

General Announcement for PLC (v13)

RELEASED

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COMPANY INFORMATION SECTION			
Announcement Type	<input checked="" type="radio"/> New Announcement <input type="radio"/> Amended Announcement		
Company Name	DUTCH LADY MILK INDUSTRIES BERHAD		
Stock Name	DLADY		
Stock Code	3026		
Board	Main Market		
Submitting Secretarial Firm	BOARDROOM CORPORATE SERVICES SDN BHD		

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MAIN	
Type	Announcement
Subject	OTHERS
Description	DUTCH LADY MILK INDUSTRIES BERHAD ("DLMI" OR "COMPANY") OPTIMISATION OF DAIRY PRODUCTION OPERATIONS IN MALAYSIA
Shareholder Approval	No

Announcement Details/Table Section

1. INTRODUCTION

Dutch Lady Milk Industries Berhad ("**DLMI**" or "**Company**") has previously issued announcements dated 17 December 2020 and 15 November 2022, on the construction of its new manufacturing facilities in Bandar Enstek Negeri Sembilan ("**New Facilities**"). DLMI has also announced via its circular to shareholders dated 9 June 2021 and announcements dated 10 March 2021, 18 May 2021, 2 July 2021, and 1 October 2021, that it has sold the land and buildings where its existing manufacturing facilities in Petaling Jaya are located. DLMI will commence full operations at the New Facilities once the New Facilities are ready. Industry 4.0 technology will be implemented at the New Facilities.

The Board of Directors ("**Board**") now wishes to announce that as part of an exercise to optimise its dairy production operations, DLMI will be discontinuing its milk powder operations. The targeted date of discontinuation is 31 May 2023. It is also anticipated that some of DLMI's other lines will be discontinued in phases over the next two years in the intended optimisation exercise ("**Optimisation**").

Pursuant to the Optimisation, milk powder operations will not be carried out at the New Facilities. The Board wishes to inform that the continued availability of DLMI's milk powder products for the Malaysian market will not be impacted. DLMI is a part of the Royal FrieslandCampina Group of Companies ("**FrieslandCampina**") and will source these products from the FrieslandCampina network and continue to provide for our Malaysian market needs.

2. RATIONALE FOR THE OPTIMISATION

The Optimisation is in line with the long-term strategic approach of FrieslandCampina to enhance business operations and to shift to a more sustainable business model that drives focus, innovation and efficiency for FrieslandCampina's long-term strategic reasons and to continue to cater for consumers in the future. The Optimisation will affect approximately 100 of the Company's employees. Rest assured that there will be assistance rendered, monetary and non-monetary to aid in the transition.

3. STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors of DLMI, after having considered all aspects of the Optimisation, is of the view that the Optimisation is in the best interest of the Company.

4. APPROVALS REQUIRED

The Optimisation of the Company's dairy production operations does not require the approval of the Company's shareholders nor any relevant authorities.

This announcement is dated 29 November 2022.

Attachment	No	File Name	Size
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