

## CHAIRMAN'S STATEMENT (Cont'd)

### Distribution network

One of MDD's strengths lies in its extensive distribution network, whereby the Group's fleet of 150 vans make deliveries from 13 distribution centres to about 1,000 points of sales. Its local manufacturing facilities are held under 3 companies according to their respective lines, ie. Snack food and chilled products (KMM), instant noodles (PFP), and beverages (Mddb). The Group has a centralised marketing and distribution system, with domestic sales handled by MDD Distribution (M) Sdn Bhd and

Milk Specialities Distribution Sdn Bhd, and export sales managed by the export manager in each manufacturing subsidiary.

On the area of sales and distribution, we restructured our branch operations by appointing distributors for Perak and Penang. These changes will enhance our customers' services; speed in deliveries and most importantly lower cost of sales.



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### Environment Care

Social responsibility is an integral part of our heritage. MDD is committed to be, and be recognised as an economic, intellectual and social asset in every community, region and country in which we operate. We believe in demonstrating a good stewardship of our natural resources and emphasis in providing a safe and healthy working environment for our employees.

As a measure in commitment to ensure long-term environmental wellness, MDD has been working very closely with the local environmental authorities and contributed a substantial sum amounting to RM1.1 million to improve on environmental issues every year.



### Information Technology

To cater for the future expansion of the business and services, besides investing RM1.7 million in year 2002 on implementation of SAP integrated system, a further sum of RM0.85 million was spent to enhance the solution programmed and speed of processing based on MySAP.com. SAP software and related hardware were procured and implemented to assist management in having better control over the Group's operations and having on-line information for improved decision making.

