

**MINUTES OF THE VIRTUAL EXTRAORDINARY GENERAL MEETING (“EGM”) OF
DUTCH LADY MILK INDUSTRIES BERHAD (“THE COMPANY”) CONDUCTED VIA
ONLINE MEETING PLATFORM OF LUMI AGM ON THURSDAY, 1 JULY 2021 AT 2
P.M.**

SHAREHOLDERS : As per Attendance List

PROXYHOLDERS : As per Attendance List

DIRECTORS : Broadcast from online meeting platform
Datin Seri Sunita Mei-Lin Rajakumar (Chairperson)
Mr. Tarang Gupta
Ms. Saw Chooi Lee
Mr. Bernardus Hermannus Maria Kodden
Dato’ Dr. Rosini Binti Alias
Tengku Nurul Azian Binti Tengku Shahrman
Mr. Jean Serge Krol
Mr. Darren Kong Kam Seong

IN ATTENDANCE : Broadcast from online meeting platform
Ms. Katina Nurani Abd Rahim (Company Secretary)
Mr. Arent Naber, Finance Director (Meeting Moderator)

CHAIRPERSON OF THE MEETING : Datin Seri Sunita Mei-Lin Rajakumar (“Datin Seri Chairperson”), as Chairperson of the Company, welcomed everyone joining the Virtual Meeting and introduced the Board Members and the Company Secretary to the shareholders.

QUORUM & NOTICE : The requisite quorum being present, Datin Seri Chairperson declared the Meeting duly convened at 2.00 p.m.



PROCEDURE FOR MEETING : The Company Secretary explained to the shareholders the procedures to be adhered to in tabling and approving the resolution at the Virtual Meeting.

The Company Secretary informed the shareholders that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the resolution set out in the notice of EGM is to be voted by poll using the electronic polling process ("e-polling") and at least one (1) scrutineer has to be appointed to validate the votes cast at the Meeting.

The Company Secretary then announced that the Company appointed Boardroom Share Registrars Sdn. Bhd., the Company's Share Registrar as Poll Administrator to conduct the e-polling process and Boardroom Corporate Services Sdn Bhd as the Independent Scrutineers to observe the e-polling process and to verify the poll result.

The shareholders were informed that voting by e-polling for the resolution will take place after dealing with all the business of the Meeting and that shareholders could also vote on the resolution prior to the commencement of the e-polling by clicking on the voting icon on the shareholders' screen. The Company Secretary then invited the Poll Administrator to explain how the electronic/remote poll voting is to be conducted.

(Presentation by the Poll Administrator on electronic poll voting and remote poll voting system)

After the presentation, Datin Seri Chairperson then proceeded to



table the resolution in the agenda for the shareholders' consideration.

Ordinary Resolution

Proposed disposal by the Company of lands held under the documents of title Pajakan Negeri 33305 Lot 78 Seksyen 13, Pajakan Negeri 33306 Lot 79 Seksyen 13 and Pajakan Negeri 96122 Lot 48 Seksyen 13, all in Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor together with the buildings erected thereon bearing postal address No 13, Jalan Professor Khoo Kay Kim (formerly known as Jalan Semangat) 46200 Petaling Jaya, Selangor to UEM Land Berhad for a total cash sum of RM 200,000,000.00.

MD'S Presentation & Questions and Answers

Next, Datin Seri Chairperson invited Mr. Tarang Gupta ("Mr. Tarang") to provide a short presentation on the Proposed Disposal.

Mr. Tarang explained that the Proposed Disposal was in line with the Company's purpose to "Nourish Malaysians with quality dairy nutrition to help them move forward in life". The presentation was divided under the headings of Purpose, People, Planet, Performance, Profit.

Purpose:

The Company is investing RM 400 million to purchase the land in Bandar Enstek and build the new manufacturing facilities to continue to nourish the Malaysian people.

People:

The new facilities will have upgraded technology which will bring new skills and opportunity of growth for DLMI's employees.



Planet:

The new factory will realise significant reduction in the use of energy, water and CO₂ and increased recyclability. It will use energy efficient utilities, there will be a reduction of product and water losses, and improved recyclability.

Performance:

Performance of the Company will be enhanced through new innovations and improved efficiencies.

Profit:

The Proposed Disposal will boost both proforma retained earnings and cash balance. Cash proceeds from the Proposed Disposal will be utilized for construction of the new facility in Bandar Enstek. It was explained that the Pro Forma Statement of Financial Position as per 31 December 2020 was prepared for illustrative purposes to show the effects on the audited Statement of Financial Position of Dutch Lady Milk Industries Berhad as per 31 December 2020 based on the assumptions that the Proposed Disposal is completed. The Proforma Statement of Retained Earnings and Cash Balance is as follows:

Proforma statement of Retained Earnings

Closing Dec 2020 (audited) – RM102.6 million

Proforma Retained Earnings – RM245.5 million

Proforma Cash Balance

Closing Dec 2020 (audited) – RM55.6 million

Proforma Closing Cash – RM236.8 million

Mr. Tarang then informed the shareholders that he would step down as DLMI's Managing Director on 2 July 2021 and he would be replaced by Ms. Ramjeet Kaur Virik. He went over her background and work experience including her achievements whilst she held the role of Marketing Director for the Consumer Dairy business in DLMI.



Following the presentation by Mr. Tarang, Datin Seri Chairperson announced that the portal for Q&A has been closed and the Questions that are not taken up during the meeting will be answered soonest possible by the Company.

The Company Secretary then informed that the Company had received some questions via email from one of the shareholders. The Company Secretary presented the questions and Mr. Tarang provided the answers.

The Company Secretary also addressed some of the questions received from shareholders on the day of the Meeting which have been posted on the Q&A portal.

The key questions relating to the Proposed Disposal raised by the shareholders as well as the corresponding replies by the Management/Board are set out in **Appendix 1** herewith.

Datin Seri Chairperson then informed that shareholders had a further 10 minutes to cast their votes before the polls were closed.

[The shareholders/proxies proceeded to vote using the e-Polling platform. The Share Registrars proceeded to generate the Poll Result. Scrutineers then verified the result generated by the e-Polling system.]

After the poll result was generated by the Share Registrars and verified by the Scrutineers, Datin Seri Chairperson announced the result of the poll for the resolution set out in the Notice of EGM dated 1 July 2021 as follows:



ORDINARY RESOLUTION

- **PROPOSED DISPOSAL BY THE COMPANY OF LANDS HELD UNDER THE DOCUMENTS OF TITLE PAJAKAN NEGERI 33305 LOT 78 SEKSYEN 13, PAJAKAN NEGERI 33306 LOT 79 SEKSYEN 13 AND PAJAKAN NEGERI 96122 LOT 48 SEKSYEN 13, ALL IN BANDAR PETALING JAYA, DAERAH PETALING, NEGERI SELANGOR TOGETHER WITH THE BUILDING ERECTED THEREON BEARING POSTAL ADDRESS NO 13, JALAN PROFESSOR KHOO KAY KIM (FORMERLY KNOWN AS JALAN SEMANGAT) 46200 PETALING JAYA, SELANGOR TO UEM LAND BERHAD FOR A TOTAL CASH SUM OF RM200,000,000.00.**

| | Number of shares held | % |
|----------------|------------------------------|----------|
| FOR | 40,342,002 | 99.9808 |
| AGAINST | 7,752 | 0.0192 |
| TOTAL | 40,349,754 | 100.0000 |

Based on the result of the poll, Datin Seri Chairperson therefore declared that the Ordinary Resolution was passed, and it was **RESOLVED:**

THAT approval be and is hereby given for the Company to dispose of its current factory land located and held under documents of title Pajakan Negeri 33305 Lot 78 Seksyen 13 ("**Lot 78**"), Pajakan Negeri 33306 Lot 79 Seksyen 13 ("**Lot 79**") and Pajakan Negeri 96122 Lot 48 Seksyen 13 ("**Lot 48**"), all in Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor ("**Land**") together with the buildings erected thereon



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(“**Buildings**”) bearing postal address No 13, Jalan Professor Khoo Kay Kim (formerly known as Jalan Semangat) 46200 Petaling Jaya, Selangor (the Land together with the Buildings shall hereinafter be referred to together as “**Property**”) (“**Proposed Disposal**”) to UEM Land Berhad [Registration No. 198201011169 (90894-P)] (“**Purchaser**”) for the Purchase Price and on the terms stipulated in the Sale and Purchase Agreement dated 10 March 2021 entered into between the Company and the Purchaser.

THAT the Board of Directors of DLMI (“**Board**”) is hereby authorised to use the proceeds from the Proposed Disposal as set out in Section 2.14 of the circular to shareholders dated 9 June 2021 and the Board be and is hereby authorised to revise the use of proceeds from the Proposed Disposal in the manner as it deems fit and in the best interest of the Company.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and to execute all necessary documents as they may consider necessary or expedient or in the best interest of the Company to give full effect to the Proposed Disposal with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by any relevant authorities and to deal with all matters relating thereto or deemed necessary by the Directors, and to take all steps and do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Disposal.

CONCLUSION

Datin Seri Chairperson then declared that the Resolution for the meeting was duly carried. Before concluding, she informed all





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the attendees that 2 July 2021 will be the last day for Mr. Tarang Gupta as Managing Director and Executive Director of the Company. She took this opportunity to thank Mr. Tarang for infusing the Board and the Company with such a strong sense of mission and purpose. She highlighted that the Company will always remember that the future manufacturing facilities in Bandar Enstek came to realization under his leadership. Datin Seri Chairperson also welcomed Ms. Ramjeet Kaur as the new Managing Director of the Company and wished her the best for the future.

There being no further business, the Meeting came to a close at 3.00 p.m.



APPENDIX 1

SUMMARY OF KEY MATTERS DISCUSSED AT THE VIRTUAL EXTRAORDINARY GENERAL MEETING OF THE COMPANY CONDUCTED VIA ONLINE MEETING PLATFORM OF LUMI AGM ON THURSDAY, 1 JULY 2021 AT 2 P.M.

QUESTIONS FROM ONE OF THE SHAREHOLDERS VIA EMAIL

| No. | Questions raised by Mr. Dinesh A Sadhwani | DLMI's Responses |
|------------|---|--|
| 1. | <p>The On 18 May 2021, the company announced the proposed use of the disposal proceeds (disposal expenses, security deposit and construction costs). However, no allocation has been made for dividends / distributions to shareholders.</p> <p>What is the reason for this? What are the company's thoughts on the possibility of revising the allocation of the proceeds partially for dividends?</p> | <p>As announced before DLMI is embarking on an investment of RM400 million to buy the land and build new manufacturing facilities in Bandar Enstek. We finance this through internally generated funds which is inclusive of the proceeds resulting from the land sale. Regular dividend payments will continue to depend on the Company's profitability and financial capability.</p> |
| 2. | <p>Based on the financials for Q1 FY2021, the company's gearing ratio is relatively low (approximately 20% based on the bank overdraft amount divided by the company's equity). Taking this into account as well as the current low interest rate environment,</p> | <p>Management and the Board of Directors have considered all forms of financing. At this moment in time we deemed the option to finance this investment through internally generated funds as the best in order to ensure a long term sustainable financial position of the company.</p> |



| | | |
|--|---|--|
| | <p>has the company considered borrowing part of the amount required for the construction costs mentioned above?</p> | |
|--|---|--|

QUESTIONS FROM SHAREHOLDERS RECEIVED VIA Q&A PORTAL

| No. | Key Matters raised by the shareholders | Responses from the Board of Directors and Management Team |
|-----|---|--|
| 1. | <p>Referring to new facilities in Seremban:</p> <p>(a) What is the planned capacity comparing to the current old facilities in PJ?</p> <p>(b) What is the current utilization rate of the old facilities in PJ?</p> <p>(c) Will new facilities be more cost-efficient compared to the old facilities in PJ?</p> <p>Thank you.</p> | <p>The new manufacturing facility will be a best-in-class factory that drives efficiencies at lowest possible cost with advanced technology and thus will help improve our profitability. The new manufacturing facility will more than double the current DLMI's capacity and the site will have room for future expansion.</p> |
| 2. | <p>Understand that after the disposal, our company will continue to stay on the old site for another 2 years or more, until new site is completed. What will be the yearly rental expenses for this tenancy? Thank you.</p> | <p>The rental expenses will be RM 6 million on an annual basis.</p> |
| 3. | <p>It is reported in FY2021 Q1 report that the increased prices of global dairy raw materials have affected</p> | <p>Global Dairy raw material prices are increasing significantly. Affordability continues to be a priority. When looking at</p> |



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|--|--|
| <p>our company's operating margin.</p> <p>(a) What is the latest price trend of dairy raw materials? Has it peaked?</p> <p>(b) What are our company strategies to encounter this issue?</p> <p>(c) Will we consider raising the selling price to pass on the cost?</p> <p>Thank you.</p> | <p>pricing in the market, we carefully look at market conditions, competition activities and what is the consumer willing to pay (take into consideration pricing strategy).</p> |
|--|--|

