

**MINUTES OF THE SIXTIETH (“60<sup>TH</sup>”) VIRTUAL ANNUAL GENERAL MEETING (“AGM”) OF DUTCH LADY MILK INDUSTRIES BERHAD (“THE COMPANY”) HELD AT THE BROADCAST VENUE 12<sup>TH</sup> FLOOR, MENARA SYMPHONY, NO. 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR, MALAYSIA ON FRIDAY, 26 MAY 2023 AT 10.00 A.M.**

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**SHAREHOLDERS** : As per Attendance List

**PROXYHOLDERS** : As per Attendance List

**DIRECTORS** : Broadcast from main venue

Datin Seri Sunita Mei-Lin Rajakumar (Chairperson)

Ms. Ramjeet Kaur Virik

Ms. Saw Chooi Lee

Dato’ Dr. Rosini binti Alias

Tengku Nurul Azian binti Tengku Shahrman

Mr. Darren Kong Kam Seong

Broadcast from overseas

Ms. Corine Danielle Tap

Mr. Jean Serge Krol

**IN ATTENDANCE** : Ms. Katina Nurani Abd Rahim, Company Secretary

Mr. Kai de Klerk, Finance Director (Meeting Moderator)

Mr. Inderjit Singh (Meeting Moderator)

Ms. Sandhya Menon (Meeting Moderator)

Ms. Gan Wee Fong, Auditor

**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 10.00 a.m.

**PROCEDURE FOR MEETING** : The Company Secretary explained to the shareholders the procedures to be adhered to in tabling and approving the resolutions 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"), all resolutions set out in the notice of AGM are 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 Sky Corporate Services Sdn Bhd as the Independent Scrutineers to observe the e-polling process and to verify the poll results.

The shareholders were informed that voting by e-polling for all resolutions would take place after dealing with all the business of the Meeting and that shareholders could also vote on the resolutions 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 was to be conducted.

Following the presentation by the Poll Administrator on electronic poll voting and remote poll voting system, Datin Seri Chairperson then proceeded to table all the resolutions in the agenda for the shareholders' consideration.

### **Ordinary Business**

### **Audited Financial Statements and Reports**

Datin Seri Chairperson informed the shareholders that pursuant to the provision of Section 340(1)(a) of the Companies Act, 2016, a formal approval from the shareholders for the Audited Financial Statements was not required. Therefore, the Audited Financial Statements tabled was meant for discussion only and not put forward for voting.



**RESOLUTION 1 : Directors' fees**

The second item on the agenda of the Meeting was to approve the proposed increase and payment of Directors' fees of up to RM500,000 for the financial year ending 31 December 2023, to be made payable quarterly.

**RESOLUTION 2 : Directors' Benefits (Other than Directors' fees)**

The third item on the agenda of the Meeting was to approve the payment of Directors' benefits (other than Directors' fees) up to RM100,000 to Non-Executive Directors for the financial year ending 31 December 2023.

**RESOLUTIONS 3 & 4 : Re-election of Mr. Jean Serge Krol and Dato' Dr. Rosini binti Alias, the Directors who retire by rotation pursuant to Rule 105 of the Company's Constitution**

Datin Seri Chairperson informed the shareholders that Ordinary Resolutions 3 and 4 were on the re-election of the Directors, Mr. Jean Serge Krol and Dato' Dr. Rosini binti Alias, who would be retiring by rotation pursuant to Rule 105 of the Company's Constitution and being eligible, had offered themselves for re-election to the Board. Each resolution would be taken up separately.

**RESOLUTION 5 : Re-appointment of Ms. Corine Danielle Tap who was appointed during the year and retire pursuant to Rule 86.3 of the Company's Constitution**

Ordinary Resolution 5 was on the re-appointment of Ms. Corine Daniele Tap who was appointed as Director during the year and retires pursuant to Rule 86.3 of the Company's Constitution.

**RESOLUTION 6 : Re-Appointment of Auditors**

The shareholders were then informed that the retiring auditors, PricewaterhouseCoopers PLT, had indicated their willingness to continue in office for the ensuing financial year ending 31 December 2023. Ordinary Resolution 6 is to re-appoint PricewaterhouseCoopers PLT as the Company's auditors and to authorise the Directors to fix their remuneration.



As all items under Ordinary Business have been tabled, Datin Seri Chairperson then proceeded to deal with the items under Special Business.

### **Special Business**

**RESOLUTION 7 : To Approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

The shareholders were informed that the item under special business was to approve the Proposed Renewal Shareholders' Mandate to allow the Company to enter into recurrent related party transactions necessary for the day-to-day operations of the Company.

The Circular to Shareholders dated 25 April 2023 containing the relevant information in respect of the Proposed Shareholders' Mandate had been circulated to the shareholders.

Datin Seri Chairperson informed that the proxies of Royal FrieslandCampina N.V., being the interested party to the transaction, would abstain from voting on Ordinary Resolution 7.

### **MD'S Presentation & Questions and Answers**

Next, Datin Seri Chairperson invited Ms. Ramjeet Kaur Virik ("Ms. Ramjeet") to provide an overview of the Company's performance for the financial year ended 31 December 2022.

Following the presentation by Ms. Ramjeet, Datin Seri Chairperson informed that the Company had received a list of questions from the Minority Shareholders Watch Group ("MSWG").

The Company Secretary and Ms. Ramjeet presented the questions raised by MSWG and the corresponding replies from the Management/Board at the Meeting.

The Company Secretary then addressed questions received from shareholders prior to the day of the Meeting and which were posted on the Q&A portal relating to the Company's performance and Audited Financial Statements.



The questions raised by the MSWG and the shareholders/proxies, as well as the corresponding replies by the Management/Board are set out in **Appendix 1** herewith. The questions listed therein broadly covers all the topics raised by shareholders. Questions on similar topics are not repeated to avoid repetition.

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 Results. Scrutineers then verified the results generated by the e-Polling system.

After the poll results were generated by the Share Registrars and verified by the Scrutineers, Datin Seri Chairperson announced the results of the poll for all resolutions set out in the Notice of 60<sup>th</sup> AGM dated 25 April 2023 as follows:

#### **ORDINARY RESOLUTION 1**

- **PROPOSED INCREASE AND PAYMENT OF DIRECTORS' FEES OF UP TO RM500,000 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023**

	<b>Number of shares held</b>	<b>%</b>
<b>FOR</b>	47,811,714	99.86
<b>AGAINST</b>	65,676	0.14
<b>TOTAL</b>	47,877,390	100.0

Based on the results of the poll, Datin Seri Chairperson therefore declared that the Ordinary Resolution 1 was passed, and it was RESOLVED:

**THAT** the proposed increase and payment of Director's fees of up to RM500,000 to the Non-Executive Directors for the financial year ending 31 December 2023, to be made payable quarterly, be hereby approved.

#### **ORDINARY RESOLUTION 2**

- **PROPOSED PAYMENT OF DIRECTORS' BENEFITS (OTHER THAN DIRECTORS' FEES) OF UP TO RM100,000 TO THE NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023**



**Dutch Lady Milk Industries Berhad**

Level 5, Quill 9  
112 Jalan Prof. Khoo Kay Kim  
46300 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

[www.frieslandcampina.com](http://www.frieslandcampina.com)  
[www.dutchlady.com.my](http://www.dutchlady.com.my)

	<b>Number of shares held</b>	<b>%</b>
<b>FOR</b>	47,802,804	99.85
<b>AGAINST</b>	71,374	0.15
<b>TOTAL</b>	47,874,178	100.0

Based on the results of the poll, Datin Seri Chairperson therefore declared that the Ordinary Resolution 2 was passed, and it was RESOLVED:

**THAT** the proposed payment of Directors' benefits (other than Directors' fees) of up to RM100,000 for the financial year ending 31 December 2023, be hereby approved for payment to the Non-Executive Directors of the Company.

**ORDINARY RESOLUTION 3**

• **RE-ELECTION OF MR. JEAN SERGE KROL**

	<b>Number of shares held</b>	<b>%</b>
<b>FOR</b>	47,839,334	99.92
<b>AGAINST</b>	39,746	0.08
<b>TOTAL</b>	47,879,080	100.0

Based on the results of the poll, Datin Seri Chairperson therefore declared that the Ordinary Resolution 3 was passed, and it was RESOLVED:

**THAT** Mr. Jean Serge Krol, the Director who retired by rotation pursuant to Rule 105 of the Company's Constitution be and is hereby re-elected to office as a Director of the Company.



#### **ORDINARY RESOLUTION 4**

- RE-ELECTION OF DATO' DR. ROSINI BINTI ALIAS**

	<b>Number of shares held</b>	<b>%</b>
<b>FOR</b>	47,836,440	99.91
<b>AGAINST</b>	41,327	0.09
<b>TOTAL</b>	47,877,677	100.0

Based on the results of the poll, Datin Seri Chairperson therefore declared that the Ordinary Resolution 4 was passed, and it was RESOLVED:

**THAT** Dato' Dr. Rosini binti Alias, the Director who retired by rotation pursuant to Rule 105 of the Company's Constitution, be and is hereby re-elected to office as a Director of the Company.

#### **ORDINARY RESOLUTION 5**

- RE-APPOINTMENT OF MS. CORINE DANIELLE TAP**

	<b>Number of shares held</b>	<b>%</b>
<b>FOR</b>	47,842,326	99.92
<b>AGAINST</b>	35,954	0.08
<b>TOTAL</b>	47,878,280	100.0

Based on the results of the poll, Datin Seri Chairperson declared that the Ordinary Resolution 5 was passed, and it was RESOLVED:

**THAT** Ms. Corine Danielle Tap, the Director who was appointed during the year and retired pursuant to Rule 86.3 of the Company's Constitution, be and is hereby re-appointed to office as a Director of the Company.



## ORDINARY RESOLUTION 6

- **RE-APPOINTMENT OF PRICEWATERHOUSECOOPERS PLT AS THE COMPANY'S AUDITORS**

	Number of shares held	%
<b>FOR</b>	47,847,428	99.93
<b>AGAINST</b>	32,052	0.07
<b>TOTAL</b>	47,879,480	100.0

Based on the results of the poll, Datin Seri Chairperson declared that the Ordinary Resolution 6 was passed, and it was RESOLVED:

**THAT** PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) be and are hereby re-appointed as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors.

## ORDINARY RESOLUTION 7

- **TO APPROVE THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

	Number of shares held	%
<b>FOR</b>	15,239,735	99.84
<b>AGAINST</b>	23,746	0.16
<b>TOTAL</b>	15,263,481	100.0



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Selangor Darul Ehsan, Malaysia

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Based on the results of the poll, Datin Seri Chairperson declared that the Ordinary Resolution 7 was passed, and it was RESOLVED:

**THAT** approval be and is hereby given to the Company to enter into and to give effect to the Recurrent Related Party Transactions of a Revenue or Trading Nature with the specified classes of Related Parties as stated in Sections 2.4 and 2.3 of the Circular to Shareholders dated 26 April 2022 which are necessary for the Company's day-to-day operations subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favorable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) the aggregate value of such transactions conducted pursuant to the Shareholders' Mandate during the financial year will be disclosed in the Annual Report for the said financial year.

**AND THAT** such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the Meeting the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting; whichever is the earlier.

**AND THAT** the Directors of the Company be and are hereby authorized to complete and do all such acts and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorized by the Proposed Shareholders' Mandate

**CONCLUSION**

Datin Seri Chairperson then declared that all the Resolutions for the meeting were duly carried. She thanked all the shareholders for their continuous support to DLMI.





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There being no further business, the Meeting came to a close at 12.00 p.m.

**SIGNED AS A CORRECT RECORD  
OF THE PROCEEDINGS THEREAT**

.....  
**DATIN SERI SUNITA MEI-LIN RAJAKUMAR  
CHAIRPERSON**



**APPENDIX 1**

**SUMMARY OF KEY MATTERS DISCUSSED AT THE SIXTIETH VIRTUAL ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE BROADCAST VENUE 12<sup>TH</sup> FLOOR, MENARA SYMPHONY, NO. 5, JALAN PROF. KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR, MALAYSIA ON FRIDAY, 26 MAY 2023 AT 10.00 A.M.**

**QUESTIONS FROM THE MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)**

No.	Key Matters raised by MSWG	DLMI’s Responses
<b>Operational &amp; Financial Matters</b>		
1(a)	<p>The group recorded 18% increase in revenue from RM1.1 billion in FY2021 to RM1.3 billion in FY2022. However, the overall costs for raw materials went up by 10% -15% impacted the gross profit margin which declined from 35% to 27% as costs could only partially be reflected in the price of its dairy products (page 41 of Integrated Annual Report (IAR) 2022).</p> <p>What was the percentage increase in selling prices for dairy products in FY2022, and how does this compare to the increase in the group’s main input cost such as milk solid?</p>	<ul style="list-style-type: none"> <li>• Volume growth of 12% was an important contributor to the 18% revenue upside, as our consumers remained choiceful with strong in-home consumption of our three main product categories – Dutch Lady Liquid Milk, Dutch Lady Growing Up Milk and Friso Growing Up Milk. Pricing and Revenue Growth Management initiatives contributed 6% of Revenue growth.</li> <li>• Growing inflationary pressure impacted the input costs of raw materials and other goods and services procured by DLMI such as costs of logistics. In particular, the global price of dairy raw materials increased to historically record levels, which was coupled with volatile exchange rate movements and a weakening MYR against the USD. As an example, the price paid for Skimmed Milk Powder in Dec 2022 was 14% higher than in Dec 2021.</li> <li>• With this cost increase we faced a dual dilemma of keeping our products accessible and affordable while dealing with increased input costs. Some of the inflationary pressure on the purchasing</li> </ul>

		price of raw materials needed to be translated into the pricing of our products to avoid unsustainable profitability impact.
(b)	A cost optimization exercise was implemented across the board to help mitigate a substantial portion of the impact of higher raw material costs (page 38 of IAR 2022). What were the major components costs saved or optimized during FY2022 that allowed only partial price increase to be transferred to consumers?	DLMI has focused on cost optimizations across the board. Most notably we focused on effective spend on trade discounts and advertising and promotion through our Revenue Growth Management strategy, to ensure that the investments drive growth in consumer demand for our products and equity for our brands.
(c)	What is the management pricing strategy for FY2023, considering the prevailing market conditions, cost dynamics as well as keeping your products affordable to the B40 consumers who make up a large proportion of your customer base?	For 2023 the dual dilemma that we faced last year of dealing with inflation, high input costs and volatile market circumstances, while ensuring the affordability and accessibility to our products is expected to remain. This means we will keep a balanced approach towards pricing management. We will keep focused on our mission of Nourishing our Nation with trusted, sustainable and Halal dairy nutrition for now and generations to come. We continue to support the national health agenda, whilst striving to improve the nutritional status of Malaysians.
(d)	What is the Company's outlook on profit margins? Based on your assessment of market conditions and current pricing strategy, do you expect profit margins to normalize, stabilize or potentially improve in FY2023?	<ul style="list-style-type: none"> <li>DLMI will stay focused on its purpose of 'Nourishing Our Planet and People in Every Stage of Life'. In order to deliver on this purpose, healthy gross margins are essential for us to continue to invest behind our people and brands. These assets will drive long term engagement with DLMI as an employer of choice and continue to increase penetration of milk in Malaysia. For 2023 the market is expected to remain volatile and is subject to various domestic and global uncertainties and challenges, foreign exchange rate fluctuations and potential regulatory changes. Although global dairy prices are expected to show a decline they remain at historically high levels. At the same time, an uncertain geopolitical environment and</li> </ul>

		<p>volatile exchange rates will make it hard to predict input costs, whilst inflation is expected to remain a significant factor in the costs of doing business in 2023.</p> <ul style="list-style-type: none"> <li>• We also need to acknowledge that DLMI is in a transition from its current manufacturing plant in Petaling Jaya to its new IR4.0 state-of-the-art new development in Bandar Enstek. The realization of this transition is an important pillar under the future growth strategy of DMLI. Such a transition comes with significant investments, which we have planned for carefully.</li> <li>• Over the long term, the outlook for DLMI remains cautiously optimistic due to the strength of our brands, and the increasing need and recognition of the goodness and nutritional value of milk amongst Malaysians. The Company will continue to support the local dairy farmers and increase the quantity and quality of local fresh milk.</li> </ul>
2(a)	<p>The first Bilateral Advanced Pricing Arrangement (“BAPA”) between the competent authorities of Malaysia and The Netherlands with regards to certain related party transactions was finalised in 2022. This arrangement covers the years 2018 to 2022. Hence, in 2022, DLMI has booked the impact from 2018 to 2021 which amounts to RM24.9 million (page 41 of IAR 2023)</p> <p>Briefly explain the key terms of the BAPA agreement.</p>	<ul style="list-style-type: none"> <li>• The terms of the BAPA agreement are confidential.</li> <li>• A Bilateral Advanced Pricing Arrangement (BAPA) was agreed between Competent Authorities in Malaysia and Netherlands. The intent of a BAPA is to provide tax certainty and avoid disputes. It provides tax certainty to both the taxpayers and the involved tax administrations in this can in both Malaysia and the Netherlands. This was the first Bilateral Advanced Pricing Arrangement (“BAPA”) between the competent authorities of Malaysia and The Netherlands, and it ascertains the prospective arm’s length transfer prices on certain related party transactions for the period from 1 January 2019 to 31 December 2022, including a rollback period from 1 January 2018 to 31 December 2018. As a consequence, the Company incurred additional one-off costs</li> </ul>

		related to 2018 to 2021 amounting to RM25 million in Q4 2022.
(b)	Will there be a second BAPA agreement to be entered into in 2023? If yes, what are the pricing formulas that could impact the Group's profit before tax negatively?	<ul style="list-style-type: none"> <li>• It is in the company's interest to maintain certainty on tax and transfer pricing.</li> <li>• DLMI cannot give clarity at this time on the arrangement going forward.</li> </ul>
3(a)	<p>The Company has launched festive flavor Lychee Juicy milk and Kurma &amp; Banana flavored milk range (page 49 of IAR 2022).</p> <p>What is the market response towards these products? What was their contribution to the group's revenue in FY2022 and what is its potential in FY2023?</p>	There is strong market response for the festive products. Dutch Lady value share in the dairy juice category grew +4.4 vs. 2021, whereby Lychee Juicy Milk contributed the main growth with a 3.2% share. Kurma and Banana performed well during Ramadhan-Raya. The festive flavors help create excitement and relevance in driving the penetration of milk amongst Malaysians, bringing healthier and more nourishing alternatives.
(b)	Is the Company planning to launch any new products in 2023?	<ul style="list-style-type: none"> <li>• We will continue to bring excitement to Malaysians with the Ramadan limited edition Kurma and Banana Pasteurized 1L, along with the UHT options.</li> <li>• To target the malnutrition issue amongst children in Malaysia and as part of our purpose to Nourish our Nation, we have launched an accessible nutrient-dense Ready-to-drink Dutch Lady MaxGro UHT.</li> </ul>
<b>Sustainability &amp; Corporate Governance Matters</b>		
4.	Under the Sustainability Statement (page 69 of IAR 2022), DLMI had disclosed the achievement made in 2022 for energy intensity reduction, carbon footprint emissions reduction, water intensity reduction and landfill waste. There is no	<ul style="list-style-type: none"> <li>• Globally, FrieslandCampina is targeting to be Climate Neutral dairy by 2050. We are aligned in principle and strategy with FrieslandCampina, and the numbers published in 2022 and 2023 Annual</li> </ul>

	<p>disclosure of baseline year and targets (to state in numbers) which can enable meaningful comparisons with outcomes/results. The Management may wish to consider having such disclosures.</p>	<p>Reports are indicative of our performance against globally set targets.</p> <ul style="list-style-type: none"> <li>At country-level, we are constantly assessing material ESG focus areas, localized commitments, and priorities for our 2030 roadmaps and 2050 ambitions. At DLMI, we are aiming to publish our boundaries and expanded set of environmental and social targets in our 2023 Annual Report.</li> </ul>
<p>5.</p>	<p>Practice 9.4 -Step-up of the Malaysian Code on Corporate Governance (MCCG 2021) states that the Audit Committee should comprise solely of Independent Directors. DLMI in its CG Report 2022 states that it has not adopted the Step-up practice.</p> <p>The Company's current board composition comprises of 4 Independent Non-Executive Directors (INED) and 3 Non-Independent Non-Executive Directors and 1 Executive Director. The majority of the Board members – 50% (i.e., 4 out of 8) of the Directors are INED. DLMI is in a position to apply this Practice to constitute an audit committee which is entirely comprised of Independent Directors.</p> <p>Are there plans to apply the Step-up? If so, by when?</p>	<p>The Audit &amp; Risk Committee (ARC) consists of a majority of independent directors i.e., it consists of 3 independent and 2 non-independent directors. However, one of the non-independent directors on the ARC is a nominee director of Permodalan Nasional Berhad and thus 4 out of 5 of the ARC members represents the Company's minority shareholders. In the circumstances, there are no plans to apply the Step-up as the Board feels that the current composition fairly reflects the foreign direct investment and the investment of the minority shareholders.</p>

## QUESTIONS FROM SHAREHOLDERS AND PROXIES

No.	Key Matters raised by the shareholders	Responses from the Board of Directors and Management Team
1.	<p>Are there any competitors taking up the market portion from your company as well as share investment from investors? If yes, may you share on the strategy been implemented to overcome this issue and the achievement along these 2 years.</p>	<p>In 2022 Dutch Lady has extended its leadership in the dairy market in Malaysia and realized significant volume and revenue growth. We are always looking at competitive developments and other players in the dairy market in Malaysia, as it is one of the many drivers behind product performance. We believe, the more the competition, the more we can collectively create greater awareness on issues such as malnutrition and obesity in Malaysia. In short, our performance on the mission to Nourish our Nation is catalyzed by competition and accelerated by our continuous efforts to improve the nutritional content as well as formats of our products.</p>
2.	<p>Please share details of Enstek capex budget escalation from original ~RM300m to ~RM500m. What are the budgeting mistakes?</p>	<p>The increase is mainly due to the inclusion of additional growth capex items as well as unprecedented inflation which has significantly increased the cost of materials, fuel, and labor.</p>
3.	<p>How would the management justify the increment for the board when your overall performance is way below your peers and industry?</p>	<p>Taking into consideration the results of an exercise to benchmark the Non-Executive Directors' fees and benefits against the fees and benefits paid to directors of other Malaysian public listed companies of comparable size and industry, the Board approved the proposal for an increase in the Non-Executive Directors' fees by 3% to reduce the gap with such companies. It was also considered that the Board will undertake additional responsibilities due to new obligations in EES&amp;G governance. The benefits remain at the same level as FY2022.</p>



<p>4.</p>	<p>Dutch Lady is 60% below the peak now comparing to last 5 years performance. Dividend rate had also been reducing year on year. What are the reasons for the bad performance?</p>	<ul style="list-style-type: none"> <li>• Dutch Lady achieved consecutive Revenue growth over the past five years, with an encouraging 18% growth in revenue in 2022, as well as 12% growth in volume. Over the past two years input costs have witnessed unprecedented increases due to global trends such as the COVID-19 pandemic, the war in Ukraine, rising inflation and shortage on the transportation market. With our purpose of Nourishing our Nation, DLMI always strikes the balance between accessibility and affordability of our products and profitability. DLMI has a strong 60-year history in Malaysia and intends to remain part of Malaysian society in the long run. That is why we are investing in our Future Legacy.</li> <li>• The distribution of dividends is based on the company's performance, as well as the need for business and operational continuity and, in light of building our future legacy, the needs to fund the company's future expansion.</li> <li>• This means we need to acknowledge that DLMI is in a transition from its current manufacturing plant in Petaling Jaya to its new IR4.0 state-of-the-art new development in Bandar Enstek. The realization of this transition is an important pillar under the future growth strategy of DMLI. Such a transition comes with significant investments, and additional operational expenditure, which we have planned for carefully.</li> <li>• DLMI wishes to retain its accumulated profits to utilize towards the construction of the new manufacturing facilities on the land in Bandar Enstek. This will minimize the need for borrowings. The investment in the new manufacturing facilities is anticipated to enhance DLMI's prospects and earnings in the future.</li> </ul>
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5.	What is the plan to improve the performance of Dutch Lady?	<ul style="list-style-type: none"> <li>DLMI will stay focused on its purpose of 'Nourishing Our Planet and People in Every Stage of Life'. In order to deliver on this purpose, healthy gross margins are essential for us to continue to invest behind our people and brands. These assets will drive long term engagement with DLMI as an employer of choice and continue to increase penetration of milk in Malaysia. For 2023 the market is expected to remain volatile and is subject to various domestic and global uncertainties and challenges, foreign exchange rate fluctuations and potential regulatory changes. Although global dairy prices are expected to show a decline they remain at historically high levels. At the same time, an uncertain geopolitical environment and volatile exchange rates will make it hard to predict input costs, whilst inflation is expected to remain a significant factor in the costs of doing business in 2023.</li> <li>Over the long term, the outlook for DLMI remains positive due to the strength of our brands, and the increasing need and recognition of the goodness and nutritional value of milk amongst Malaysians. The Company will continue to support the local dairy farmers and increase the quantity and quality of local fresh milk.</li> </ul>
6.	What is the immediate target for raw milk purchase from local farmers and milk collection centers of DVS?	DLMI will continue to support the growth of our local dairy farmers. As at today, we are one of the largest purchasers of local raw milk. Our supply comes from various local sources; from local commercial farms, milk collecting centres and dairy cooperatives nationwide. We strive to continue partnering the Department of Veterinary Services Malaysia to grow local milk supply and purchase from our local dairy farmers.

7.	I humbly request BOD to give ewallet or evoucher to attendees as token of appreciation. I believe the token sum is small, manageable and within annual budgeted expenses.	If you have registered to attend this meeting, you will receive an e-voucher via email in due course.
8.	Is the Employee Stock Option Scheme (ESOS) granted to independent directors? It should not be, as it could affect their impartiality and objectivity as they become fixated on the share price performance.	The Company does not grant any ESOS, whether to any employees or directors.
9.	Why is the Dutch Lady Chocolate milk so sweet, not right for old people or people with diabetes	<p>DLMI offers a wide range of milk products to cater to the different nutritional needs of our consumers in every stage of life. Our products comply with all national and international legislations and regulations.</p> <p>For the sugar content of Dutch Lady Chocolate Flavoured Milk, it meets the nutrient criteria specified by the Ministry of Health Malaysia (MoH) for Healthier Choice Logo (HCL) and is a healthier option for consumers.</p> <p>For any medical-related questions, please consult your healthcare professionals for advice.</p>
10.	From year 2019 until current, we found that the company share price keep on dropping or the company share value being decreases. May the company explain on this?	<p>Share price is determined by market forces and is not within our control. The Company transparently shares details on its financial performance and any other material issues are announced to the shareholders in accordance with requirements.</p> <p>DLMI continues to invest in sustainable future growth and remains committed to long-term value creation for all our stakeholders.</p>
11.	How do you engage with local stakeholders, especially vulnerable communities?	In 2022, DLMI contributed more than 64,959 packs to recipients across several states. We nourished vulnerable groups such as B40 communities and primary school children

	<p>Have you publicly disclosed the results of your environmental and social impact assessments?</p>	<p>with our dairy products in partnership with Ministry and Department of Education and other related Government agencies.</p> <p>We are currently revising and continuously building on our foundations for sustainability while preparing for expanded disclosure in DLMI. This includes a review of our material matters, roadmaps, and risks along with identifying and gathering relevant input for the exercise. We look to continuously monitor and progressively assess and measure our business impact as a result. We aim to share further information once we have completed this exercise.</p>
12.	<p>Has your company committed to a net-zero pledge? If yes, what is the strategy to achieve this target?</p>	<p>Globally, FrieslandCampina is targeting to be a Climate Neutral dairy company by 2050. We are aligned in principle and strategy with FrieslandCampina, and the numbers published in 2022 and 2023 Annual Reports are indicative of our performance against globally set targets.</p> <p>At country-level, we are currently re-assessing our material ESG focus areas, localised commitments, and priorities to determine our 2030 roadmaps and 2050 ambitions. At DLMI, we are aiming to publish our boundaries and expanded set of sustainability targets in our 2023 Annual Report.</p>
13.	<p>What is Management's view on the collective local dairy upstream expansion? And how does that impact our business?</p>	<p>We are always looking at competitive developments and other players in the dairy market in Malaysia, as it is one of the many drivers behind product performance. We believe, the more the competition, the more we can collectively create greater awareness on issues such as malnutrition and obesity in Malaysia. In short, our performance on the mission to Nourish our Nation is catalysed by competition and accelerated by our continuous efforts to improve the nutritional content as well as formats of our products.</p> <p>We will continue to partner the Ministry of Agriculture and Food Security especially with the Department of Veterinary Services</p>

		Malaysia to increase quantity and quality of local raw milk from our dairy farmers. This public-private smart partnership with these two authorities has enable DLMI to be one of the largest purchaser of local raw milk, hence help us to continue driving dairy product innovation, increase dairy consumption in the country and be the leading dairy company for decades to come.
14.	On the ~RM550m related-party procurement of dairy products and raw materials from Netherlands & Indonesia, how does the cost and quality (and other material factors involved) vary versus local suppliers, if said items are procured locally?	Supply from the local market is an important cornerstone in DLMI's sourcing strategy, and we remained the largest purchaser of local fresh milk. The supply of other dairy raw materials from the local market is very limited. To obtain competitive pricing we therefore source from the world market via the FrieslandCampina group, which enables us to source at the right quality and at a competitive price through the buying power of the group. At the same time the Company will continue to support the local dairy farmers and increase the quantity and quality of local fresh milk.
15.	Despite being a premium dairy product producer, why has our profit margin trail behind our competitors in a significant manner?	DLMI achieved consecutive Revenue growth over the past five years, with an encouraging 18% growth in 2022, as well as 12% growth in volume. Over the past two years input costs have witnessed unprecedented increases due to global trends such as the COVID-19 pandemic, the war in Ukraine, rising inflation and transportation challenges. With our purpose of Nourishing our Nation, DLMI always strikes the balance between accessibility and affordability of our products and profitability. DLMI has a strong 60-year history in Malaysia and intends to remain part of Malaysian society in the long run. That is why we are investing in our Future Legacy.
16.	Please share details of Enstek's gestation and ramp-up strategy? And the transition plan from PJ to Enstek? What should shareholders expect during those periods?	Enstek will start-up in a phased approach where we will be commissioning line by line.  Transfer of equipment from PJ will commence once we can supply the market from Enstek so there is no impact to our customers and consumers.

17.	What is the immediate target for raw milk purchase from local farmers and milk collection centres of DVS?	DLMI will continue to support the growth of our local dairy farmers. As at today, we are one of the largest purchasers of local raw milk. Our supply comes from various local sources; from local commercial farms, milk collecting centres and dairy cooperatives nationwide. We strive to continue partnering the Department of Veterinary Services Malaysia to grow local milk supply and purchase from our local dairy farmers.
18.	2022 saw the introduction of Cukai Makmur - but yet the amount of tax payables reduced significantly. What was the reason for this?	DLMI did not meet the threshold to be charged for Cukai Makmur.
19.	What is the significant impact to DLIM due to the impact of Russia-Ukraine war?	The conflict had strong effect on global inflationary pressures and affected costs of, amongst others, raw materials, and energy.
20.	Since the production capacity will be increased 3 times for new plant, mind to share what kind of plans to occupy the new production capacity? Such as new market, new products, new brands etc.	Bandar Enstek is of a suitable size and in a strategic location within an Industrial Park with Halal status, all of which are suitable and advantageous for DLMI's future manufacturing activities and can enhance the prospects and earnings of DLMI in the future. With the changing consumer trends DLMI has been leveraging the global dairy expertise within the FrieslandCampina group to bring innovations that provide nutritious solutions for different occasions. We will continue to do so.
21.	Our company is more susceptible to international dairy price and forex fluctuation is due to our overly relying on imports from parent group. Should the board and management consider to source more from locally produce, or produce locally? This is what other peers doing; therefore, their margin is much less impacted.	We are one of the largest purchasers of raw milk from the farmers through the DVS connections that we have, and it is part of our portfolio. 4.35 million litres of milk was sourced from local farms in 2022. Over the long term, the outlook for DLMI remains positive due to the strength of our brands, and the increasing need and recognition of the goodness and nutritional value of milk amongst Malaysians. The Company will continue to support the local dairy farmers and increase the quantity and quality of local fresh milk.

**Dutch Lady Milk Industries Berhad**

Level 5, Quill 9  
112 Jalan Prof. Khoo Kay Kim  
46300 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

[www.frieslandcampina.com](http://www.frieslandcampina.com)  
[www.dutchlady.com.my](http://www.dutchlady.com.my)

22.	What is your ratio of standard entry-level wage by gender, compared to the local minimum wage?	As an equal opportunity employer, we ensure equal pay irrespective of the gender based on skills and competencies, industry benchmark and local regulations
23.	What is the agreed key-condition(s) for the professional fees (2022: ~RM90m) to FrieslandCampina?	Only RM146k was paid in management fees by DLMI to FrieslandCampina (FC). There was no payment of 90 million in management fees. This payment is for management fees paid in lieu of Directors' remuneration for FC's nominee directors on the Board of DLMI, Mr. Bernardus Hermannus Maria Kodden and Mr. Jean Serge Krol. These 2 nominee directors were not paid any remuneration by DLMI.
24.	DL's dominant market share is encouraging based on info provided in the co.'s annual report. However, there's another local dairy producer who claims to be a clear market leader of the local dairy market with 54% market share. Why the confusion, and which statistics should I/we trust?	DLMI remains the market leader in Malaysia based on the dairy segments we are present in. Our market share data is from Nielsen Retail Audit.