

**MINUTES OF THE SIXTY-THIRD (“63<sup>RD</sup>”) HYBRID ANNUAL GENERAL MEETING (“AGM”) OF DUTCH LADY MILK INDUSTRIES BERHAD (“THE COMPANY”) HELD AT THE MAIN VENUE AT GRAND BALLROOM, KLGCC CONVENTION CENTRE, NO. 1A, JALAN BUKIT KIARA, BUKIT KIARA, 60000 KUALA LUMPUR, MALAYSIA ON WEDNESDAY, 20 MAY 2026 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. Veronika Winanti Wahyu Utami

Ms. Saw Chooi Lee

Ms. Corine Danielle Tap

Dato’ Dr. Rosini binti Alias

Tengku Nurul Azian binti Tengku Shahrman

Mr. Jean Serge Krol

Mr. Darren Kong Kam Seong

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

Mr. Kai de Klerk, Finance Director

Ms. Maria Umar Memon (Meeting Moderator)

Ms. Sandhya Menon (Meeting Moderator)

Mr. Adam Aiman Raflee (Meeting Moderator)

Ms. Lim Su Wen (Meeting Moderator)

Ms. Jamie Cheah (Meeting Moderator)

Ms. Tracy Yoon, Auditor PwC

Ms. Ang Guat Im, Auditor PwC

Ms. Adeline Chen, Auditor EY

Ms. Andrea Mah, Auditor EY

**CHAIRPERSON OF THE MEETING** : Datin Seri Sunita Mei-Lin Rajakumar (“Datin Seri Chairperson”), as Chairperson of the Company, welcomed everyone joining the

Hybrid 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 Hybrid 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.

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

Following the presentation by the Poll Administrator on electronic poll voting and remote poll voting system, Datin Seri Chairperson then invited Ms. Veronika Winanti Wahyu Utami ("Ms. Utami") to provide an overview of the Company's performance for the financial year ended 31 December 2025.

Shareholders were notified that Management has addressed questions submitted in advance by shareholders on the evening prior to the AGM. The questions and responses were simultaneously published on the Company's website.

Shareholders were then informed that questions which were submitted into the Q&A portal during the meeting have been answered by the moderator team via the portal.

Next, Datin Seri Chairperson opened the floor for questions from the shareholders/proxies who were present physically at the Main Venue.

The questions raised during the meeting as well as those raised in the Q&A portal, and the answers thereto 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 duplicated to avoid repetition.

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 RM600,000 for the financial year ending 31 December 2026, to be made payable quarterly.

**RESOLUTION 2** : **Directors' Benefits**

The third item on the agenda of the Meeting was to approve the payment of Directors' benefits up to RM120,000 to Non-Executive Directors for the financial year ending 31 December 2026.

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

The shareholders were informed that Ordinary Resolutions 3 and 4 were on the re-election of the Directors, Dato' Dr. Rosini binti Alias and Mr. Jean Serge Krol, 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 : Appointment of Auditors**

The shareholders were then informed that Ernst & Young PLT having consented to act, be and are hereby appointed Auditors of the Company for the financial year ending 31 December 2026 in place of retiring Auditors, PricewaterhouseCoopers PLT, and to hold office until the conclusion of the next Annual General Meeting of the Company and that the Directors be authorised to determine 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 6 : 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 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 21 April 2026 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 6.

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 were given a further 20 minutes 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 63<sup>rd</sup> AGM dated 21 April 2026 as follows:

**ORDINARY RESOLUTION 1**

- **PROPOSED PAYMENT OF DIRECTORS' FEES OF UP TO RM600,000 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2026**

	<b>Number of shares held</b>	<b>%</b>
<b>FOR</b>	44,206,396	99.86
<b>AGAINST</b>	61,768	0.14
<b>TOTAL</b>	44,268,164	100

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 RM600,000 for the financial year ending 31 December 2026, to be made payable quarterly, be hereby approved.

**ORDINARY RESOLUTION 2**

- **PROPOSED PAYMENT OF DIRECTORS' BENEFITS OF UP TO RM120,000 TO THE NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2026**

	<b>Number of shares held</b>	<b>%</b>
<b>FOR</b>	44,178,785	99.83
<b>AGAINST</b>	73,279	0.17
<b>TOTAL</b>	44,252,064	100

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 of up to RM120,000 for the financial year ending 31 December 2026, be hereby approved for payment to the Non-Executive Directors of the Company.

### **ORDINARY RESOLUTION 3**

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

	<b>Number of shares held</b>	<b>%</b>
<b>FOR</b>	43,965,417	99.33
<b>AGAINST</b>	294,357	0.67
<b>TOTAL</b>	44,259,774	100

Based on the results of the poll, it was therefore declared that the Ordinary Resolution 3 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 4**

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

	<b>Number of shares held</b>	<b>%</b>
<b>FOR</b>	43,966,411	99.34
<b>AGAINST</b>	291,763	0.66
<b>TOTAL</b>	44,258,174	100

Based on the results of the poll, Datin Seri Chairperson therefore declared that the Ordinary Resolution 4 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 5**

- APPOINTMENT OF ERNST & YOUNG PLT AS THE COMPANY'S AUDITORS**

	<b>Number of shares held</b>	<b>%</b>
<b>FOR</b>	44,234,055	99.95
<b>AGAINST</b>	23,820	0.05
<b>TOTAL</b>	44,257,875	100

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

**THAT** Ernst & Young PLT be and are hereby 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 6**

- TO APPROVE THE PROPOSED 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>	11,555,656	99.34
<b>AGAINST</b>	77,068	0.66
<b>TOTAL</b>	11,632,724	100

Based on the results of the poll, Datin Seri Chairperson declared that the Ordinary Resolution 6 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 21

April 2026 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 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.

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

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

**APPENDIX 1**

**SUMMARY OF KEY MATTERS DISCUSSED AT THE SIXTY-THIRD (“63<sup>RD</sup>”) HYBRID ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE MAIN VENUE AT THE GRAND BALLROOM, KLGCC CONVENTION CENTRE, NO. 1A, JALAN BUKIT KIARA, BUKIT KIARA, 60000 KUALA LUMPUR, MALAYSIA ON WEDNESDAY, 20 MAY 2026 AT 10.00 A.M.**

No.	Key Matters raised by the shareholders	Responses
1.	<p><b><u>Dividend</u></b> How does the Board plan to restore the Company’s pre-pandemic share price?</p>	<p>The lower dividend payout over the past few years was primarily linked to the Company’s major investment cycle relating to the development and transition to DLMI@Enstek, which represented one of the largest strategic investments undertaken by the Company. During this period, Management adopted a more balanced capital allocation approach to support the long-term transformation, operational resilience and future growth capacity of the business.</p> <p>With the successful completion of the Enstek transition, DLMI is now in a significantly stronger operational and cash generation position. This is reflected in the stronger operating cash flow performance of RM159.9 million in FY2025, reflecting the underlying strength of the business as well as the announcement of the FY2026 first interim dividend of RM0.30 per share, which is higher compared to previous years. This also reflects management and the Board’s confidence in the Company’s underlying operational and cash flow performance, while continuing to maintain a balanced and disciplined capital allocation approach.</p> <p>Going forward, the Board will continue reviewing dividend decisions based on profitability, cash flow generation, investment requirements, balance sheet considerations and long-term sustainability of returns to</p>

		<p>shareholders. Any changes will be communicated in accordance with applicable regulatory requirements. At this stage, the Company is not providing forward guidance on any specific dividend payout ratio.</p> <p>The Company also continues taking into account the intercompany loan arrangement as part of its broader capital allocation framework, in which management intends to settle at the end of the renewed term on 31 March 2027.</p>
2.	<p><b><u>CAPEX</u></b></p> <p>Will CAPEX be reduced in the coming years or will the 2025 CAPEX be normalised?</p>	<p>The transition to DLMI@Enstek has been completed and the Company does not expect material one-off transition costs going forward. We anticipate annual maintenance and operational capex to be in the range of RM15 million to RM30 million in a typical year. DLMI remains open to making further investments if required to drive efficiency (operational optimisation, productivity improvements and selective digitalisation initiatives) and/or support future expansions into new product lines.</p>

<p>3.</p>	<p><b><u>Middle East Crisis</u></b></p> <p>Does the Iran War affect supply chain?</p>	<p>DLMI continues closely monitoring geopolitical developments and put discipline in place to mitigate the potential implications on global energy markets, freight routes, packaging feedstocks and broader supply chain conditions.</p> <p>The current situation around the Strait of Hormuz remains an important area of focus as it is a key global shipping and energy corridor. Recent industry reports indicate increasing pressure on freight rates, petrochemical feedstocks and packaging-related inputs linked to the ongoing disruptions.</p> <p>At this stage, DLMI has not experienced any material disruption to production continuity or product availability. However, management expects gross cost inflation under the current environment to remain at around mid single-digit levels, with potential escalation towards high-single digit to approximately 10% if disruptions persist beyond Q2 2026, before considering mitigating factors such as operational savings initiatives and favourable foreign exchange movements.</p> <p>Packaging-related inputs remain one of the more closely monitored areas due to exposure to petrochemical feedstocks, resin pricing and freight costs. Certain categories such as plastics, shrink films and beverage carton related inputs continue experiencing elevated market volatility and logistics pressure.</p> <p>To manage these uncertainties, DLMI continues implementing a balanced 3-pronged strategy focused on:</p> <ol style="list-style-type: none"> <li>1. Secure Supply &amp; Continuity — Active procurement management, supplier coordination, inventory planning, selective safety stock build-up and leveraging FrieslandCampina’s global sourcing network to support supply resilience and continuity.</li> </ol>
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		<p>2. Protect Cost Base &amp; Maintain Discipline to Secure Profitability — Continued operational efficiency and productivity initiatives under the Performance+ programme across logistics, procurement, manufacturing and energy usage, alongside disciplined sourcing and foreign exchange hedging practices. Selective and smart pricing is also planned with both shareholders and consumers in mind.</p> <p>3. Protect Consumers — Sustain value and affordability for consumers from balanced smart pricing strategies, leverage on portfolio play, promotional discipline and continued focus on affordability and competitiveness while protecting long-term profitability and market relevance.</p> <p>Overall, management continues monitoring developments closely through ongoing business continuity and enterprise risk management processes, while proactively taking the needful action to respond to evolving market conditions.</p> <p>We expect the effect of increased costs to materialise towards the second half of the year, especially dairy raw materials, packaging, logistics and potentially fuel and energy costs.</p> <p>Under the current scenario where the conflict is expected to be settled within the second quarter of this year, the expected cost increase of raw materials is mid-single digit (5%); if the situation prolongs beyond Q2, we expect costs to increase by up to 10%.</p>
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4.	<p><b><u>Share Buyback</u></b></p> <p>What is the Company's view on share buyback?</p>	<p>At this stage, the Company has no intention of undertaking a share buyback. That will also require shareholders' approval.</p> <p>The Board will, however, continue evaluating various capital management options from time to time as part of its overall capital allocation framework, taking into account factors such as cash flow generation, liquidity position, investment requirements, balance sheet strength, market conditions and long-term shareholder value creation.</p> <p>Management remains focused on maintaining prudent financial discipline while balancing shareholders' returns, operational requirements and the intended settlement of the intercompany loan by March 2027.</p>
5.	<p><b><u>Price Increase</u></b></p> <p>At what point would the Company consider price increases?</p>	<p>DLMI is undertaking measures to offset cost increases with further focus on Performance+ savings, as well as Revenue Growth Management initiatives, while the strong Ringgit may have some offsetting effect on the costs. DLMI therefore continues balancing pricing competitiveness, consumer affordability and sustainable profitability, while maintaining flexibility to respond to evolving market conditions. Yet given the expected cost increases, a limited price increase of selective products is likely.</p>
6.	<p><b><u>Financing</u></b></p> <p>Referring to the supplier financing arrangement on page 221 of the Annual Report, the amount is classified under trade payables instead of borrowings. Does this result in longer duration pay compared to previous years?</p>	<p>The supplier financing arrangement is classified under trade payables because it is offered as an option to the Company's suppliers and the standard payment terms are between 25 days – 1 month.</p>

7.	<p><b><u>Sustainability</u></b></p> <p>We have not seen narratives on measurables to understand any financial implications. For example, future Extended Producer Responsibility (EPR) costs, CAPEX and potential carbon pricing. Does the Company have a timeline set, to evaluate such financial implications?</p>	<p>The current risk profile of the financial impacts is not substantially material. The risk of financial impact for both carbon and electricity is up to RM10 million which has already been absorbed in the Company's current P&amp;L against savings, pricing as well as mitigation against cost impact.</p> <p>The Company will continue to monitor regulations and technology that can further mitigate the impact or cost implications should there be increases in carbon and energy pricing.</p> <p>It is worth noting that despite the doubling of the Company's capacity, water, energy and emissions were all reduced significantly due to measures taken such as monitoring the use of energy and resources, deploying resource-efficient technologies and use of advanced manufacturing processes.</p>
8.	<p><b><u>Plans and Targets</u></b></p> <p>The MY Value Up Programme is an initiative by the Securities Commission (SC) which encourages companies to disclose their 5 year plans and targets, to achieve better returns for shareholders. This seems to be absent in the Annual Report. Is the Board thinking of developing this programme?</p>	<p>The Company has long-term plans in place and volume growth is critical in driving further enhancement to the Enstek factory. Profit performance and working capital performance will enable the Company to generate enough profit and cash to return to the shareholders in the long term.</p>

9.	<p><b><u>Cash flow</u></b></p> <p>It was disclosed in the Annual Report that earnings improved in the absence of transition-related costs, accelerated depreciation, and working capital particularly after the Enstek project. As further reflected in the Annual Report, the Company's inventory and receivables also declined. Thus, it seems that the operating cashflow improvement does not purely reflect profitability.</p> <p>To what extent does the Board believe that this financial year represents sustainable earnings and how much of the operating cash flow is attributable to recurring cash flows versus one-off normalization following the completion of the Enstek project?</p>	<p>Operating cash flow increased 88% to RM159.9 million in FY2025, reflecting the underlying strength of our business and the improved working capital position following the completion of the Enstek transition. The Company has also announced a higher first interim dividend of 30 sen per ordinary share for FY2026, compared to 25 sen previously. This reflects management and the Board's confidence in the Company's underlying operational and cash flow performance, while continuing to maintain a balanced and disciplined capital allocation approach.</p>
10.	<p><b><u>Performance of Exports</u></b></p> <p>How does the Dutch Lady brand perform in other countries?</p>	<p>The Company exports to Brunei and Singapore. Singapore particularly poses a viable opportunity for growth in both B2B and B2C portfolios with importance on nutrition credentials and innovation such as superior benefits.</p>
11.	<p><b><u>Milk Supply Strategy</u></b></p> <p>Which strategy is better? Bringing cows over to Malaysia and breeding or importing the raw material for reformulation?</p>	<p>The local fresh milk available in Malaysia is not sufficient to serve the domestic requirements of all Malaysian consumers therefore the best strategic approach is to leverage off fresh milk by continuing to work with the Company's partners by expanding volume of fresh milk in Malaysia and continue current practice of importing raw material while maintaining quality of nutrition in our products.</p>
12.	<p><b><u>Reformulation</u></b></p> <p>How much nutrition is lost in reformulation?</p>	<p>No nutrition is lost. Reformulation allows the opportunity to enhance or fortify the nutrition profile in adherence to what is needed for Malaysian consumers. Thus, hand in hand, continued quality of good nutrition is</p>

		maintained in both our fresh and UHT portfolios.
13.	<p><b><u>Sales Performance</u></b></p> <p>Which categories show strongest and weakest sales?</p>	<p>Across RTD Liquid, the momentum of growth continues to be very strong although the growth varies from segment to segment. Individual pack sizes sales are even stronger and it shows consumers prefer agile solutions for dairy consumption while 1L are shared across families and still remain strong.</p> <p>The market is also growing significantly for our professional business by expanding customer acquisitions, working together with the expertise in FrieslandCampina APAC which also is the key driver in locking new customers, being a more strategic business plan in the long run.</p> <p>Softening demand is the infant formula market, which declines year on year leading to a shrinking market size. Our strategy is to deliver competitive performance to ensure that we appeal more than our competitors. These plans are already in the pipeline thus, it can soon be observed that we are working on our infant formula in adherence with the regulations in Malaysia.</p>
14.	<p><b><u>Utilisation of Factory</u></b></p> <p>What is the utilisation rate of the Bandar Enstek plant? What is the optimum rate to achieve target ROI?</p>	<p>FY2025 marked the first full year of operations at DLMI@Enstek following the successful transition from the legacy Petaling Jaya facility.</p> <p>As with most large-scale manufacturing transitions, the facility continues progressing through its operational ramp-up and optimisation phase.</p> <p>Operational efficiency is managed through an end-to-end optimisation approach across manufacturing, warehousing and supply chain operations.</p> <p>One of the key operational levers monitored is Overall Equipment Efficiency (OEE). Management is</p>

		<p>pleased that factory OEE improved significantly during 2025 — from approximately 54% earlier in the transition phase to above 70% by year-end — and the Company continues targeting further improvements moving forward.</p> <p>Utilisation levels vary across production lines depending on category demand and operational requirements. Certain high-demand lines are already operating 24/7 at 80–90% utilisation levels, while other lines continue operating 24/5 with additional flexibility and room for future growth.</p> <p>FY2025 volume growth of approximately 7% was also largely supported by products manufactured at Enstek, demonstrating the facility’s increasing operational contribution to the business.</p> <p>Volume growth and further operational efficiency improvements remain important focus areas for Management as the facility continues progressing towards higher utilisation and stronger fixed-cost absorption over time. Overall, the operational benefits from Enstek are already contributing positively to margin improvement and operating performance through improved automation, operational efficiencies, production flows and supply chain integration.</p> <p>Management expects utilisation and operational efficiencies to continue improving progressively over time as product mix optimisation, demand growth and operational maturity develop further.</p>
15.	<p><b>Price of Raw Materials</b></p> <p>Why did skim milk powder price jump to 40% and whole milk powder price jump to 20%? What is the exposure to the Company and</p>	<p>The price in USD for skim milk powder increased by 6% and whole milk powder increased by 20%. Another important input is milk fat (AMF) which increased by 19%. The biggest purchases are skim milk powder and AMF. We buy in dollar and due to the strength of the</p>

	which products use skim milk powder and whole milk powder?	<p>Ringgit, it has helped us offset part of the costs as seen in the RM25 million FX benefit.</p> <p>It is also important to work on the Company's internal Performance+ programme to realise efficiencies in the factory, procurement savings, end-to-end savings and our costs to serve. Every year we set a target to improve 2% - 3% of the Company's total COGS value to offset these inflationary pressures as we cannot control the dairy raw material market.</p>
16.	<p><b><u>Hedging</u></b></p> <p>What is the Company's hedging policy?</p>	<p>The Company does not hedge dairy raw material. The Company only hedges foreign currency. Our purchases are in USD and we do not speculate. We hedge 4-5 months out based on our exposure and it is purely to ensure that we have cashflow certainty.</p>
17.	<p><b><u>Exports</u></b></p> <p>Does Dutch Lady require approval from FrieslandCampina to export to Thailand and Indonesia?</p>	<p>Dutch Lady Malaysia is part of the bigger FrieslandCampina group. The group has operations in Thailand and Indonesia. Thus, it is more effective to produce and source locally versus importing from Malaysia.</p> <p>The group made a conscious choice to have strong operations in other countries including Thailand, Indonesia, Philippines, Vietnam and Hong Kong. In this broad set-up in Southeast Asia, the group manages it locally in each specific country.</p> <p>In addition, Dutch Lady Malaysia can leverage off this strong network. In the event of supply chain emergencies or crises, Dutch Lady Malaysia can depend on other sources within the network and external sources.</p>
18.	<p><b><u>Inflation</u></b></p> <p>The Company mentioned that DRM, shipping and logistics costs are expected to rise in H2 2026, what is the potential impact based on margins?</p>	<p>We have projected inflation in H2 combined with the geopolitical situation, increase in logistics and electricity. At the moment, the impact to our profitability remains quite modest, in a</p>

		<p>low single digit however, it might escalate.</p> <p>The price increase, the savings and procurement initiatives are designed to address this foreseeable inflation. Additionally, there is continuous weekly monitoring by the management team, the Board and Business Group Asia which derives real time information to ensure diligent actions to protect profitability and mitigate costs.</p>
19.	<p><b>Products</b></p> <p>What are the main demand drivers that would absorb Enstek factory's additional capacity over time? Is there any higher value product or SKU mix?</p>	<p>Dutch Lady aims to be the best choice across Malaysia in the best price tier for consumers. Our Omega is one step forward where we elevated value not only from the benefit offerings with DHA and Omega but also when compared with existing players in the market, it comes with slightly higher price per gram. In combination with driving higher value while delivering substantial benefits to our consumers, Dutch Lady's commitment remains intact, not only for kids foundations, but Dutch Lady is also looking to provide across generations.</p>
20.	<p><b>Intercompany loan</b></p> <p>The Company raised the first interim dividend to 30 sen. Yet the intercompany loan costs 5.13% interest. Why reward shareholders with cash before paying off more expensive debt?</p>	<p>The intercompany revolving credit facility is denominated in USD. As disclosed in the audited financial statements, the weighted average nominal interest rate for FY2025 was approximately 5.13% per annum. However, after taking into account the USD/MYR hedge arrangements, the effective or "synthetic" financing cost in local currency terms is approximately 4.13% per annum.</p> <p>The Board evaluates capital allocation holistically by balancing shareholders' returns, liquidity, operational requirements, growth investments and balance sheet management. Following the completion of the Enstek investment cycle and stronger operating cash flow generation, management believes the Company is now in a stronger position to support both shareholders' returns</p>

		<p>and prudent financial management simultaneously.</p> <p>The higher first interim dividend of RM0.30 per share reflects management's confidence in the Company's operational stability, cash generation capability and future growth prospects, while the current intention remains to settle the intercompany loan by the end of the renewed term on 31 March 2027.</p>
21.	<p><b>Market Share</b></p> <p>Market value share fell for three straight years: 28.2% to 27.1%. When will it recover to 28% and what is the specific target for 2026?</p>	<p>The market share movement over the past two years was largely influenced by the operational transition period associated with the migration from the legacy Petaling Jaya facility to DLMI@Enstek. During parts of the transition and ramp-up phase, the Company experienced temporary stock availability challenges in certain categories and channels, which affected market share performance.</p> <p>In addition, DLMI also undertook portfolio rationalisation during the period, including the discontinuation of selected non-core products and SKUs such as certain sterilised milk and yoghurt offerings. While this had some short-term impact on overall market value share, it was part of the Company's broader effort to improve portfolio focus, operational efficiency and long-term profitability.</p> <p>As Enstek operations progressively stabilised during FY2025, supply reliability, service levels and operational efficiency improved significantly. Management has also started seeing improvements in market performance supported by stronger commercial execution, retail activations and more stable supply from Enstek.</p> <p>Importantly, Dutch Lady continues maintaining leadership positions in key categories, including remaining the No.1 Liquid Milk Brand in Malaysia with 41.8% value share and the No.1 IFT</p>

		<p>Milk Brand with 24.6% value share based on Nielsen FY2025 data.</p> <p>Going into FY2026, the Company is also strengthening its innovation pipeline with new launches and portfolio refresh initiatives, including products such as Dutch Lady Omega 3*6 and Friso Gold Comfort Next. Management expects operational stability from Enstek, stronger in-market execution and continued innovation activities to support healthier market share performance moving forward.</p>
22.	<p><b>Scope 3</b></p> <p>The Company plans to map dairy sourcing emissions by 2028. What percentage of your total Scope 3 footprint comes from imported dairy ingredients today?</p>	<p>DLMI is currently progressing through its phased Scope 3 assessment approach aligned with the GHG Protocol, and at this stage the Company has not yet finalised a quantified breakdown of Scope 3 emissions by category.</p> <p>However, based on the initial hotspot analysis conducted, dairy raw materials including imported dairy ingredients under Category 1: Purchased Goods and Services are expected to represent one of the more material contributors within the Company's future Scope 3 profile, consistent with broader dairy industry trends.</p> <p>As disclosed previously, the majority of DLMI's dairy raw material requirements are currently supported through imported dairy ingredients and raw materials sourced through FrieslandCampina's global sourcing network, while locally sourced fresh milk represents a portion of total dairy raw material purchases.</p> <p>Quantification, supplier engagement and refinement of these emissions factors form part of the Company's FY2026–FY2027 Scope 3 capability-building roadmap ahead of mandatory disclosure requirements from FY2028 onwards.</p>

<p>23.</p>	<p><b>Tax</b></p> <p>Tax transfer pricing (BAPA) prevents profit shifting but doesn't guarantee the best commercial price. Are the RM545.6m related-party purchases benchmarked directly against open-market indices (e.g., Global Dairy Trade)? What is the premium?</p>	<p>The Board and the RRPT Review Committee recognise the importance of ensuring that all recurrent related party transactions are conducted on terms that are fair, reasonable and not detrimental to minority shareholders. The Company has established internal governance and procurement procedures to review recurrent related party transactions, including periodic oversight by the RRPT Review Committee and Audit, Risk &amp; Sustainability Committee.</p> <p>As reported in the RRPT circular to shareholder, where possible, at least two other contemporaneous transactions with unrelated third parties for substantially similar products or services and/or quantities to be used as comparison to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable. As the raw materials and finished goods purchased and sold in the RRPTs are of a specific formula and grade, such contemporaneous transactions are not usually available. Hence to ensure that the RRPTs are not detrimental to the Company, these transaction prices are reviewed by the RRPT Review Committee based on transfer pricing studies carried out by third party tax experts.</p> <p>In addition, the RRPT transaction from DLMI with related parties in The Netherlands are governed by a Bilateral Advance Pricing Arrangement (BAPA). The rates for these transactions are agreed between the competent authorities (tax authorities) of Malaysia and The Netherlands. The authorities consider external benchmarks before agreeing on the arm's length rates for the different transactions. The BAPA provides tax certainty, prevents double taxation, and streamlines compliance for multinational corporations over a set period, adhering to OECD guidelines.</p>
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24.	<p><b><u>Dairy Powder Import</u></b></p> <p>With 90-95% of dairy powder imported from the parent company, DLMI's Scope 3 reporting relies heavily on parent data. Will DLMI rely solely on internally allocated carbon data, or engage an independent auditor to assure this specific footprint?</p>	<p>DLMI's Scope 3 approach is still progressing through a phased capability-building process ahead of mandatory reporting requirements from FY2028. Given the significance of dairy raw materials within the Company's procurement profile, emissions relating to imported dairy ingredients are expected to form an important component of the Company's future Scope 3 footprint under Category 1: Purchased Goods and Services.</p> <p>DLMI will leverage FrieslandCampina's global sustainability frameworks, methodologies and supplier-related emissions data as part of this process. However, the Company does not intend to rely solely on internally allocated data without appropriate governance, review and assurance processes.</p> <p>As the Scope 3 reporting framework matures, management intends to progressively strengthen data quality, methodology validation and assurance readiness, including evaluating the role of independent external assurance where appropriate and aligned with future regulatory requirements.</p> <p>The Company's focus remains on ensuring that future Scope 3 disclosures are supported by sufficiently robust methodologies, transparent assumptions and reliable underlying data sources.</p>
25.	<p><b><u>Dairy Prices</u></b></p> <p>Gross margin improved but offset by higher dairy prices. With global dairy supply outpacing demand (page 43 of Annual Report), why not lower prices? Is it due to FrieslandCampina arrangement?</p>	<p>Global dairy commodity pricing is only one component of DLMI's overall cost structure. While there were periods where certain dairy commodity prices softened due to supply-demand dynamics, the Company continued facing broader cost pressures across packaging materials, logistics, utilities, freight and operational costs.</p> <p>In addition, dairy commodity markets remain highly dynamic and can change relatively quickly depending on weather conditions, geopolitical developments,</p>

		<p>milk production trends and global demand conditions. Management therefore takes a balanced and disciplined pricing approach rather than reacting solely to short-term commodity movements.</p> <p>DLMI's pricing decisions are primarily driven by overall market competitiveness, affordability considerations, brand positioning and long-term sustainability of the business. The Company continues balancing consumer affordability with the need to maintain healthy margins to support reinvestment, operational resilience and innovation.</p> <p>The FrieslandCampina sourcing arrangement is designed to provide supply continuity, quality consistency and procurement competitiveness through global sourcing capabilities and approved supplier networks. Pricing arrangements are governed through established transfer pricing and governance frameworks to ensure transactions are conducted on an arm's length basis.</p>
26.	<p><b><u>Auditor fees</u></b></p> <p>A 162.1% non-audit fee ratio structurally challenges auditor independence. Why didn't the Audit Committee delay transitioning the tax advisory mandate to PwC until after they signed off the FY2025 audit, avoiding this severe threshold breach?</p>	<p>The Board and the Audit Risk &amp; Sustainability Committee recognise the importance of always maintaining the external auditor's independence and objectivity. As explained in the Audit &amp; Risk Committee Report, the higher proportion of the non-audit fees is primarily because it is PwC's final year as DLMI's auditor, and the audit appointment will transition to EY who previously acted as the Company's tax advisors. During this transition, PwC assumed the responsibility of the Company's tax advisors from EY which increased the non-audit fees for the year. The details are contained in page 180 of the IAR.</p> <p>In assessing the appropriateness of these engagements, the Audit, Risk &amp; Sustainability Committee undertook reviews in accordance with the</p>

		<p>Company's governance processes and considered, among others:</p> <ul style="list-style-type: none"> <li>- The nature and scope of the non-audit services provided</li> <li>- Whether the services would create any self-review, advocacy or management participation threats</li> <li>- The segregation of engagement teams and responsibilities between audit and non-audit assignments</li> <li>- Confirmation from the external auditors on compliance with applicable professional independence requirements and ethical standards</li> <li>- The overall impact of the engagements on auditor independence and objectivity</li> </ul> <p>Following its review, the Audit, Risk &amp; Sustainability Committee remained satisfied that the non-audit services provided did not impair the external auditor's independence or objectivity in carrying out the statutory audit for FY2025.</p>
27.	<p><b><u>Revenue</u></b></p> <p>FY2026 Q1 revenue up 6.4% YoY, but gross profit almost flat, only up 1%, and gross margin fell from 28.7% to 27.2%. Please explain why? Does management expect continued margin pressure going forward?</p>	<p>This is mainly due to underlying performance that affected by the mix of products sold, and increased advertising and promotion investments to support growth.</p>
28.	<p><b><u>Tax</u></b></p> <p>PBT up 16.8% to RM148m, while PAT only up 6.9% to RM103m due to higher tax expenses. Please explain why effective tax rate increased from 22.6% to 29.5%? Please elaborate what causing under provision of tax in previous year?</p>	<p>Effective Tax Rate (ETR) in 2025 was 29.6%, vs 22.7% in 2024. DLMI recognized under provision of tax expenses in the prior financial year (RM7.7m). The main reason is the allocation of profit between the Enstek and non-Enstek part of the business in the actual tax filing vs the provisional tax estimate computations. This led to higher utilization of capital allowances, increasing the deferred tax liability and expense, while current tax expenses (cash tax) are lower. In addition, there were a number of increased non-</p>

		<p>deductible tax expenses identified during the tax return.</p> <p>Capital allowances - both initial and annual - are applied in accordance with the categories of qualifying assets under Malaysian income tax law.</p> <p>DLMI secured a tax incentive from MIDA related to the expansion of the Bandar Enstek facility. The incentive provides 100% tax allowance on 70% of qualifying income attributable to Enstek-related operations (approximately 50% of the company's profit), effective from 2025 subject to meeting stipulated conditions.</p> <p>The tax expense recognised in the 2025 Income Statement does not include this tax incentive, as formal approval from MIDA on compliance to the incentive's conditions is to be obtained. The approval is expected to be obtained in Q3 2026. DLMI engages tax advisors from Big 4 firms such as Ernst &amp; Young and PriceWaterhouseCoopers to advise on tax computations and returns to ensure full compliance with all applicable regulations.</p>
29.	<p><b><u>Financials</u></b></p> <p>Referring to Note 15 - PBT (page 223 of the Annual Report)</p> <p>a) Why sharp increase in amortisation of intangible assets? Which assets are involved?</p> <p>b) Why higher premises rental? Which premises?</p> <p>c) Why higher Know-How &amp; Trademark fees</p> <p>d) SAP design &amp; setup one-off?</p>	<p>a) The sharp increase in amortisation of intangible assets was mainly due to the capitalisation and commencement of amortisation for new software and automation-related intangible assets associated with the Bandar Enstek project and production facilities.</p> <p>b) The higher premises rental was mainly attributable to additional warehouse and pallet storage space rented during the transition period in 2025, particularly at external warehouse facilities to support inventory and operational continuity during the Bandar Enstek transition. The increase mainly related to temporary warehouse lease arrangements for finished goods and ambient warehouse storage.</p>

		<p>c) The increase in Know-How &amp; Trademark fees was mainly driven by higher sales and business volume, as these fees are charged based on existing group arrangements and royalty structures with related parties. The underlying arrangements remain consistent with prior years.</p> <p>d) The FrieslandCampina group is globally transitioning to the next generation Sap S/4HANA system, as the current SAP version is no longer supported as of 2028. This is a cloud-based system for which design and implementation costs cannot be capitalized and are expensed in the P&amp;L. Therefore, costs are higher upfront, but lower during use. These costs were RM8m in 2025, and some further costs are expected in 2026/2027. DLMI is expected to go-live with the system in 2027. These are unrelated to the Enstek transition.</p>
30.	<p><b><u>Supply Chain</u></b></p> <p>Regarding supply chain, the management highlighted cost pressures in the 2nd half of 2026. Higher input costs aside, do we have any difficulties getting sufficient supply for our enlarged production facilities in Enstek to ramp up production volume?</p>	<p>At this stage, management does not foresee any material supply availability issue that would constrain the operational ramp-up of DLMI@Enstek. The Company continues leveraging FrieslandCampina's global sourcing network, approved supplier ecosystem and procurement capabilities to support supply continuity across key dairy raw materials and packaging inputs.</p> <p>While the operating environment remains dynamic, particularly with ongoing geopolitical developments potentially affecting freight, lead times and certain input costs, DLMI continues managing these risks through forward purchasing, supplier diversification, safety stock management and close coordination across the supply chain.</p> <p>The enlarged Enstek facility was designed with scalability and operational flexibility in mind, and management remains focused on progressively increasing utilisation,</p>

		improving operational efficiency and supporting future volume growth.
31.	<p><b><u>Raw Materials</u></b></p> <p>Do we have sufficient supply of raw material including dairy, plastic resin, foil liners? Do we have sufficient supply of fuel and energy for our operations to run at full capacity?</p>	<p>At this stage, DLMI has not experienced any material disruption/ shortage to production continuity or product availability. The Company continues to closely monitor developments given the potential implications on global logistics, energy markets and feedstock availability. Current supply risk across most categories remains manageable in the near term due to existing inventory coverage, supplier coordination and active procurement management. Upon our monitoring, we already planned the needful action to protect cost/profitability while keeping consumer demand volume intact for H2, a combination of RGM, Performance+ saving, Optimization &amp; prioritization on spending.</p>
32.	<p><b><u>Doorgift</u></b></p> <p>How do shareholders claim doorgift?</p>	<p>All shareholders who have attended this meeting (whether virtually or physically), will receive an e-voucher via email in due course.</p>
33.	<p><b><u>Expenses</u></b></p> <p>Why is there a distinct increase in 2025 Administrative Expenses (54.184m) versus the same in 2024 which amounted to (38.442m). Refer to Annual Report, page 196</p>	<p>The FrieslandCampina group is globally transitioning to the next generation Sap S/4HANA system, as the current SAP version is no longer supported as of 2028. This is a cloud based system for which design and implementation costs can not be capitalized and are expensed in the P&amp;L. Therefore costs are higher upfront, but lower during use. These costs were RM8m in 2025, and some further costs are expected in 2026/2027. DLMI is expected to go-live with the system in 2027. These are unrelated to the Enstek transition.</p> <p>Additionally, we also have restructuring provision is related to some changes in the management layer of the company, there are no mass redundancies affecting shop-floor personnel.</p>

34.	<p><b><u>Innovation</u></b></p> <p>The new DLM product line - Omega presented in the meeting is marketed as a nutritive product. Sounds interesting. Does DLM have a product line for post-surgery recovery or compromised gastrointestinal people, comparative with Nestle's Peptamen?</p>	<p>DLMI's current portfolio is primarily focused on mainstream dairy nutrition, family nutrition, growing-up milk, lifestyle and specialised early life nutrition categories. Products such as Dutch Lady Omega 3*6 are designed to support everyday nutritional needs and healthy development for consumers across different life stages.</p> <p>At this stage, DLMI does not currently have a medical nutrition product positioned specifically for post-surgery recovery or gastrointestinal-compromised consumers.</p> <p>Nevertheless, management continues monitoring evolving consumer nutritional needs and market opportunities, including adjacent specialised nutrition segments, as part of the Company's longer-term innovation and portfolio development strategy.</p>
35.	<p><b><u>Solar</u></b></p> <p>With regards to the solar PPA with PEKAT recently, when is the expected date of commencement, what is the projected cost savings per year, and what is the estimated energy mix for our plant going forwards?</p>	<p>Construction is expected to commence in June 2026, with operations projected for December 2026. The project will run under a 15-year agreement, strengthening DLMI's ability to manage energy cost volatility while supporting long-term business continuity. Once operational, the system is expected to generate approximately 4.9 million kWh of renewable electricity annually, offsetting up to 24% of the plant's total electricity consumption.</p>
36.	<p><b><u>Competitiveness</u></b></p> <p>What is Dutch Lady's future strategies to compete with Farm Fresh's "farm to table" freshness product offering of chilled, healthier and no preservative fresh milk.</p>	<p>DLMI already purchased 5.2 million litres of raw milk from local farms in 2025 and remains one of the largest purchasers of fresh raw milk in Malaysia. We maintain long-term strategic partnerships with local dairy farm operators that secure our access to good quality fresh raw milk, and we remain committed to deepening these relationships as part of our support for Malaysia's domestic dairy sector. We continue to monitor developments in the upstream space closely, and remain</p>



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		<p>open to opportunities that are aligned with our strategic priorities.</p> <p>The Malaysian dairy market remains competitive and we welcome the dynamic that innovation and investment by multiple players bring to growing the overall category. DLMI's competitive position rests on several structural advantages: over 60 years of brand heritage and consumer trust, #1 market share in liquid milk with 41.8% value share (Nielsen YTD Dec 2025) and a broad portfolio spanning infant formula through to family RTD dairy products and professional dairy.</p>
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