

**MINUTES OF THE SIXTY-FIRST (“61<sup>ST</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 TUESDAY, 28 MAY 2024 AT 10.00 A.M.**

---

**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. Jean Serge Krol

Mr. Darren Kong Kam Seong

Broadcast from overseas

Ms. Corine Danielle Tap

**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. Ang Guat Im, Auditor

Ms. Tracy Yoon, 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 payment of Directors' fees of up to RM500,000 for the financial year ending 31 December 2024, 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 2024.

**RESOLUTION 3 : Re-election of the Director, Datin Seri Sunita Mei-Lin Rajakumar who retires by rotation pursuant to Rule 105 of the Company's Constitution**

Ms. Ramjeet Kaur Virik ("Ms. Ramjeet") took over the chairmanship of the meeting at this juncture and informed the shareholders that Ordinary Resolution 3 was on the re-election of the Director, Datin Seri Sunita Mei-Lin Rajakumar, who would be retiring by rotation pursuant to Rule 105 of the Company's Constitution and being eligible, had offered herself for re-election to the Board.

**RESOLUTIONS 4 and 5 : Re-election of Tengku Nurul Azian binti Tengku Shahrman and Mr. Darren Kong Kam Seong, the Directors who retire by rotation pursuant to Rule 105 of the Company's Constitution**

Datin Seri Chairperson then took back the chairmanship of the meeting and informed the shareholders that Ordinary Resolutions 4 and 5 were on the re-election of the Directors, Tengku Nurul Azian binti Tengku Shahrman and Mr. Darren Kong Kam Seong, 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 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 2024. 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 New and 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 New and Renewal of 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 2024 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 Resolution 7.

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

Next, Datin Seri Chairperson invited Ms. Ramjeet Kaur to provide an overview of the Company's performance for the financial year ended 31 December 2023.

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 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 61<sup>st</sup> AGM dated 25 April 2024 as follows:

#### **ORDINARY RESOLUTION 1**

- **PROPOSED PAYMENT OF DIRECTORS' FEES OF UP TO RM500,000 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024**

|                | <b>Number of shares held</b> | <b>%</b> |
|----------------|------------------------------|----------|
| <b>FOR</b>     | 43,579,427                   | 99.95    |
| <b>AGAINST</b> | 20,079                       | 0.05     |
| <b>TOTAL</b>   | 43,599,506                   | 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 payment of Director's fees of up to RM500,000 for the financial year ending 31 December 2024, 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 2024**



|                | <b>Number of shares held</b> | <b>%</b> |
|----------------|------------------------------|----------|
| <b>FOR</b>     | 43,576,926                   | 99.95    |
| <b>AGAINST</b> | 22,180                       | 0.05     |
| <b>TOTAL</b>   | 43,599,106                   | 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 2024, be hereby approved for payment to the Non-Executive Directors of the Company.

### **ORDINARY RESOLUTION 3**

- RE-ELECTION OF DATIN SERI SUNITA MEI-LIN RAJAKUMAR**

|                | <b>Number of shares held</b> | <b>%</b> |
|----------------|------------------------------|----------|
| <b>FOR</b>     | 43,582,087                   | 99.96    |
| <b>AGAINST</b> | 16,519                       | 0.04     |
| <b>TOTAL</b>   | 43,598,606                   | 100.0    |

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

**THAT** Datin Seri Sunita Mei-Lin Rajakumar, 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 TENGKU NURUL AZIAN BINTI TENGKU SHAHRIMAN**



**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  
www.dutchlady.com.my

|                | <b>Number of shares held</b> | <b>%</b> |
|----------------|------------------------------|----------|
| <b>FOR</b>     | 43,588,347                   | 99.97    |
| <b>AGAINST</b> | 11,859                       | 0.03     |
| <b>TOTAL</b>   | 43,600,206                   | 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** Tengku Nurul Azian binti Tengku Shahrman, 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-ELECTION OF MR. DARREN KONG KAM SEONG**

|                | <b>Number of shares held</b> | <b>%</b> |
|----------------|------------------------------|----------|
| <b>FOR</b>     | 43,589,675                   | 99.98    |
| <b>AGAINST</b> | 10,531                       | 0.02     |
| <b>TOTAL</b>   | 43,600,206                   | 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** Mr. Darren Kong Kam Seong, 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 6**

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



|                | <b>Number of shares held</b> | <b>%</b> |
|----------------|------------------------------|----------|
| <b>FOR</b>     | 43,561,037                   | 99.91    |
| <b>AGAINST</b> | 39,269                       | 0.09     |
| <b>TOTAL</b>   | 43,600,306                   | 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 NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

|                | <b>Number of shares held</b> | <b>%</b> |
|----------------|------------------------------|----------|
| <b>FOR</b>     | 10,973,825                   | 99.89    |
| <b>AGAINST</b> | 12,181                       | 0.11     |
| <b>TOTAL</b>   | 10,986,006                   | 100.0    |

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 as stated in Section 2.4 with the specified classes of Related Parties as stated in Section 2.3 of the Circular to Shareholders dated 25 April 2024 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





**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)

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 authorised 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.

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





**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)

**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 SIXTY-FIRST ("61<sup>ST</sup>") 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 TUESDAY, 28 MAY 2024 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  | <p><i>"The consumer engagement platform includes Annual Focus Groups, Surveys, as well as customer service desks (Careline and social media)". (Page 9 of Integrated Annual Report 2023 "IAR2023").</i></p> <p>In the era of data-driven marketing, how does the Group utilise data analytics to enhance customer engagement and foster loyalty?</p> | <p>Data analytics are used continuously throughout the year across our platforms in media, socials and e-Commerce. With CRM tools and our journey in building awareness, we engage with our consumers through their own consumer journey and path to purchase.</p> |
| 2(a)                                       | <p><i>"65% of our eligible products have received the Healthy Choice Logo (HCL logo), indicating that they are healthier choices that support a well-balanced diet." (Page 9 of IAR2023).</i></p> <p>What percentage of the Group's revenue in FY 2023 was contributed by the 65% of the Group's eligible products with HCL logo?</p>                | <p>The HCL products cover &gt;85% of Revenue in the HCL relevant segment (liquid milk and family milk powder) products sold in retail. We also wish to highlight that the HCL logo cannot be applied in IFT related products.</p>                                  |

|                               |  |  |
|-------------------------------|--|--|
| (b)                           | How has the inclusion of the HCL logo impacted sales of the Group's products?  | Having our products with the HCL logo is an integral part of our purpose to ensure healthy and nutritional products are made accessible to Malaysians.   |
| 3                             | <p><i>"Drinking liquid milk (including plant based) continues to have the largest growth potential, whilst consumers continue to seek healthier and sustainable options. DLMI will continue to explore opportunities within growing dairy segments, aligning its product offerings with the growing consumer demand for healthier and environmentally conscious choices."</i> (Page 48 of IAR2023).</p> <p>In view of consumer preferences for healthier and more sustainable options, what is the Company's strategy to tap into the plant-based alternatives lactose-free markets?</p> | <p>At this point in time, the Company does not have concrete plans to access the plant-based alternatives markets. DLMI, in line with its majority shareholder FrieslandCampina, aims to be a top performer focused on Dairy. DLMI believes Dairy has the right nutritional profile to fulfil our purpose of nourishing our people and planet in every stage of life. At the same time, if we see opportunities in plant-based alternatives that would fit our purpose, we will assess if they will fit our portfolio of product offerings.</p>  |
| 4                             | <p><i>"As a prominent player in the Malaysian dairy industry, we closely monitor and adapt to the evolving regulatory landscape, aligning our operations with the updated standards and requirements. This may involve implementing new quality control measures, enhancing traceability in the supply chain and ensuring compliance with the latest safety protocols."</i> (Page 47 of IAR2023).</p> <p>What investments are being made in technology to improve product traceability?</p>  | <p>In the new facility in Bandar Enstek, we invest in IR4.0 technology. This technology will help us to have even better control over our production processes and more data on our processing variables. This in turn will enable us to further streamline production to gain efficiency, produce more sustainably and control quality and safety. On our Friso range, which is imported from the Netherlands, we offer consumers the possibility to scan a QR code on the back of the tins and track back the source of the product to the dairy farm from which the milk was sourced.</p> |
| <b>Sustainability Matters</b> |  |  |
| 1(a)                          | The Sustainability 2030 Roadmap outlines ambitious targets, such as a 30% reduction in carbon intensity and water intensity by 2030 against 2022 baseline, with the Group's  | A reduction of 30% in our energy and water intensity is not achieved by only implementing one technique. Behind this reduction there are many initiatives, for example solar, rainwater collection to re-use   |

|      |   |  |
|------|---|--|
|      | <p>transition to its new manufacturing facility DLMI@Enstek in 2023.</p> <p>What specific technology adoption at the new manufacturing facility in Enstek is expected to contribute to DLMI's sustainability goals?</p>                                       | <p>water and especially the focus on reduction of our losses in efficiency and product.</p>  |
| 1(b) | <p>Please provide an overview of the Group's current energy portfolio, specifying the proportion of renewable energy sources compared to grid electricity? Has the Group established any specific targets and timelines for future energy mix objectives?</p> | <p>Currently we are buying green energy from TNB but this is a relatively small portion of our energy consumption. In 2025, we will open our new Distribution Center and we are working on a solar roof. Calculations are currently being made on how many panels we can place. On top of this, we are exploring several additional options to maximize the use of renewable energy in coming years.</p> |
| 2    | <p>"The Group sourced 42.3 million litres of milk from local farm." (Page 24 of IAR2023).</p> <p>What percentage of the Group's annual milk input does the 42.3 million litres of milk sourced from local farms represent?</p>                                | <p>Out of the total volume of Dutch Lady Fresh Milk sold in the market, 55% is made from locally sourced Fresh Milk. DLMI aims to source 100% of the volume for Fresh Milk finished goods locally by the year 2030.</p>  |

**QUESTIONS FROM SHAREHOLDERS AND PROXIES**

| No.  | Key Matters raised by the shareholders  | Responses from the Board of Directors and Management Team  |
|------|---|--|
| 1(a) | Can you provide insights into Dutch Lady's revenue growth, net profit, and market share for the past year? How has consumer behaviour influenced these metrics? | <ul style="list-style-type: none"> <li>• Revenues in 2023 soared to over RM1.4 billion, showcasing an increase of 7.7% compared to the previous year. Volume grew by 3% as a result of sustained strong demand for our brands, coupled with market share gains across our diverse market segments. This growth serves as a testament to the robust brand equity of both Dutch Lady and Friso brands among Malaysian households, reflecting the enduring impact of our 60-year heritage in Malaysia.</li> <li>• The volume growth extended across DLMI's Dutch Lady portfolio, encompassing liquid milk and Formula &amp; Toddler Nutrition, and across both the retail and professional channels. Additionally, growth was observed in the distributed Friso and Debic ranges, with positive impact.</li> <li>• Gross Profit Margins exhibited a positive trajectory, climbing from 26.5% in 2022 to 29.7% in 2023. The Gross Profit reached RM428.4 million, reflecting a substantial 20.5% increase from RM355.5 million in 2022. The dairy raw material market experienced a softening trend in the course of 2023, a welcome deviation from the record-high prices witnessed in 2022.</li> <li>• Despite the favourable trend in raw material prices, the weakening Malaysian Ringgit (MYR) against the US Dollar (USD) partially dampened the positive impact. Furthermore, other input costs contributed to the overall cost dynamics. Energy costs</li> </ul> |

**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)

|             |  |  |
|-------------|--|--|
|             |  | <p>increased as Malaysia reduced subsidies on energy, reflecting a broader trend of rising energy expenses. Concurrently, labour costs experienced an upward trajectory in 2023, impacting other production costs and general administrative expenses.</p> <ul style="list-style-type: none"> <li>• To optimise costs and improve operational efficiencies, we implemented some strategic initiatives in 2023. One key focus area was achieving a balanced investment in advertising and promotion expenditures, ensuring that resources were allocated carefully to maximise their impact on brand equity and market presence.</li> <li>• In tandem with the positive trajectory of gross margins and operating margins, net profit increased by 56.5% from RM46.3 million in 2022 to RM72.4 million, with net profit margins rising from 3.5% to 5%.</li> </ul>                |
| <p>1(b)</p> | <p>Will the Company see an improvement in margins in 2024? Are input costs expected to moderate in the next 12 months?</p> | <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, our most important assets. These assets will drive long term engagement with DLMI as an employer of choice and continue to increase penetration of milk in Malaysia.</li> <li>• For 2024, the market is expected to remain volatile and is subject to various domestic and global uncertainties and challenges, foreign exchange rate fluctuations, and regulatory changes impacting the cost of doing business in Malaysia.</li> <li>• Although global dairy prices have shown a decline in 2023, they remain at high levels and are expected to trend up in the remainder of 2024.</li> </ul> |



|      |  |   |
|------|--|---|
|      |  | <p>We also expect increase in other input costs for example rising costs of energy and the implementation of higher SST tariffs, whilst inflation is expected to remain a significant factor in the costs of doing business in 2024.</p> <ul style="list-style-type: none"> <li>• We also need to acknowledge that DLMI is in transition from its current manufacturing plant DLMI@PJ to its new IR4.0 state-of-the-art development DLMI@Enstek. The realization of this transition is an important pillar under the future growth strategy of DLMI. 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) | How much of the new plant is completed as at 31 December 2023? | Inauguration of the new factory will take place at the end of May 2024. The new factory DLMI@Enstek is expected to be fully operational in the course of 2024.  |
| 2(b) | When does development for the second phase start?              | The second phase development for DLMI@Enstek will be the construction of a dedicated Distribution Center. First ground works have started and it is expected to be finished by H1 2025.   |
| 2(c) | How much is the budgeted CAPEX? Is it still in place?          | As at end 2023, investment in Capital work in progress is RM425.5m (PPE and Intangible Assets). The CAPEX budget for the original scope of DLMI@Enstek project of RM540m and it is still in place.  |



|      |  |   |
|------|--|---|
| 2(d) | What is the status of migration from PJ to Enstek?   | Manufacturing operations in PJ will cease within Q3 2024, and we will complete the decommissioning within 2024.   |
| 3    | How long will it take to fill up the capacity at the new plant?<br>What is the management's plan on the extra production capacity? | <ul style="list-style-type: none"> <li>• The factory is built to serve Malaysians with good nutrition now and for generations to come. The capacity of the factory depends on several factors including shifts, operational efficiency optimization and differs per line. Ramp up in production is expected with growing demand in the coming years, capacity can be further expanded in the future.</li> <li>• Filling our capacity will continue in coming years and will be depending on our growth and on our new innovations.</li> </ul> |
| 4(a) | What is the focus of the research center in the new factory?   | <ul style="list-style-type: none"> <li>• Our new R&amp;D lab and office enables us to work closer on our new innovations that help in our mission to nourish people in every stage of life.</li> <li>• DLMI will remain focused on sales of its core portfolio of Liquid Milk and IFT products under the Dutch Lady Brand, as well as IFT products under the Friso Brand and a range of professional products under Dutch Lady and Debic brands.</li> </ul>   |
| 4(b) | Will the Company venture into new food segments?   | The Company assesses on a regular basis opportunities in adjacent segments. The Company has no plans at this point in time to enter frozen products or farming. Yet, supply from the local market is an important cornerstone in DLMI's sourcing strategy, and we remain the largest purchaser of local fresh milk. The Company will continue to support, cooperate and partner with the local dairy farmers and increase the quantity and quality of local fresh milk.   |

|      |   |   |
|------|---|---|
| 5    | <p>On page 41 para 6, DLMI mentioned that no long-term debt is taken to manage its cashflows. Any reason why the Board decided to undertake the investment in Enstek via internal funds and not via a long-term debt. This deprived shareholders of higher dividends for the last 4 Financial Years. A better approach would have been to take a long-term loan and smoothen the dividend fluctuation for DL shareholders. If our major shareholder ie. FC has a policy or directive (policy decision) not to take up long-term debt, we would not need to discuss this, but would appreciate that DLMI puts this on record at the AGM.</p> <p>Once the new factory utilizes and investment to the factory gradually reduces, will Management consider to increase the dividend payout ratio?</p> | <ul style="list-style-type: none"> <li>DLMI has a history of stable dividend payout and special payout (from 2010 to 2018). When deciding on the payment of dividend, the Board carefully looks at the Company's business requirements.</li> <li>For FY2023, the Company paid to its shareholders a total of RM32 million in standard interim dividends comprising two standard dividends of RM0.25 each. For FY2024, the Company announced payment of an interim single-tier dividends of RM0.25 per share payable on 20 June 2024.</li> <li>During the construction of the new manufacturing facilities, we strive to balance the internal cash, financing costs and to maintain a stable dividend versus 2023. As a result, 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, limit costs and future loan repayments. The investment in the new manufacturing facilities is anticipated to enhance DLMI's prospects and earnings in the future.</li> <li>There is no specific policy in place for the majority shareholder to not take up any long-term debt.</li> </ul> |
| 6(a) | <p>In relation to powder milk, we know DLMI has stopped production and is currently importing it from FC's Indonesian Plant since April 2023. What was the average profit margin before (annually for each of the 5 years) and after (9 months average) on the Powder Milk segment?</p>   | <p>DLMI does not disclose historical or forward-looking financial details beyond those provided in the quarterly Bursa Announcements and Annual Reports. However, there has been no material profit margin shift caused by the move of production to the factory in Indonesia. Over a five year cycle margins shift depend on many factors such as raw material, commodity prices and selling price.</p>  |

|      |   |   |
|------|---|---|
| 6(b) | Which business is the Company's core business in the Malaysian market?  | DLMI will remain focused on sales of its core portfolio of Liquid Milk and IFT products under the Dutch Lady Brand, as well as IFT products under the Friso Brand and a range of professional products under Dutch Lady and Debic brands.   |
| 7    | <p>How many litres of milk was sourced from local Malaysian farms in 2023?</p> <p>How has Dutch Lady contributed to local communities and sustainable farming practices? For example, what impact has the Farmer2Farmer program had on advancing sustainable farming?</p> | <ul style="list-style-type: none"> <li>• We are proud to be the largest purchaser of local fresh milk in Malaysia. We have purchased more than 48 million litres of local fresh milk produced from 2011-2023, via our Dairy Development Program working in collaboration with the Department of Veterinary Services (DVS). This includes the established of the Farmer2Farmer Programme (F2F) to help local farmers to improve the sustainability of milk supply by learning from Dutch dairy farmers. Since 2013, 653 farmers benefitted from Farmer2Farmer programme to advance sustainable farming practices.</li> <li>• DLMI also has a Memorandum of Collaboration (MOC) with the Department of Veterinary Services where we address and advocate for sectoral issues while fostering the growth of farms, farmers, and other ecosystem stakeholders. The scope of MOC includes:             <ul style="list-style-type: none"> <li>a) the exchanging and sharing of resources, facilities, data, knowledge, skills to further mutual interest and agenda; and</li> <li>b) increasing knowledge and skills of local dairy farmers through the flagship programme.</li> </ul> </li> </ul> |
| 8    | As competitors are expanding into UHT Segment, how do you fend off the competition?   | <ul style="list-style-type: none"> <li>• As the largest producer of local dairy products in Malaysia, we are committed to continue our core purpose of nourishing our nation. With the alarming nutritional status of Malaysian children, as part of the</li> </ul>   |

|    |  |   |
|----|--|---|
|    |  | <p>industry, we have our role to play to reverse this situation for the sake of the nation.</p> <ul style="list-style-type: none"> <li>• With this, we at DLMI focus on Penetration, ie how many Malaysian households are consuming milk. While more than 60% of Malaysians consume Dutch Lady products at least once a year, we still have 40% of Malaysians who don't. Our core purpose is to continue to drive the Penetration of this wonderful product to the Rakyat of Malaysia. We do not see competition as a threat but instead to help grow the category.</li> <li>• What is interesting, is who does this better. Here at DLMI, we find ways to energize, educate &amp; excite consumers through driving usage of milk in multiple occasions, mainly in the Morning and Ramadan occasions. We also focus on innovations, like new flavours and formats, in order to cater to the many consumer segments in Malaysia</li> </ul> |
| 9  | <p>What made up the "Other Income" amounting to RM18.62 million in FY2023 (refer to page 165 of IAR2023).</p>  | <p>Other income in Q4 2023 is largely related to results on forward hedge of the MYR against foreign currency, which offset part of the operational impact of the weakening MYR.</p>  |
| 10 | <p>2022 Annual Report mentions there are &gt;700 local suppliers (page 18).</p> <p>2023 Annual Report mentions there are &gt;500 local suppliers (page 20).</p> <p>Was there a supplier rationalisation exercise?</p> <p>What was the outcome?</p> | <p>Supplier base fluctuates year on year, there has not been a specific supplier rationalization program in place.</p>  |
| 11 | <p>When you resume physical AGM, please continue to offer the choice of remote participation.</p>  | <p>Even if physical AGMs are held in the future, we aim to continue to provide the option of remote participation.</p>  |

|    |  |   |
|----|--|---|
| 12 | Any plan for product price increases this year?  | Each player in the industry is feeling the increased costs of doing business. DLMI faces inflationary impact on amongst others Energy and Labour costs as well as Indirect Taxes. Although higher dairy raw material (DRM) costs came down in 2023, they are expected to trend up again in 2024. Our core purpose is to nourish the nation and maintain affordability whilst also delivering profitability to our Shareholders. It is about finding the right balance, which is a topic of prime importance at the Management and Board level. Therefore, selective price increases have been implemented whereas a strong focus on costs remain on top of the agenda of the Company.                         |
| 13 | Why did distribution expenses surge from 33,611,000 (Y23Q4) to 50,964,000 (Y24Q1)?   | This increase is due to seasonal advertising and promotional activities.  |
| 14 | Is there any door gift for today's AGM?  | Those who have registered for and attended this meeting will receive an e-voucher via email in due course.  |
| 15 | The gross margin improved from 26.5% to 29.7%, is it sustainable?<br><br>What is the latest trend of dairy raw material price?<br><br>How many percent of the material cost for this year is hedged? | Gross Profit Margins exhibited a positive trajectory, climbing from 26.5% in 2022 to 29.7% in 2023. The dairy raw material market experienced a softening trend in the course of 2023, a welcome deviation from the record-high prices witnessed in 2022.<br><br>Despite the favourable trend in raw material prices, the weakening Malaysian Ringgit (MYR) against the US Dollar (USD) partially dampened the positive impact. Furthermore, other input costs contributed to the overall cost dynamics. Energy costs increased as Malaysia reduced subsidies on energy, reflecting a broader trend of rising energy expenses. Concurrently, labour costs experienced an upward trajectory in 2023, impacting |

**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)

|  |  |   |
|--|--|---|
|  |  | <p>other production costs and general administrative expenses.</p> <p>To optimise costs and improve operational efficiencies, we implemented some strategic initiatives in 2023. One key focus area was achieving a balanced investment in advertising and promotion expenditures, ensuring that resources were allocated carefully to maximise their impact on brand equity and market presence.</p> <p>Global Dairy raw material prices have escalated in the past 2021 and 2022, yet softened in 2023. For 2024 dairy raw materials are expected by industry experts to pick-up slowly but steadily. Some major developments:</p> <ul style="list-style-type: none"> <li>- Continued strong demand for milk as an essential good.</li> </ul> <p>There is evidence that global dairy demand is on the upswing, in the meantime milk production globally is slightly lower.</p> <ul style="list-style-type: none"> <li>- Higher dairy commodity prices are on the horizon in most regions throughout 2024, as most products recover from the lows noted end 2023. Skim milk powder prices in EU, US and Oceania are expected to see a slow but steady recovery, with subtle demand improvements and reduction in supply in some regions. Higher Dairy commodity prices will translate into higher farmgate milk prices.</li> <li>- Although Dairy prices have softened in 2023 the market remains volatile and uncertain as Geopolitical tensions in Ukraine and the Middle-East continue and global macro-economic uncertainties remain.</li> <li>- Shipping lanes internationally remain under pressure, especially key points of transit through the Red Sea and the Strait of Hormuz.</li> </ul> |
|--|--|---|



|    |  |   |
|----|--|---|
|    |  | Global DRM prices can also be heavily affected by movements in foreign exchange rates (MYR/USD). To manage this in the short term, DLMI has hedging policies in place.  |
| 16 | Understand that most dairy players are venturing upstream to dairy farming, in order to secure more reliable and more cost efficient feedstock? What are the reasons for DLMI deciding not to venture upstream?  | We do have fresh milk in the market, in both the pasteurized & UHT forms. We are one of the largest purchasers of fresh milk in Malaysia. FrieslandCampina belongs to farmers. In Malaysia, the model is to work with our local dairy farmers. We work with Department of Veterinary Services (DVS – under the Ministry of Agriculture and Food Industries "MAFI") to help develop the local farming context and it is the model we adopt as well in different markets. We want to focus on making and selling nutritious milk products. At our future DLMI@Enstek manufacturing hub, we plan to develop a dairy visitor center and dairy learning facility to elevate the farming expertise for the farmers. We will continue to innovate our products offering to cater to growing demand of our Malaysian consumers, aligned to our purpose of Nourishing Our Nation, from grass to glass. |
| 17 | <i>"Aligning the company's business operations with its parent company in the Netherlands. This restructuring also reduces the company's cost base in the long term, for which a restructuring provision was taken in December 2023."</i> (page 40).<br>Please explain what this means?<br>Does this suggest some of the operations are outsourced abroad to the parent group?<br>How much cost is expected to be saved in the long-run, | In 2023, all operating companies within the Group undertook a globally led strategic restructuring program to establish a fit-for-purpose commercial and administrative organization. To mitigate cost increases in the long run, several key initiatives are being implemented:-<br><br>Selective price increases: Balancing affordability and accessibility with profitability.<br><br>Operational Efficiency Program: A globally led initiative to optimize people, processes, and systems in the factory.   |

|    |  |  |
|----|--|--|
|    | considering that MYR is weakening?   | <p>Forex Hedging: Hedging forex exposure related to dairy raw materials purchased in USD.</p> <p>Value Engineering Initiatives: Optimizing recipes and packaging materials to enhance value and reduce costs.</p> <p>Commercial and Overhead Spend Optimisation Program: Streamline spending to improve overall efficiency.</p>  |
| 18 | When will the Company hold physical AGM or hybrid AGM?   | <p>As our company moves towards sustainable business practices, we believe small steps in the form of intent can contribute to big impact. We would like to increasingly promote actions and behaviour that not only reduces our negative impact but proactively creates positive impact. A physical AGM requires use of more energy and resources, also contributing to more emissions and waste compared to a virtual meeting. As such we are using a small meeting venue in the offices of our poll administrator as a broadcast venue, minimising the need for travel to the meeting venue, and significantly cut-down the amount of physical materials to be generated for the meeting.</p> |
| 19 | There was a 3-for-1 bonus issue of Dutch Lady shares back in 2002. The business of Dutch Lady has grown by leaps and bounds since then. Would the Board consider a bonus issue to reflect the scale of its business, improve the share trading liquidity and to make it more affordable for loyal customers to own the shares. | <p>We do not have any plans now. The Board will deliberate on such matters when appropriate.</p>   |
| 20 | Can I have a copy of today's annual report?  | <p>Members may request a printed version of the Annual Report by submitting the Request Form attached to the Notice of this meeting to the Share Registrars. Members are encouraged to download a digital copy of the Annual Report from the</p>   |



|    |  |   |
|----|--|---|
|    |  | Company's website in the interest of preserving the environment.  |
| 21 | As shareholders, can we have a tour of the new plant at Enstek?  | Our Visitor Center DLEx is being set up. There is intention to open up for visitors in the near future.   |
| 22 | What is the Management's read on US' Avian flu in milk? How are we able to take advantage of the situation?  | Management is actively monitoring the current situation. In collaboration with our global dairy experts, we have contingency plans to address any potential challenges that may arise.  |
| 23 | When DLMI runs both plants in Enstek and PJ concurrently prior to shut-down of PJ plant, does it mean OPEX will run high eating into our margins? How much would these incremental OPEX amount to? | OPEX expenses related to the construction, transfer and transition to the new manufacturing facility in DLMI@Enstek will remain in 2024 as the start-up and commissioning of the new factory, and transition from DLMI@PJ facility is commencing and are expected to be around the same level as in 2023. Some OPEX related spend is expected in 2025 related to the construction of the Distribution Center, albeit at a significantly lower level.  |
| 24 | Is providing school milk consistent with DLMI's long term value, nourishing the world? How long will the school milk program last?   | <p>As the largest producer of local dairy products in Malaysia, we are committed to continue our core purpose of nourish our nation.</p> <p>In 2023, DLMI was re-appointed as a supplier under the School Milk Programme for the second year consecutively. DLMI was awarded the contract to supply our UHT full cream 200ml milk and UHT chocolate 200ml milk. In 2023's School Milk Programme, we were appointed to supply our milk to over 85,0000 students in the state of Selangor, Kuala Lumpur, Putrajaya.</p> <p>With the alarming nutritional status of Malaysian children, as part of the industry, we have our role to play to</p> |

**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)

|    |  |   |
|----|--|---|
|    |  | reverse this situation for the sake of the nation.  |
| 25 | What is the remaining accelerated depreciation amount and one-off dismantle and one-off moving to new plants expenses in FY2024? | Inauguration of the DLMI@Enstek will take place at the end of May 2024. The new factory is expected to be fully operational in the course of 2024. We will follow accounting standards with regards to asset capitalization and depreciation. DLMI does not disclose historical or forward-looking financial details beyond those provided in the quarterly Bursa Announcements and Annual Reports. |

