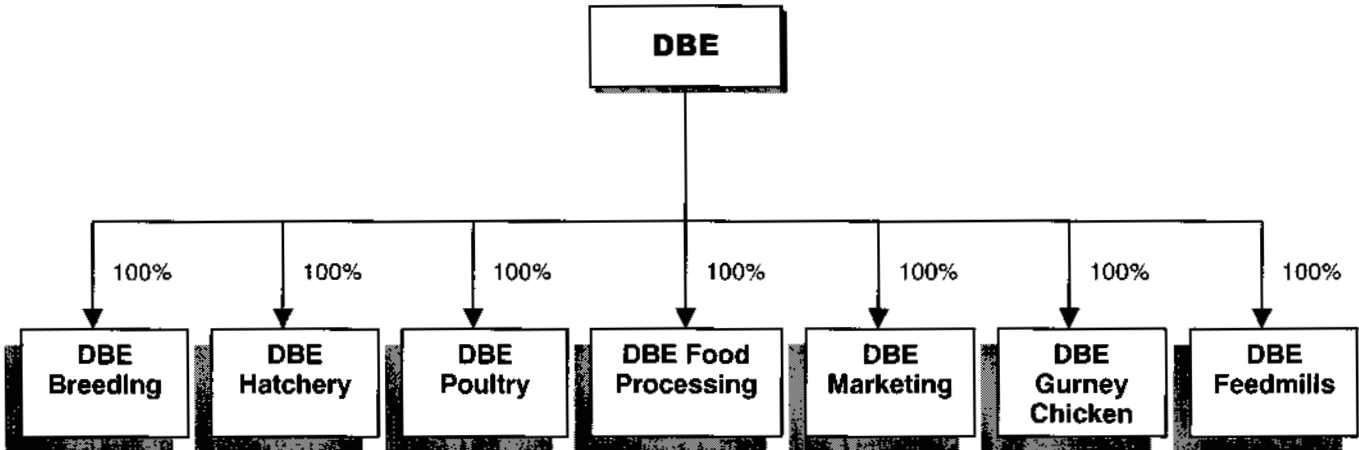
Subsidiary Companies	Date and place of incorporation	Issued and paid-up share capital (RM)	Effective Equity Interest (%)	Principal Activities
DBE Breeding Sdn Bhd ("DBE Breeding")	19/03/1991/ Malaysia	1,450,000	100	Operating poultry breeding farms and sales of eggs
DBE Hatchery Sdn Bhd ("DBE Hatchery")	15/09/1994/ Malaysia	350,000	100	Hatchery of broiler chicks
DBE Poultry Sdn Bhd ("DBE Poultry")	05/12/1995/ Malaysia	5,000,000	100	Operating broiler farms, trading in related farm products and materials and poultry feedmill operations
DBE Food Processing Industries Sdn Bhd ("DBE Food Processing")	15/09/1994/ Malaysia	600,000	100	Processing and sale of chicken and other food stuff
DBE Marketing Sdn Bhd ("DBE Marketing")	27/11/1995/ Malaysia	500,003	100	Trading of broilers, feeds and related poultry farm products
DBE Gurney Chicken Sdn Bhd ("DBE Gurney Chicken")	03/10/1995/ Malaysia	800,000	100	Operating retail food and beverages sale outlets
DBE Poultry Feedmills Sdn Bhd ("DBE Feedmills")	16/11/1996/ Malaysia	3	100	Dormant

Detailed information on the history and business of DBE Group is set out in Section 4 of this Prospectus.

1. INFORMATION SUMMARY (CONT'D)

An overview of the DBE Group's corporate structure is as follows:-

Group Structure



1. INFORMATION SUMMARY (CONT'D)**1.2 Promoters, Substantial Shareholders, Directors and Key Management of DBE**

Name	Designation	Final shareholdings after the Listing Scheme			
		<-----Direct----->		<-----Indirect----->	
		No. of shares	%	No. of shares	%
Promoters/ Substantial Shareholders/ Directors					
Dato' Ding Chong Chow ¹	Promoter, Group Executive Chairman and substantial shareholder	² 2,265,641	2.83	³ 30,089,144	37.61
Raja Taharudin bin Raja Datuk Nong Chik	Promoter, Deputy Executive Chairman and substantial shareholder	⁴ 15,813,569	19.77	-	-
Ding Seng Huat ¹	Promoter and Group Managing Director	² 1,474,907	1.84	-	-
Ding Choon Yung ¹	Promoter and Deputy Managing Director	² 1,474,907	1.84	-	-
Cheng Lay Miew ¹	Promoter and Executive Director	² 1,474,907	1.84	-	-
Hong Lew Wea ¹	Promoter and Executive Director	² 1,474,907	1.84	-	-
Hairul' Anuar bin Othman	Non-executive Director	-	-	-	-
Fortune Junction	Promoter and substantial shareholder	30,089,144	37.61	-	-
PNS	Promoter and substantial shareholder	5,076,018	6.35	-	-
Lim Sing Kiong	Independent Non-Executive Director	⁵ 50,000	0.06	-	-
Fong Weng Keong	Independent Non-Executive Director	⁵ 50,000	0.06	-	-
Ting Heng Peng	Independent Non-Executive Director	⁵ 50,000	0.06	-	-

Notes:

- (1) Details of their family relationships are set out in Section 5.8 herein.
(2) Including their respective entitlements under the pink-form allocation which had been renounced to the eligible employees and/or business associates of the DBE Group on 2 December 2003.
(3) Deemed interested by virtue of his substantial interest in Fortune Junction.
(4) Including his entitlement under the pink form allocations and 15,228,052 shares held through OSK Nominees (Tempatan) Sdn Bhd.
(5) Their respective entitlements under the pink form allocations.

Name	Designation	Final shareholdings after the Listing Scheme			
		<-----Direct----->		<-----Indirect----->	
		No. of shares	%	No. of shares	%
Key Management of DBE					
Cheng Lay Miew ¹	General Manager Operations I	² 1,474,907	1.84	-	-
Hong Lew Wea ¹	General Manager Operations II	² 1,474,907	1.84	-	-
Ding Sieng Loong ¹	General Manager Operations III	² 230,000	0.29	-	-
Tien Cher Hong	General Manager, Corporate & Finance	³ 330,000	0.41	-	-
Wong Kai Ming	General Manager, Quality Assurance Feedmill & Broiler	³ 230,000	0.29	-	-
Dr Chay Seong Hoe	Breeder Farm Manager	³ 30,000	0.04	-	-
Tou Lieng Ching	Broiler Farm Manager	³ 33,000	0.04	-	-
Ding Chu Nguk ¹	Hatchery Manager	³ 33,000	0.04	-	-
Tan Boon Hor	Plant Manager	³ 30,000	0.04	-	-
Malik Parvez Ahmad bin Nazir Ahmad	Financial Controller	³ 324,000	0.41	-	-
Seu Kim Seong	Group Project Manager	³ 100,000	0.13	-	-

1. INFORMATION SUMMARY (CONT'D)

Notes:

- (1) Details of their family relationships are set out in Section 5.8 herein.
- (2) Including their respective entitlements under the pink-form allocation which had been renounced to the eligible employees and/or business associates of the DBE Group on 2 December 2003.
- (3) Their respective entitlements under the pink-form allocations.

Detailed information on the Promoters, Substantial Shareholders, Directors and Key Management of DBE is set out in Sections 5.1, 5.2, 5.3 and 5.5 respectively of this Prospectus.

1.3 Financial Highlights

The following table has been extracted from the Accountants' Report set out in Section 11 of this Prospectus and should be read in conjunction with the notes and assumptions thereto.

The summarised proforma consolidated results of the DBE Group for the past five (5) years ended 31 December 1998 to 31 December 2002 and the eight (8) months period ended 31 August 2003 have been prepared for illustrative purposes only after making such adjustments that are considered necessary and assuming that the present DBE Group structure had been in existence throughout those years/periods under review:-

	-----Audited-----					
	-----Financial Year Ended 31 December-----					8 months period ended 31.08.2003 RM
	1998 RM	1999 RM	2000 RM	2001 RM	2002 RM	
Turnover	34,018,582	37,270,312	44,006,277	64,527,816	88,043,083	76,621,439
EBIDTA	3,539,172	5,665,297	6,489,901	10,346,383	12,023,672	10,031,970
Interest expense	(615,718)	(555,018)	(488,876)	(600,979)	(1,566,136)	(1,671,768)
Depreciation	(281,100)	(300,594)	(537,639)	(631,122)	(769,338)	(2,535,498)
Operating profit	2,642,354	4,809,685	5,463,386	9,114,282	9,688,198	5,824,704
Exceptional item	-	-	-	-	-	-
PBT	2,642,354	4,809,685	5,463,386	9,114,282	9,688,198	5,824,704
Taxation	(361,100)	(358,041)	(1,431,872)	(1,890,147)	(890,186)	(777,256)
PAT	2,281,254	4,451,644	4,031,514	7,224,135	8,798,012	5,047,448
No. of shares of RM0.50 each assumed in issue	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000
Gross EPS (sen)	0.04	0.07	0.08	0.13	0.14	0.09
Net EPS (sen)	0.03	0.07	0.06	0.11	0.13	0.07
Dividend rate (%)	-	-	-	-	5	-

Notes:-

- (1) The gross and net EPS are calculated based on the PBT and PAT divided by the number of ordinary shares assumed in issue during the respective financial years.
- (2) There were no audit qualifications in the years / period under review.

Notes to the proforma financial information of DBE Group are included in the Accountants' Report set out in Section 11 of this Prospectus.

1. INFORMATION SUMMARY (CONT'D)**1.4 Proforma Consolidated Balance Sheets of DBE Group as at 31 August 2003**

The proforma consolidated balance sheets as set out below have been prepared for illustrative purposes only to show the effect on the consolidated audited balance sheets of DBE Group as at 31 August 2003 on the assumptions that the Listing Scheme has been effected on that date.

	Audited Balance Sheet of DBE as at 31 August 2003	Proforma I Conversion of Preference to Ordinary Shares	Proforma II After (I) And Bonus Issue	Proforma III After (II) And Sub- division of Ordinary Shares	Proforma IV After (III) And Public Issue and Offer for Sale
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
FIXED ASSETS					
Property, plant and equipment	69,999	69,999	69,999	69,999	69,999
Other investment	13	13	13	13	13
Goodwill on consolidation	47	47	47	47	47
CURRENT ASSETS					
Inventories	5,449	5,449	5,449	5,449	5,449
Trade receivables	17,193	17,193	17,193	17,193	17,193
Other receivable and deposits	4,237	4,237	4,237	4,237	4,237
Fixed deposits	286	286	286	286	286
Cash and bank balances	533	533	533	533	7,643
	27,698	27,698	27,698	27,698	34,808
CURRENT LIABILITIES					
Trade payables	14,222	14,222	14,222	14,222	14,222
Other payables and accrued expenses	2,547	2,547	2,547	2,547	2,547
Amount owing to directors	8	8	8	8	8
Hire purchase payable	2,014	2,014	2,014	2,014	2,014
Tax liabilities	3,338	3,338	3,338	3,338	3,338
Dividend payable	777	777	777	777	777
Term loans	3,127	3,127	3,127	3,127	3,127
Other bank borrowings	9,891	9,891	9,891	9,891	4,481
	35,924	35,924	35,924	35,924	30,514
NET CURRENT (LIABILITIES) / ASSETS	(8,226)	(8,226)	(8,226)	(8,226)	4,294
LONG TERM AND DEFERRED LIABILITIES					
Hire purchase payables	(3,835)	(3,835)	(3,835)	(3,835)	(3,835)
Term loans	(15,581)	(15,581)	(15,581)	(15,581)	(15,581)
Deferred tax liabilities	(552)	(552)	(552)	(552)	(552)
	41,865	41,865	41,865	41,865	54,385
<i>Financed by:-</i>					
Share capital					
Ordinary shares capital	17,106	21,593	34,200	34,200	40,000
Preference share capital	4,487	-	-	-	-
Share Premium	7,242	7,242	-	-	6,720
Retained Profits	13,030	13,030	7,665	7,665	7,665
SHAREHOLDERS' FUNDS	41,865	41,865	41,865	41,865	54,385
Net tangible assets ("NTA")	37,331	41,818	41,818	41,818	54,338
No. of shares in issue ('000)	17,106	21,593	34,200	68,400	80,000
NTA per share	2.18	1.94	1.22	0.61	0.68

There were no audit qualifications in the years / period under review.

Detailed proforma consolidated balance sheets and the Reporting Accountants' letter thereon are set out in Section 9.10 and 9.11 of this Prospectus.

1. INFORMATION SUMMARY (CONT'D)**1.5 Summary of Material Risk Factors**

In addition to the general risks associated with any investment in the stock market, there are certain additional risks in investing in the Company as well as risks specific to investments in entities engaged in the poultry industry. Applicants should consider carefully the risk factors that may affect DBE Group and the industry in which it operates as well as the relevant information contained in this Prospectus. The material risk factors, which are discussed in detail in Section 3, are, inter alia, as follows:-

- (i) No Prior Market for DBE's Shares – There can be no assurance of an active market for DBE shares upon its listing on the Second Board of the MSEB;
- (ii) Business Risks – As in any other business, DBE is subject to risks inherent in the poultry industry such as availability of raw material for feed, increase in the cost of feeds and labour costs, decrease in the selling price of chicken etc;
- (iii) The Group's processing plant is subject to regulatory compliance;
- (iv) Poultry industry is vulnerable to outbreak of diseases and adverse changes in weather condition;
- (v) Dependence on Key Personnel – The Group success will depend to a significant extent upon the abilities and continued efforts of its existing Directors and key management team;
- (vi) Competitive Risks – The Group faces competition from new entrants and established local players in the poultry industry. The impending trade liberalisation would mean a more competitive competition locally and internationally in view of the expected reduction in tariffs for overseas goods including livestock products;
- (vii) Control by Promoters – After the IPO, the Promoters and the persons connected with the Promoters will collectively control 73.92% of the issued and paid-up share capital of DBE. They will effectively control the outcome of certain matters requiring voting of shareholders;
- (viii) Related Party Transactions/Conflict of Interest – The Directors, substantial shareholders and key management of DBE have provided an undertaking that all business transactions between the DBE Group and the Directors and substantial shareholders (and their connected persons) and the key management shall be based on arms length basis and on commercial terms and shall not be disadvantageous to the DBE Group;
- (ix) Sensitivity to Political and Economic Risks – Although the poultry industry is not sensitive to the economic downturn and political instability as it is primarily reliant on consumer demand necessity respectively, the business is still subject to certain risks arising from changes in legal, financial and environmental framework within which the industry operates such as increase in credit and interest rate risks etc.;
- (x) Achievability of forecasts – There can be no assurance that the forecasts contained herein will be realised and investors will be deemed to have read and understood the assumptions and uncertainties underlying the forecasts that are contained herein;
- (xi) Disclosure Regarding Forward-Looking Statements – there can be no assurance that forward-looking statements in relation to the DBE Group as contained in the Prospectus will prove to be correct. Any differences in the expectations of the Group may materially affect the Group's financial and business performances and plans;

1. INFORMATION SUMMARY (CONT'D)

- (xii) Financial Risks – Saves as disclosed in Section 9.4, the Group does not have any other borrowings or material commitments which may have a substantial impact on the result or the financial position of the Group;
- (xiii) Dependence on Major Suppliers – The Group is not solely dependent on any of the major suppliers and adopts various measures to minimise risk of dependency on certain suppliers;
- (xiv) Insurance coverage on assets – The Group reviews and ensures adequate coverage for its assets and development projects on a continuous basis;
- (xv) Dependence on particular markets and geographical locations – The Group is not overly dependent on any particular markets and geographical locations as the Group has progressively sourced for more business opportunities through downstream and upstream expansion and diversification plans;
- (xvi) Material litigations – As disclosed in Section 1.10, as at 15 December 2003 (being the latest practicable date prior to the printing of this Prospectus), the Group is not engaged either as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group;
- (xvii) Government control or regulation – The Group is subject to certain government control and regulations;
- (xviii) Investing in a new or relatively new venture if the corporation has no operating history or its history is limited – DBE has been in its core business for the past 17 years;
- (xix) Lengthy sales cycles or seasonal sales – As poultry is a commodity item, it does not have any distinguishable sales and seasonal cycles;
- (xx) Foreign operations which may include currency fluctuations, trade restrictions, sovereignty, political and economic risks – The Group is not significantly affected by fluctuations in foreign exchange;
- (xxi) Security and system disruptions – The Group has not experienced any security and system disruptions in business that had any significant effect on its operations;
- (xxii) Breakout of fire, energy crisis and other emergency risks which could jeopardise the corporation's operations – The Group has not experienced any fire breakouts, energy crisis and any other emergency risks which could jeopardise the Group's operations;
- (xxiii) Rapid or over-expansion of a corporation's business or rapid development of technological change – The Group is continuously exploring areas of technological improvement; and
- (xxiv) Technology used – The Group uses automated equipment and mechanization to increase production and improve the quality of its products and has adopted various measures to ensure that these equipment functions properly.

1. INFORMATION SUMMARY (CONT'D)**1.6 Profit and Dividend Records****CONSOLIDATED PROFIT ESTIMATE AND FORECAST**

Financial Year Ending 31 December	Estimate 2003	Forecast 2004
	RM'000	RM'000
Consolidated PBT	12,515	14,864
Less : Taxation	(2,364)	(2,789)
Consolidated PAT	<u>10,151</u>	<u>12,075</u>
Enlarged number of shares ('000)	80,000	80,000
Weighted average number of shares ('000)*	64,810	64,810
Gross EPS (Sen)		
- based on enlarged number of shares	15.64	18.58
- based on weighted average number of shares	19.31	22.93
Net EPS (Sen)		
- based on enlarged number of shares	12.69	15.09
- based on weighted average number of shares	15.66	18.63
Gross PE multiple based on the IPO price of RM1.20 per share (times)		
- based on enlarged number of shares	7.67	6.46
- based on weighted average number of shares	6.21	5.23
Net PE based on the IPO price of RM1.20 per share (times)		
- based on enlarged number of shares	9.46	7.95
- based on weighted average number of shares	7.66	6.44

* The weighted average number of shares of RM0.50 each after the sub-division of every one(1) existing ordinary share of RM1.00 each into two(2) new ordinary shares of RM0.50 each which was completed on 27 October 2003.

DIVIDEND ESTIMATE AND FORECAST

Financial Year Ending 31 December	Estimate 2003	Forecast 2004
Gross dividend per Share (sen)	1.35	2.5
Net dividend per Share (sen)	0.97	1.8
Gross dividend yield based on the IPO price of RM1.20 per Share (%)	1.13	2.1
Net dividend yield based on the IPO price of RM1.20 per Share (%)	0.81	1.5
Net dividend cover (times)	13.1	8.4

Details of the Dividend Estimate and Forecast are contained in Section 9.9 herein.

1. INFORMATION SUMMARY (CONT'D)**1.7 Proforma Group NTA as at 31 August 2003**

	Proforma Group NTA RM'000	NTA per ordinary Share RM
After adjusting for the Bonus Issue, Public Issue, Placement and Offer for Sale and the estimated listing expenses of RM1,400,000	54,338	0.68

The above proforma consolidated NTA is based on the enlarged issued and paid-up share capital of 80,000,000 Shares in DBE. Detailed calculations of the proforma consolidated NTA are set out in Section 9.10 of this Prospectus.

1.8 Principal Statistics Relating to the Public Issue and Offer for Sale**1.8.1 Share Capital**

The following statistics relating to the IPO are derived from the full text of this Prospectus and should be read in conjunction with the text.

	RM
AUTHORISED SHARE CAPITAL	
• 100,000,000 ordinary shares of RM0.50 each	<u>50,000,000</u>
ISSUED AND FULLY PAID-UP SHARE CAPITAL :	
• Existing 68,400,000 ordinary shares of RM0.50 each	34,200,000
TO BE ISSUED PURSUANT TO THE PUBLIC ISSUE :	
• 11,600,000 new ordinary shares of RM0.50 each	<u>5,800,000</u>
ENLARGED ISSUED AND PAID-UP SHARE CAPITAL	<u>40,000,000</u>
TO BE OFFERED PURSUANT TO THE OFFER FOR SALE :	
• 9,400,000 ordinary shares of RM0.50 each	4,700,000
IPO PRICE PER SHARE	RM1.20

1.8.2 Class of Shares

There is only one class of shares in issue in the Company, namely, ordinary shares of RM0.50 each, all of which rank pari passu with one another. All the 11,600,000 new ordinary shares of RM0.50 each in DBE to be issued pursuant to the Public Issue will, upon allotment and issue, rank pari passu in all respects with the then existing issued and paid-up ordinary shares of the Company except that they will not be entitled to any dividends, rights, allotments or other distributions declared prior to the date of allotment of the new ordinary shares.

1.9 Utilisation of Proceeds from the Public Issue and Offer for Sale

All proceeds of the Public Issue after deducting the relevant listing expenses will accrue to DBE. The gross proceeds of the Public Issue is approximately RM13.92 million. DBE will bear all expenses incidental to the listing of and quotation for DBE's shares on the Second Board of the MSEP which include, inter alia, underwriting commission, brokerage, registration fee, professional fees, SC fees, advertising and listing expenses estimated to amount to RM1.4 million.

1. INFORMATION SUMMARY (CONT'D)

The proceeds from the Public Issue will be utilised as follows:-

	RM'000
i) Repayment of bank loan	5,410
ii) Working capital	7,110
iii) Estimated listing expenses	1,400
Total proceeds	13,920

Detailed utilisation of proceeds is set out in Section 2.7 of this Prospectus.

The Offer for Sale will raise gross proceeds of approximately RM11.28 million. This amount shall accrue to the Offerors and no part of the proceeds is receivable by DBE. The Offerors shall bear all expenses, including underwriting commission, brokerage, registration and transfer fees relating to the Offer Shares estimated at RM313,200.

1.10 Working Capital, Borrowings, Contingent Liabilities, Material Commitment and Material Litigation

Working Capital

The Directors of DBE are of the opinion that after taking into account the cashflow forecast, banking facilities available and gross proceeds from the Public Issue, the Group will have adequate working capital for a period of not less than twelve (12) months from the date of issue of this Prospectus.

Borrowings

As at 15 December 2003 (being the last practicable date prior to the printing of this Prospectus), the total interest-bearing facilities of the DBE Group amounted to approximately RM66.99 million, out of which RM46.54 million has been utilised and still outstanding. The Group has no non-interest bearing borrowings.

Save as disclosed below, the DBE Group does not have any other loan capital or convertible debt securities outstanding or created but unissued, or mortgages or charges outstanding:-

Borrowings as at 15 December 2003	Total Facilities RM'000	Facilities Outstanding RM'000
<i>Short-term</i>		
Hire Purchase	3,103	3,103
Term Loan	4,323	4,323
Revolving Credit Facility	133	-
Banker acceptance	15,000	8,652
Bank overdrafts	13,523	5,063
Sub-total	36,082	21,141
<i>Long-term</i>		
Hire Purchase	11,627	8,736
Term Loan	19,277	16,666
Sub-total	30,904	25,402
Grand Total of Borrowings	66,986	46,543

1. INFORMATION SUMMARY (CONT'D)***Contingent Liabilities***

Save as disclosed below, as at 15 December 2003 (being the latest practicable date prior to the printing of this Prospectus), there are no material contingent liabilities incurred by the Company or its subsidiaries:-

	Amount RM'000
Performance guarantee given by DBE to a financial institution for facilities granted to DBE Poultry - unsecured	12,300
Corporate guarantee given by DBE to a financial institution for hire purchase facilities granted to DBE Poultry	4,500
Total	16,800

Material Commitment

Save as disclosed below, as at 15 December 2003 (being the latest practicable date prior to the printing of this Prospectus), there are no material commitments for capital expenditure incurred or known to be incurred by DBE or its subsidiaries and associated company, which may have a substantial impact on the financial position of the Group:-

	Amount RM'000
Approved and contracted for purchase of closed-house system equipment for broiler farms of the Group	9,044
Approved but not contracted for	-
Total	9,044

Details of the contingent liabilities and material commitments are set out in Section 9.4 of this Prospectus.

Material Litigation

As at 15 December 2003 (being the last practicable date prior to the printing of this Prospectus), the DBE Group is not engaged either as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the DBE Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of DBE and its subsidiaries.