

25 January 2024

Philippine Dealing & Exchange Corp.

29/F, BDO Equitable Tower,
8751 Paseo de Roxas, Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**
Head – Issuer Compliance and Disclosure Department (ICDD)

Gentlemen:

This refers to your communication received today seeking clarification or confirmation of the news article entitled “Lao family strikes gold with D&L’s P10 billion Batangas manufacturing plant” posted in Bilyonaryo on January 24, 2024. The article reported in part that:

Philippine stock investors seeking to capitalize on the phenomenal rise of hard discount retailer DALI should pivot their focus to D&L Industries Inc., the Lao family’s food ingredients and plastics manufacturing company.

The Lao family has struck gold with its P10 billion factory in Batangas, intended to transform D&L Industries from a producer of customized raw materials to a manufacturer of shelf-ready consumer products, from soap to food.

D&L’s Batangas plant is responsible for producing some of the in-house brands of detergents and soaps sold by DALI, including its rival O!Save, according to sources within the companies.

Its product portfolio is poised for diversification, extending into additional categories such as food, as D&L has consistently delivered products that meet the standards set by retailers.

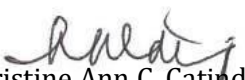
In-house brands are crucial for the success of DALI, enabling the merchant to offer quality products at prices lower than those of branded items found on the shelves of larger, traditional retailers, including Puregold and SM.

In Bilyonaryo.com’s December report, private label brands make up approximately 20% of the products sold by DALI. The hard discount retailer is expected to increase the share of in-house brands to 90%, a strategy that has proven to be a key factor in the success of ALDI, Europe’s largest hard discount retailer.

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We confirm the veracity of the excerpt only insofar as it states that our next generation facility in Batangas expands our capabilities and enables us to manufacture private label products for a wide array of customers. We cannot comment on the other matters stated in the excerpt.

Very truly yours,



Kristine Ann C. Catindig-Ong
Corporate Secretary