

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (xlv) Memorandum of Agreement dated 14 July 2003 between Imposer Group Sdn Bhd ("IGSB") and DBE Poultry whereby IGSB and DBE Poultry agreed to form a cooperation to jointly work together in respect of DBE Poultry purchasing the product for its internal operations as well as marketing the same throughout Malaysia.
- (xlvi) Sale and Purchase Agreement dated 4 September 2003 between Liong Kam Chong @ Leong Yim Chong, Ng Chwee Gek ("Vendors") and DBE Marketing ("the Purchaser") whereby the Vendors agreed to sell and the Purchaser agreed to purchase all that piece of property known as HS(D) 56277 PT 14487 Mukim Damansara together with a double storey terrace house with postal address bearing No.85, USJ9/4, 47620 UEP, Subang Jaya, Selangor for the total purchase price of RM326,000.
- (xlvii) Sale and Purchase Agreement dated 19 September 2003 between Lumut Maritime Terminal Sdn Bhd ("LMTSB") and DBE Poultry whereby the LMTSB agreed to sell and DBE Poultry agreed to purchase all that piece of property known as U3 and U4 Lumut Port Industrial Park, Mukim of Lumut for the total purchase price of RM2,250,311.
- (xlviii) Underwriting Agreement dated 2 December 2003 between DBE and AmMerchant Bank Berhad ("Managing Underwriter") and AmSecurities Sdn Bhd ("Underwriter") (collectively "the Underwriters") whereby at the request of DBE, the Underwriters agreed to severally but not jointly underwrite 6,000,000 Public Issue Shares available for application by the Malaysian public and 4,000,000 Public Issue Shares reserved for eligible employees, Directors an/or business associates of DBE and its subsidiaries for a total commission of RM240,000.

12.7 Material Agreements

Save as below, as at 15 December 2003 (being the latest practicable date prior to the printing of this Prospectus), there is no other material agreements entered into by the Company and its subsidiaries and associated company as at the date of this Prospectus:-

Hire Purchase Agreement

- (i) Hire Purchase Agreement ("the Agreement") between Mayban Finance Berhad and DBE Poultry dated 13 May 1999 in respect of a hire purchase facility of RM300,000 for the hiring of Machines (Farm A), payable by a monthly rental of RM7,250 for a period of sixty (60) months, the total hire purchase price being RM636,300.

A Letter of Guarantee dated 13 May 1999 was duly executed by Ding Chong Chow, Ding Choon Yung and Ding Seng Huat pursuant to the Agreement.

- (ii) Hire Purchase Agreement ("the Agreement") between Sogelease Advance (M) Sdn Bhd and DBE Poultry dated 3 July 2000 in respect of a hire purchase facility of RM866,599 for the hiring of a Live Bird Area, Slaughtering Surveyor, Slaughtering Equipment, Eviscerating Equipment, Screw Chiller, Device for Feathers Collect and Electric Cubicle payable by a monthly rental of RM23,808 for a period of forty-six (46) months, the total hire purchase price being RM1,371,337.90.

An Individual Guarantee and Indemnity dated 3 July 2000 was duly executed by Ding Chong Chow, Ding Choon Yung and Ding Seng Huat pursuant to the Agreement.

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (iii) Hire Purchase Agreement ("the Agreement") between Affin-ACF Finance Berhad and DBE Food Processing dated 8 August 2000 in respect of a hire purchase facility of RM310,000 for the hiring of Coldroom Equipment payable by a monthly hire rental of RM10,420 for a period of thirty-five (35) months and one (1) final instalment of RM10,400, the total hire purchase price being RM594,542.97.

A Letter of Guarantee dated 8 August 2000 was duly executed by Ding Chong Chow, Ding Seng Huat and Hong Lew Wea pursuant to the Agreement.

- (iv) Hire Purchase Agreement ("the Agreement") between Sogelease Advance (M) Sdn Bhd and DBE Poultry dated 22 January 2002 in respect of a hire purchase facility of RM1,379,264 for the hiring of a complete set of ten (10) sets of Poultry Equipment and two (2) sets of curtains payable by a monthly rental of RM29,984 for a period of forty-six (46) months, the total hire purchase price being RM2,722,790.10.

An Individual Guarantee and Indemnity dated 22 January 2002 was duly executed by Ding Chong Chow, Ding Choon Yung and Ding Seng Huat pursuant to the Agreement.

- (v) Hire Purchase Agreement (the Agreement") between Public Finance Berhad and DBE Poultry Sdn Bhd dated 7 May 2002 in respect of a hire purchase facility of RM340,000 for the hiring of a Mercedes Benz payable by a monthly rental of RM5,266 for a period of eighty-three (83) months and one (1) final instalment of RM5,262, the total hire purchase price being RM513,815.70.

A Guarantee dated 7 May 2002 was executed by Ding Seng Huat and Ding Chong Chow pursuant to the agreement.

- (vi) Hire Purchase Agreement (the Agreement") between Public Finance Berhad and DBE Poultry Sdn Bhd dated 8 May 2002 in respect of a hire purchase facility of RM250,000 for the hiring of a Toyota Harrier payable by a monthly rental of RM3,791 for a period of eighty-three (83) months and one (1) final instalment of RM3,873, the total hire purchase price being RM375,365.

A Guarantee dated 8 May 2002 was executed by Ding Seng Huat and Ding Chong Chow pursuant to the Agreement.

- (vii) Hire Purchase Agreement (the Agreement") between Public Finance Berhad and DBE Poultry Sdn Bhd dated 30 May 2002 in respect of a hire purchase facility of RM470,000 for the hiring of a BMW payable by a monthly rental of RM7,230 for a period of eighty-three (83) months and one (1) final instalment of RM7,280, the total hire purchase price being RM712,263.

A Guarantee dated 30 May 2002 was executed by Ding Seng Huat and Ding Chong Chow pursuant to the Agreement.

- (viii) Hire Purchase Agreement ("the Agreement") between Sogelease Advance (M) Sdn Bhd and DBE Poultry dated 11 June 2002 in respect of a hire purchase facility of RM258,418 for the hiring of a steam boiler system payable by a monthly rental of RM6,911 for a period of forty-six (46) months, the total hire purchase price being RM399,848.

An Individual Guarantee and Indemnity dated 11 June 2002 was duly executed by Ding Chong Chow, Ding Choon Yung and Ding Seng Huat pursuant to the Agreement.

- (ix) Letter of Offer from Sogelease Advance (Malaysia) Sdn Bhd ("Sogelease") to DBE Poultry dated 10 January 2003 for the revolving hire purchase line of RM4,500,000 including existing exposure for the acquisition of manufacturing equipment acceptable to Sogelease for the Hire Purchase Term of forty-eight (48) months to be guaranteed and indemnified by Ding Chong Chow, Ding Choon Yung and Ding Seng Huat.

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (x) Letter of Offer from Mayban Finance Berhad to DBE Poultry Sdn Bhd dated 18 June 2003 for the Blanket Hire Purchase Facility of RM2,000,000 to part finance the purchase of new, used and reconditioned equipment and machinery for the company's business at 5.25% per annum for new equipment and 5.50% per annum for old equipment for a period of up to sixty (60) months to be guaranteed by Ding Chong Chow, Ding Choon Yung and Ding Seng Huat.
- (xi) Letter of Offer from PLC Credit & Factoring Sdn Bhd to DBE Poultry dated 8 July 2003 for the Hire Purchase Facility of RM2,850,000 for the hiring of new poultry equipment payable at a monthly rental of RM69,563.75 for a period of forty-eight (48) months to be guaranteed by a personal guarantee and indemnity from Ding Choon Yung, Ding Chong Chow and Ding Seng Huat.
- (xii) Hire Purchase Agreement ("the Agreement") between Sogelease Advance (M) Sdn Bhd and DBE Poultry dated 30 October 2003 in respect of a hire purchase facility of RM2,006,829.83 for the hiring of 16 sets Poultry equipment payable by a monthly rental of RM51,498 for a period of forty-six (46) months, the hire purchase price being RM2,368,908.

A Guarantee and Indemnity dated 30 October 2003 was duly executed by Ding Chong Chow, Ding Choon Yung, Ding Seng Huat and DBE pursuant to the Agreement.

- (xiii) Letter of Offer from AmFinance Berhad to DBE Poultry dated 13 September 2003 for a Hire Purchase Al-Ijarah Thumma Al-Bai facility of RM3,000,000 for the hiring of machinery, equipment or vehicles at a monthly rental of RM31.81, RM25.04 and RM21.04 depending upon the period of hire of 36 months, 48 months and 60 months respectively. The facility is to be guaranteed by a joint and several guarantee from Ding Seng Huat, Ding Chong Chow and Ding Choon Yung.
- (xiv) Hire Purchase Agreement (the Agreement") between Hong Leong Finance Berhad and DBE Poultry Sdn Bhd dated 8 November 2003 in respect of a hire purchase facility of RM410,000 for the hiring of a Mercedes Benz payable by a monthly rental of RM5,992 for a period of eighty-three (83) months and one (1) final instalment of RM5,939, the total hire purchase price being RM640,390.42.
- (xv) Hire Purchase Agreement (the Agreement") between Hong Leong Finance Berhad and DBE Poultry Sdn Bhd dated 4 December 2003 in respect of a hire purchase facility of RM500,000 for the hire of a BMW payable by a monthly rental of RM7,307 for a period of eighty-three (83) months and one (1) final instalment of RM7,269, the total hire purchase price being RM763,750.

A Guarantee dated 8 November 2003 was executed by Ding Seng Huat and Ding Chong Chow pursuant to the Agreement.

A Guarantee dated 4 December 2003 was executed by Ding Seng Huat and Ding Chong Chow pursuant to the Agreement.

Suppliers Contract/Guarantee

- (xvi) Personal Continuing Guarantee and Indemnity ("the Guarantee") for RM500,000 dated 30 December 1999 in respect of an undocumented supply contract with an oral credit term of 60 days between JBFM ("Supplier") and DBE Breeding, for the supply of raw materials, finished products, maize, wheat, soybean, wheat flour, animal feeds, edible oils, by-products such as wheat bran, wheat pollard, soyabean meal, soyabean oil and livestock such as day-old-chicks, etc. The Guarantee was executed by Ding Chong Chow, Cheng Lay Miew and Ding Seng Huat.

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (xvii) Personal Continuing Guarantee and Indemnity ("the Guarantee") for RM1,500,000 dated 5 May 2000 in respect of an undocumented supply contract with an oral credit term of 60 days between JBFM ("Supplier") and DBE Poultry, for the supply of raw materials, finished products, maize, wheat, soybean, wheat flour, animal feeds, edible oils, by-products such as wheat bran, wheat pollard, soyabean meal, soyabean oil and livestock such as day-old-chicks, etc. The guarantee was executed by Ding Chong Chow, Ding Choon Yung and Ding Seng Huat.
- (xviii) Purchase Order dated 27 October 2003 and 14 November 2003 by DBE Poultry to Soon Soon Oilmills Sdn Bhd ("SSO") for the supply of raw material for feed amounting to RM538,000 and RM651,000 respectively. DBE Poultry and SSO have an ongoing relationship and raw materials are supplied to DBE Poultry on a needs basis. The oral credit term provided by SSO is 3 months from the delivery date of the goods.
- (xix) Purchase Order dated 29 October 2003, 7 November 2003 and 13 November 2003 and 4 December 2003 by DBE Poultry to QL Feeding Stuffs Sdn Bhd ("QL") for the supply of raw material for feed amounting to RM275,000, RM378,000, RM854,000 and RM310,000 respectively. DBE Poultry and QL have an ongoing relationship and raw materials are supplied to DBE Poultry on a needs basis. The oral credit term provided by QL is 3 months from the delivery date of the goods.
- (xx) Purchase Order dated 16 October 2003, 18 October 2003 and 30 October 2003 by DBE Poultry to Hoe Seng Chan Co. Sdn Bhd ("HSC") for the supply of raw material for feed amounting to RM343,000, RM330,000 and RM345,000 respectively. DBE Poultry and HSC have an ongoing relationship and raw materials are supplied to DBE Poultry on a needs basis. The oral credit term provided by HSC is 3 months from the delivery date of the goods.
- (xxi) Purchase Orders dated 23 October 2003 and 11 December 2003 by DBE Poultry to Ban Seng Guan Sdn Bhd ("BSG") for the supply of raw materials for feed amounting to RM416,000 and RM620,000 respectively. DBE Poultry and BSG have an ongoing relationship and raw materials are supplied to DBE Poultry on a needs basis. The oral credit term provided by BSG is 3 months from the delivery date of the goods.

Insurance Policies

Insurance Policies taken with Allianz General Insurance Malaysia Berhad as disclosed below:

- (xxii) All Risk Schedule Policy No 03AST000049 taken by DBE Poultry for the insured sum of RM915,000 from 29 July 2003 to 28 July 2004 on complete poultry slaughtering equipment at Lot 67928, Jalan Tepi Sungai Tambun, 31400 Tambun, Ipoh.
- (xxiii) All Risk Schedule Policy No 03AST000031 taken by DBE Poultry for the insured sum of RM340,360 from 4 June 2003 to 3 June 2004 on one new full set of water tube boiler at Plot 137 & 138 Kawasan Perindustrian Pelabuhan Lumut, Kampung Acheh, 32200 Lumut, Perak.
- (xxiv) All Risk Schedule Policy No 03AST000035 taken by DBE Food Processing for the insured sum of RM275,500 from 22 June 2003 to 21 June 2004 on prefabrication panel and upright display chiller showcase, island freezer and refrigerator equipment and accessories.
- (xxv) Standard Fire (Class I) Schedule Policy No 03FST000478 taken by DBE Gurney Chicken for the insured sum of RM410,000 from 22 June 2003 to 21 June 2004 for No 20 & 20A, Susur Medan Tambun, 31400 Ipoh, Perak.
- (xxvi) Standard Fire (Class I) Schedule Policy No 03FST000258 taken by DBE Gurney Chicken for the insured sum of RM330,000 from 22 June 2003 to 21 June 2004 for No 40, Jalan PJS 8/6, Bandar Sunway, 46150 Petaling Jaya, Selangor.

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (xxvii) Standard Fire (Class III) Schedule Policy No. 03FST000480 taken by DBE Poultry for the insured sum of RM5,963,000 from 28 October 2003 to 27 October 2004 for 3 premises known as DBE 1 Lot No 1313 Mukim of Sitiawan, Perak. DBE 2, Lot No 1255 Mukim of Lumut, Perak, DBE 5, Lot No 7062 Mukim Sitiawan, Perak, DBE 9, Lot No 11946, Mukim of Sitiawan, Perak, DBE 10, Lot 10750 & Lot 10751, Mukim of Belanja, Perak, DBE 18, Lot No 8336, Mukim of Sitiawan, Perak and DBE 20, Lot 624, Mukim of Belanja, Perak.
- (xxviii) Standard Fire Class III Schedule Policy No 03FST000125 taken by DBE Poultry for the insured sum of RM2,600,000 from 18 February 2003 to 17 February 2003 for DBE 30, Lot 10813, 10814, 10815 & 10823, Mukim of Belanja, Perak Tengah Perak.
- (xxix) Standard Fire Class III Schedule Policy No 03FST000240 taken by DBE Poultry for the insured sum of RM1,600,000 from 6 June 2003 to 5 June 2004 for DBE 40, Lot No 10819, Mukim of Belanja, Perak Tengah, Perak.
- (xxx) Standard Fire Class III Schedule Policy No 03FST000153 taken by DBE Poultry for the insured sum of RM500,000 from 21 March 2003 to 20 March 2004 for Lot 10107, Pekan Gurney, 32010 Sitiawan, Perak.
- (xxxii) Standard Fire Class II Schedule Policy No 03FST000124 taken by DBE Poultry for the insured sum of RM3,300,000 from 18 February 2003 to 17 February 2004 for DBE 30, Lot 10813, 10814, 10815 & 10823, Mukim of Belanja, Perak Tengah, Perak.
- (xxxiii) Standard Fire Class III Schedule Policy No 03FST000305 taken by DBE Poultry for the insured sum of RM650,000 from 14 July 2003 to 13 July 2004 for DBE 17, Lot 8326, Mukim Sitiawan, District of Manjung, 32010 Sitiawan, Perak.
- (xxxiiii) Standard Fire Class III Schedule Policy No 03FST000327 taken by DBE Poultry for the insured sum of RM1,040,000 from 14 July 2003 to 13 July 2004 for DBE 3, Lot 12843, Mukim of Sitiawan, District of Manjung, Ayer Tawar, 32400 Sitiawan, Perak and DBE 6, Lot 7009, Mukim of Sitiawan, District of Manjung, 32010 Sitiawan, Perak.
- (xxxv) Standard Fire (Class III) Schedule Policy No 03FST000477 taken by DBE Breeding for the insured sum of RM3,000,000 from 28 October 2003 to 27 October 2004 for Lot No. 5461, 5462 and 7243, Mukim Sitiawan, Perak.
- (xxxvi) Standard Fire Class III Schedule Policy No 03FST000152 taken by DBE Breeding for the insured sum of RM4,150,000 from 21 March 2003 to 20 March 2004 for Farm C, Lot No 7043 & 7044, Farm D, Lot No 7317, Farm E, Lot No 5466, DBE 6, Lot No 7009, all of Mukim of Sitiawan, 32010 Sitiawan, Perak and DBE 3, Lot No 12843, Desa Merbau, 32400 Ayer Tawar, Perak.
- (xxxvii) Standard Fire (Class III) Schedule Policy No 03FST000330 taken by DBE Breeding for the insured sum of RM1,200,000 from 14 July 2003 to 13 July 2004 for Farm F, Lot 8015, Mukim of Sitiawan, District of Manjung, 32010 Sitiawan, Perak.
- (xxxviii) Standard Fire (Class III) Schedule Policy No 03FST000304 taken by DBE Hatchery for the insured sum of RM3,000,000 from 14 July 2003 to 13 July 2004 for Lot 5461 & 5462, Mukim of Sitiawan, District of Manjung, 32010 Sitiawan, Perak.
- (xxxix) Standard Fire (Class III) Schedule Policy No 03FST000312 taken by DBE Hatchery for the insured sum of RM350,000 from 14 July 2003 to 13 July 2004 for Lot 8019, Mukim of Sitiawan, District of Manjung, 32010 Sitiawan, Perak.

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (xxxix) Standard Fire Class III Schedule Policy No 02FST000437 taken by DBE Hatchery for the insured sum of RM2,600,000 from 28 August 2002 to 27 August 2003 for Farm A Lot 5461 & 5462 Mukim Sitiawan, Perak.
- (xli) Standard Fire (Class III) Schedule Policy No 03FST000329 taken by DBE Food Processing for the insured sum of RM600,000 from 14 July 2003 to 13 July 2004 for Lot 67928, Jalan Tepi Sg Tambun, 31400 Tambun, Ipoh, Perak.
- (xlii) Motor Insurance Policy No 03VST000927 taken by DBE Poultry for the insured sum of RM340,000 from 10 April 2003 to 9 April 2004 for Mercedes Benz C240.
- (xliii) Motor Insurance Policy No 03VST000925 taken by DBE Poultry for the insured sum of RM253,000 from 18 April 2003 to 17 April 2004 for Toyota Harrier.
- (xliv) Motor Insurance Policy No 03VST000926 taken by DBE Poultry for the insured sum of RM485,000 from 18 April 2003 to 17 April 2004 for a BMW. .
- (xlv) Motor Insurance Policy No 03VST002709 taken by DBE Poultry for the insured sum of RM265,000 from 3 October 2003 to 2 October 2004 for a Nissan 12-ton commercial vehicle.
- (xlv) Commercial Vehicle Policy No 03VST000635 taken by DBE Poultry for the insured sum of RM280,000 from 18 February 2003 to 17 February 2004 for a Nissan PKD211N-0068.
- (xlvii) Commercial Vehicle Policies taken by the DBE Group on twenty goods vehicles for third party liability to the limit of RM3,000,000 each in respect of one claim or series of claims arising out of one event. The twenty commercial vehicle policies are as follows:

No.	Insured	Policy No.	Period of Insurance	Vehicle Registration No.
1.	DBE Breeding	03VST001231	14 June 2003 to 13 June 2004	AM6250
2.	DBE Breeding	Cover note: STC0024676	3 June 2003 to 2 June 2004	ACN2020
3.	DBE Breeding	03VST000359	24 February 2003 to 23 February 2004	ABP8822
4.	DBE Breeding	03VST002147	6 September 2003 to 5 September 2004	ADL3222
5.	DBE Breeding	03VST000358	6 February 2003 to 5 February 2004	ACY622
6.	DBE Hatchery	03VST002008	26 August 2003 to 25 August 2004	ADK322
7.	DBE Hatchery	03VST000040	6 January 2003 to 5 January 2004	ACX522
8.	DBE Marketing	Cover note: STC 0024963	20 July 2003 to 19 July 2004	ACU9922
9.	DBE Marketing	Cover note: STC 0024677	4 June 2003 to 3 June 2004	ABS6622
10.	DBE Marketing	03VST002731	10 November 2003 to 9 November 2004	BAM6711
11.	DBE Food Processing	02VST002042	11 October 2003 to 17 March 2004	ACN922
12.	DBE Food Processing	03VST001639	25 July 2003 to 24 July 2004	ACV622

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

No.	Insured	Policy No.	Period of Insurance	Vehicle Registration No.
13.	DBE Food Processing	03VST001865	3 August 2003 to 2 August 2004	ADH422
14.	DBE Poultry	03VST001516	12 June 2003 to 11 June 2004	BCE9886T/B583
15.	DBE Poultry	03VST000360	25 February 2003 to 24 February 2004	ADG4222
16.	DBE Poultry	03VST002281	21 September 2003 to 20 September 2004	ABP177
17.	DBE Poultry	03VST002143	11 September 2003 to 10 September 2004	ADL5522
18.	DBE Poultry	03VST000720	5 March 2003 to 4 March 2004	ACK8822
19.	DBE Poultry	03VST000719	5 March 2003 to 4 March 2004	BW7136
20.	DBE Poultry	03VST000802	11 March 2003 to 10 March 2004	WF3016

- (xlvii) Consequential Loss/Loss of Profits (Class I) Schedule Policy No 03FST000226 taken by DBE Gurney Chicken for the insured sum of RM410,000 from 24 May 2003 to 23 May 2004 for No 385, Taman Samudera, 32040 Seri Manjung, Perak.
- (xlviii) Consequential Loss/Loss of Profits (Class I) Schedule Policy No 03FST000259 taken by DBE Gurney Chicken and DBE Food Processing for the insured sum of RM310,000 from 22 June 2003 to 21 June 2004 for No 40, Jalan PJS 8/6, Bandar Sunway, 46150 Petaling Jaya, Selangor.
- (xlix) Consequential Loss/Loss of Profits (Class I) Schedule Policy No 03FST000325 taken by DBE Gurney Chicken for the insured sum of RM310,000 from 17 July 2003 to 16 July 2004 for No 2724, Jalan Permata 4, Taman Permata, 53200 Kuala Lumpur.
- (l) Consequential Loss/Loss of Profits (Class I) Schedule Policy No 03FST000479 taken by DBE Gurney Chicken for the insured sum of RM310,000 from 30 October 2003 to 29 October 2004 for No 20 & 20A, Susur Medan Tambun, 34100 Ipoh, Perak.
- (li) Public Liability Schedule Policy No 03LST000061 taken by DBE Gurney Chicken for the insured sum of RM1,000,000 from 22 June 2003 to 21 June 2004 for No 40, Jalan PJS 8/6, Bandar Sunway, 46150 Petaling Jaya, Selangor.
- (lii) Public Liability Schedule Policy No 03LST000053 taken by DBE Gurney Chicken for the insured sum of RM1,000,000 from 24 May 2003 to 23 May 2004 at No 385, Taman Samudera, 32040 Seri Manjung, Perak.
- (liii) Public Liability Schedule Policy No 03LST000054 taken by DBE Gurney Chicken for the insured sum of RM1,000,000 from 14 May 2003 to 13 May 2004 at No 13, Lorong Perda Utama 7, Bandar Perda, 14000 Bukit Mertajam, Pulau Pinang.
- (liv) Public Liability Schedule Policy No 03LST000068 taken by DBE Gurney Chicken for the insured sum of RM1,000,000 from 17 July 2003 to 16 July 2004 at No 2724, Jalan Permata 4, Taman Permata, 53200 Kuala Lumpur.
- (lv) Public Liability Schedule Policy No 03LST000128 taken by DBE Gurney Chicken for the insured sum of RM1,000,000 from 30 October 2003 to 29 October 2004 at No 20 & 20A, Susur Medan Tambun, 34100 Ipoh, Perak.

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (vi) Employer Liability Schedule Policy No 03WST000183 taken by DBE Gurney Chicken for the insured sum of RM1,000,000 from 17 July 2003 to 16 July 2004 on all employees for bodily injury caused by disease or accidents arising out of and in the course of their employment at No.2724, Jalan Permata 4, Taman Permata, 53200 Kuala Lumpur.
- (vii) Foreign Workers Compensation Scheme Policy No 03WST000054 taken by DBE Food Processing from 26 February 2003 to 25 February 2004 on fifty foreign workers for the insured sum according to the schedule of benefits as set out below:
- a) Workmen's Compensation: As per Workmen's Compensation Act 1952;
 - b) Repatriation Expenses: RM4,800.00;
 - c) Personal Accident (off-work hours)
 - (i) Accidental death: RM23,000.00
 - (ii) Permanent Total Disablement: RM23,000
 - (iii) Permanent Partial Disablement: As per 1st Schedule of the Workmen's Compensation (Amendment) Act 1996; and
 - d) Temporary Disablement and Medical Expenses: As per Workmen's Compensation Act 1952.
- (viii) Foreign Workers Compensation Scheme Policy No 03WST000053 taken by DBE Breeding from 9 August 2003 to 25 February 2004 on forty-two foreign workers for the insured sum according to the schedule of benefits as set out below:
- a) Workmen's Compensation: As per Workmen's Compensation Act 1952;
 - b) Repatriation Expenses: RM4,800.00;
 - c) Personal Accident (off-work hours)
 1. Accidental death: RM23,000.00
 2. Permanent Total Disablement: RM23,000
 3. Permanent Partial Disablement: As per 1st Schedule of the Workmen's Compensation (Amendment) Act 1996; and
 - d) Temporary Disablement and Medical Expenses: As per Workmen's Compensation Act 1952.
- (lix) Group Hospital and Surgical Schedule Policy No 03PST000449 and Policy No 03PST000455 taken by DBE Food Processing and DBE Breeding respectively from 26 February 2003 to 25 February 2004 on ninety-two workers for the insured sum according to the schedule of benefits as set out below:
- a) Daily Hospital Room & Board (maximum 60 days): RM100;
 - b) Daily Hospital Room and Board Intensive Care Unit (maximum 20 days): RM200;
 - c) Hospital Miscellaneous Services (maximum per disability): RM1750;
 - d) Surgical Fees (maximum per disability): RM3,000;
 - e) Daily In-Hospital Physician's fees (maximum 60 days): RM50;
 - f) Pre-Hospitalisation Specialist Diagnostic services (maximum per disability): RM200;
 - g) Pre-Hospitalisation Specialist Consultation (maximum per disability): RM200;

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- h) Ambulance fees (maximum per disability): RM150;
 - i) Anaesthetic fees and operation theatre: 30% of surgical fees reimbursement;
 - j) Post hospitalization treatment (maximum per disability no exceeding 31 days following discharge from hospital): RM150;
 - k) Outpatient accidental treatment (maximum per disability within 24 hours after the accident) RM1750;
 - l) Government Hospital daily cash allowance (maximum 60 days): RM20; and
 - m) Additional major surgery (subject to schedule): RM6000.
- (lx) Contractors All Risks Policy No 03EST000019 taken by DBE Poultry from 18 November 2003 to 17 November 2004 for the contract site Lot 11599 Mukim of Belanja, District of Perak Tengah, Bruas, Perak for the insured sum of:
- a) RM4,828,056.00 for contract works on the construction of 10 units of poultry houses and 10 sets of poultry equipment;
 - b) RM1,000,000.00 on third party liability for the combined limit of indemnity in respect of any one accident or series of accidents arising out of one event; and
 - c) an unlimited amount for the total limit of indemnity under this policy.
- (lxi) Erection All Risks Policy No 03EST000020 taken by DBE Poultry from 18 November 2003 to 17 November 2004 for the contract site, DBE 5, Lot 7062, Mukim of Sitiawan, District of Manjung, Perak, DBE 10, Lot 10750 & 10751, Mukim of Belanja, District of Perak Tengah, Perak and DBE 17, Lot 8326, Mukim of Sitiawan, District of Manjung, Perak, for the insured sum of:
- a) RM3,000,000.00 for erection works on the upgrading and/or replacement of 16 sets of poultry equipment;
 - b) RM1,000,000.00 on third party liability for the combined limit of indemnity in respect of any one accident or series of accidents arising out of one event; and
 - c) an unlimited amount for the total limit of indemnity under this policy.
- (lxii) Motor Insurance Policy No 03VST003053 taken by DBE Poultry for the insured sum of RM280,000 from 20 November 2003 to 19 November 2004 for a Toyota Harrier.
- (lxiii) Motor Insurance Policy No 03VST003054 taken by DBE Poultry for the insured sum of RM280,000 from 20 November 2003 to 19 November 2004 for a Toyota Harrier.
- (lxiv) Motor Insurance Policy No 03VST003055 taken by DBE Poultry for the insured sum of RM650,000.00 from 20 November 2003 to 19 November 2004 for a BMW.

Insurance Policy taken with Overseas Assurance Corporation Malaysia Berhad as disclosed below:

- (lxv) Fire Policy Insurance No. FIR-F0071241-IP taken by DBE Poultry for the insured sum of RM18,520,000 from 13 November 2003 to 12 November 2004 for Plot 137 & 138, Kawasan Perindustrian Pelabuhan Lumut, Kampung Aceh, 32000 Sitiawan, Perak.

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)***Banking Arrangements***

- (lxvi) An Equipment Purchase and Sale Agreement dated 30 August 2001 between DBE Food Processing and OCBC Bank (Malaysia) Berhad wherein pursuant to the financing principle of Al-Bai Bithaman Ajil, OCBC agreed to purchase from DBE Food Processing equipment at the purchase price of RM376,000 for the purpose of reselling the equipment to DBE Poultry at RM484,814.40 to be settled by DBE Food Processing on deferred payment terms. This facility is secured by a Personal Guarantee from Ding Chong Chow, Ding Seng Huat and Hong Lew Wea.
- (lxvii) A Facility Agreement and Assignment dated 25 October 2001 between DBE Poultry and OCBC Bank (Malaysia) Berhad in respect of an Overdraft Facility of RM3,000,000 and Bankers Acceptances of RM2,000,000 ("the Facility") for working capital. The Facility is secured by a Debenture of RM14,550,000 over all the fixed and floating assets both present and future, a first party first charge of RM5,000,000 over properties known as Lot 0.9 & Lot N Lumut Port Industrial Park, Mukim Lumut, Manjung, Perak upon issuance of the separate document of titles and a Letter of Guarantee for RM14,550,000 by Ding Chong Chow, Ding Seng Huat and Cheng Lay Miew and a Deed of Assignment and Power of Attorney of the Sale and Purchase Agreements between DBE Poultry and DBE Food Processing and DBE Hatchery.
- (lxviii) A Facility Agreement and Assignment dated 25 October 2001 between DBE Poultry and OCBC Bank (Malaysia) Berhad in respect of a Term Loan of RM4,940,000 ("the Facility") to finance the construction of an office building and feedmill factory. The Facility is secured by a Debenture of RM14,550,000 over all the fixed and floating assets both present and future, a first party second charge of RM4,940,000 over properties known as Lot 0.9 & Lot N Lumut Port Industrial Park, Mukim Lumut, Manjung, Perak upon issuance of the separate document of titles and a Letter of Guarantee for RM14,550,000 by Ding Chong Chow, Ding Seng Huat and Cheng Lay Miew and a Deed of Assignment and Power of Attorney of the Sale and Purchase Agreements between DBE Poultry and DBE Food Processing and DBE Hatchery.
- (lxix) A Facility Agreement and Assignment dated 25 October 2001 between DBE Poultry and OCBC Bank (Malaysia) Berhad in respect of a Term Loan of RM4,610,000 ("the Facility") to part finance the purchase of machineries. The Facility is secured by a Debenture of RM14,550,000 over all the fixed and floating assets both present and future, a first party third charge of RM4,610,000 over properties known as Lot 0.9 & Lot N Lumut Port Industrial Park, Mukim Lumut, Manjung, Perak upon issuance of the separate document of titles and a Letter of Guarantee for RM14,550,000 by Ding Chong Chow, Ding Seng Huat and Cheng Lay Miew and a Deed of Assignment and Power of Attorney of the Sale and Purchase Agreements between DBE Poultry and DBE Food Processing and DBE Hatchery.
- (lxx) A Facility Agreement dated 7 November 2002 between DBE Poultry and OCBC Bank (Malaysia) Berhad in respect of a Term Loan of RM1,750,000 ("the Facility") to part-finance the construction of closed chicken houses. The Facility is secured by a Debenture over all the fixed and floating assets both present and future including a specific charge over the equipment to be financed, a first party second charge over land held under Geran Mukim 5258 Lot 11599, Mukim Belanja, District of Perak Tengah and a Letter of Guarantee for RM2,750,000 by Ding Chong Chow, Ding Seng Huat and Cheng Lay Miew.
- (lxxi) A Facility Agreement dated 7 November 2002 between DBE Poultry and OCBC Bank (Malaysia) Berhad in respect of an overdraft facility of RM1,000,000 ("the Facility") for working capital. The Facility is secured by a Debenture over all the fixed and floating assets both present and future, including a specific charge over the equipment to be financed, a first party first charge over land held under Geran Mukim 5258 Lot 11599, Mukim Belanja, District of Perak Tengah and a Letter of Guarantee for RM2,750,000 by Ding Chong Chow, Ding Seng Huat and Cheng Lay Miew.

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (lxxii) An Equipment Purchase and Sale Agreement dated 7 November 2002 between DBE Poultry and OCBC Bank (Malaysia) Berhad ("OCBC") wherein pursuant to the financing principle of Al-Bai Bithaman Ajil, OCBC agreed to purchase from DBE Poultry equipment at the purchase price of RM1,750,000 for the purpose of reselling the equipment to DBE Poultry at RM2,179,800 to be settled by DBE Poultry on deferred payment terms. This facility is secured by a Debenture over all the fixed and floating assets both present and future, a legal charge over land held under Geran Mukim 5258 Lot 11599, Mukim Belanja, District of Perak Tengah and a Personal Guarantee by Ding Chong Chow, Ding Seng Huat and Cheng Lay Miew.
- (lxxiii) A Facility Agreement dated 10 January 2003 between DBE Poultry and Alliance Bank (Malaysia) Berhad in respect of a Term Loan of RM5,300,000, an Overdraft of RM2,000,000 and Bankers Acceptance of RM5,000,000 secured by a first and third party charge over 34 pieces of land, a Corporate Guarantee by DBE for RM12,300,000 and a Joint and Several Guarantee by Ding Choon Yung, Ding Chong Chow and Ding Seng Huat of RM12,300,000.
- (lxxiv) Facility Agreement dated 5 August 2003 between DBE Poultry and OCBC Bank (Malaysia) Berhad in respect of a credit facility of RM3,000,000 ("the Facility") for working capital. The Facility is secured by a debenture of RM3,000,000 over all the fixed and floating assets both present and future, a first party fourth charge for RM3,000,000 over properties known as Lot 0.9 & Lot N Lumut Port Industrial Park, Mukim Lumut, Manjung, Perak upon issuance of the separate document of titles and a Letter of Guarantee for RM3,000,000 by Ding Chong Chow, Ding Seng Huat and Cheng Lay Miew. Supplemental Deed of Assignment and Supplemental Deed of Power of Attorney to the Sale and Purchase Agreement between DBE Poultry and DBE Food Processing and DBE Hatchery.
- (lxxv) Facility Agreement dated 10 September 2003 between DBE Poultry and Bank Pertanian Malaysia in respect of a loan of RM7,000,000 ("the Facility") to part finance the costs of a poultry farming project. The Facility is secured by a debenture over fixed and floating assets on Land held under Grant No.52054, Lot No.4055, Mukim Lumut, Perak, a fourth debenture over fixed and floating assets both present and future, a first party legal charge on property held under Grant No.52054, Lot No.4055, Mukim Lumut, District of Manjung, Perak, a Corporate Guarantee by DBE Gurney upon listing of DBE Gurney on the MSEB and a personal guarantee by Ding Choon Yung, Ding Chong Chow and Ding Seng Huat.
- (lxxvi) Letter of Offer dated 20 October 2003 from Affin Bank Berhad to DBE Poultry in respect of banking facilities of RM5,095,770.00 ("the Facility") to part finance the purchase of poultry equipment. The Facility is secured by a Letter of Undertaking from PLC Credit & Factoring Sdn Bhd and Mayban Finance Berhad.
- (lxxvii) Letter of Offer dated 23 October 2003 from Alliance Bank to DBE Poultry in respect of an increase in limit of banking facilities by RM3,000,000 for the purchase of raw materials and other goods. The facility is to be secured by a Corporate Guarantee from DBE and a joint and several guarantee by Ding Choon Yung, Ding Chong Chow and Ding Seng Huat.
- (lxxviii) Letter of Offer dated 1 December 2003 from OCBC Bank to DBE Poultry in respect of an increase in limit of trade lines by RM2,000,000 for the purchase of goods and products. The facility is to be secured by a first party fifth charge for up to RM2,000,00 on Plot O.9 and Lot N, Lumut Port Industrial Park, Mukim of Lumut, District of Manjung, Perak together with the office and feedmill factory erected thereon, a Debenture incorporating a fixed and floating charge for RM2,000,000 over all present and future assets of DBE and a joint and several guarantee from Ding Chong Chow, Ding Seng Huat and Cheng Lay Miew.

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

12.8 Public Take-Overs

During the last financial year and the current financial year, there were:-

- (i) No public take-over offers by third parties in respect of the Company and its subsidiaries' shares.
- (ii) No public take-over offers by the DBE Group in respect of other companies' shares.

12.9 Material Litigation

As at 15 December 2003 (being the latest 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.

12.10 Consents

- (i) The written consents of the Adviser and Managing Underwriter, Underwriters, Solicitors, Company Secretary, Principal Bankers, Registrars and Issuing House to the inclusion in this Prospectus of their names in the form and context in which their names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report, and their letters relating to the Profit Estimate and Forecast for the financial years ending 31 December 2003 and 2004 and Proforma Consolidated Balance Sheets as at 31 August 2003 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.
- (iii) The written consent of Dr. V Raghavan for the inclusion in this Prospectus of his name and quotation in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

12.11 Documents for Inspection

Copies of the following documents may be inspected at the registered office of the Company during office hours for a period of twelve (12) months from the date of this Prospectus:-

- (i) Memorandum and Articles of Association of DBE and its subsidiaries;
- (ii) Directors' Report and Accountants' Report as included herein;
- (iii) Reporting Accountants' letters relating to the Profit Estimate and Forecast for the financial years ended 31 December 2003 and ending 2004 respectively and Proforma Consolidated Balance Sheets as at 31 August 2003 as included herein;
- (iv) The material contracts and material agreements referred to in Section 12.6 and Section 12.7 respectively of this Prospectus;
- (v) The letters of consent referred to in Section 12.10 of this Prospectus; and
- (vi) Audited accounts of DBE and its subsidiaries for the past five (5) financial period/years ended 31 December 2002 and the eight (8) months period ended 31 August 2003.

12. FURTHER STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

As of 15 December 2003 (being the latest practicable date prior to the printing of this Prospectus), none of the Directors and key management of the Company and its subsidiaries have any existing or proposed service contracts with the Company and its subsidiaries.

12.12 Responsibility Statement

- (i) AmMerchant Bank 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.
- (ii) This Prospectus has been seen and approved by the Directors, Promoters and Offerors of 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.

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