



FrieslandCampina 



NURTURING THE FUTURE

ANNUAL
REPORT
2019



Dutch Lady Milk Industries Berhad





OUR PURPOSE

NOURISHING
MALAYSIANS WITH
QUALITY DAIRY
NUTRITION TO
HELP THEM MOVE
FORWARD IN LIFE





NURTURING THE FUTURE

At Dutch Lady Milk Industries Berhad ("DLMI") we are proud of producing great milk. This year's dynamic and positive cover captures an aspirational feel of nurturing better futures for diverse target groups such as the growing children, young adults and healthy families. The images and theme are projected against the clear blue sky to show DLMI's unlimited confidence in fortifying optimum nutrition in every one of our products.

Throughout our dairy value chain, we invest in research and development to innovate our processes, technology and expand the possibilities of dairy nutrition. This has helped us grow a trusted repute and nurture a better future for all!



NO.1
DAIRY
COMPANY
IN MALAYSIA

HIGHLIGHTS



ESTABLISHED IN
1963



MORE THAN
~600
EMPLOYEES



RM137.6
MILLION
2019 PROFIT



REV:
>RM1.07
BILLION
MKT CAP:
RM3.01
BILLION



MILLIONS
OF CONSUMERS
DAILY



HALAL
PRODUCER
>50 YEARS &
IMPLEMENTED
HALAL ASSURANCE
SYSTEM SINCE
1963



85%
PACKAGING
RECYCLABLE &
CIRCULAR



FARMER2FARMER
PROGRAMME HELPS
300
FARMERS
NATIONALLY



DDP PRODUCED
87 MILLION
PACKS SINCE
2013



68 MILLION
PACKS,
2 MILLION
STUDENTS



OVER
700,000
STUDENT
PARTICIPATIONS

HIGHLIGHTS



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FrieslandCampina

Dutch Lady Milk Industries Berhad is a subsidiary of Royal FrieslandCampina N.V.

www.frieslandcampina.com



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Run the QR Code Reader app and point your camera to the QR Code



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Soft copy version of Dutch Lady Malaysia Annual Report 2019

Winning in the Market

Our winning market position is made possible with our WIN-WIN way of working by acting like an owner, putting our customers and consumers first and always keeping our purpose in mind.



OUR BRAND'S PORTFOLIO





TRUSTED BY
GENERATIONS
FOR OVER
140
YEARS



17

PRODUCTS WITH
HEALTHIER
CHOICE LOGO

* HCL membantu pengguna mengenal
pasti produk yang lebih sehat dalam
kategori yang sama





We are
Purpose
driven



Dutch Lady Milk Industries Berhad's purpose is to provide better nutrition for Malaysians and realise a good living for our farmers. We act to realise this today and for generations to come.



We aim for
Commercially
obsessed



Our customers and consumers come first in all we do and drive us to do better everyday. We focus on making all our products market leaders and move with speed and decisiveness when opportunities open up.



We possess an
Owners'
mindset



Every Dutch Lady Milk Industries Berhad employee practices accountability and responsibility in our actions – ensuring we make the right investments to fulfil our purpose. At the same time, we are prudent on costs and sustainability.

Natural Nutrient* Easy Digestion for Stronger Inside



*Refers to essential nutrient found in milk protein

Friso
GOLD®

100%
from Holland



CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Dato' Zainal Abidin bin Putih

Senior Independent Non-Executive Director
(appointed 27.05.2009)

DIRECTORS

Tarang Gupta

Non-Independent Executive Director
Managing Director
(appointed 1.01.2018)

Saw Chooi Lee

Independent Non-Executive Director
(appointed 1.01.2014)
Re-designated from Non-Independent
Non-Executive Director to Independent
Non-Executive Director on 15.01.2020

Bernardus Hermannus Maria Kodden

Non-Independent Non-Executive Director
(appointed 1.01.2018)

Dato' Dr Rosini binti Alias

Non-Independent Non-Executive Director
(appointed 16.03.2018)

Tengku Nurul Azian binti Tengku Shahrman

Independent Non-Executive Director
(appointed 25.06.2018)

Datin Seri Sunita Mei-Lin Rajakumar

Independent Non-Executive Director
(appointed 27.02.2019)

Jean Serge Krol

Non-Independent Non-Executive Director
(appointed 19.07.2019)

COMPANY SECRETARY

Katina Nurani binti Abd Rahim

Licensed Secretary
(L.S. No. 9652)

AUDIT COMMITTEE

CHAIRMAN

Datin Seri Sunita Mei-Lin Rajakumar

MEMBERS

Dato' Zainal Abidin bin Putih
Dato' Dr Rosini binti Alias
Tengku Nurul Azian binti Tengku
Shahrman
Jean Serge Krol

NOMINATING & REMUNERATION COMMITTEE

CHAIRMAN

Dato' Zainal Abidin bin Putih

MEMBERS

Saw Chooi Lee
Bernardus Hermannus Maria Kodden
Tengku Nurul Azian binti Tengku
Shahrman
Datin Seri Sunita Mei-Lin Rajakumar

REGISTERED OFFICE

Level 5, Quill 9
112, Jalan Prof. Khoo Kay Kim
46300 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7953 2600
Fax : 03-7953 2700

REGISTRAR

BOARDROOM SHARE REGISTRARS SDN BHD

12th Floor, Menara Symphony
No 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7890 4800
Fax : 03-7841 8151

WEBSITE

www.dutchlady.com.my

INVESTOR RELATIONS & ENQUIRIES

Jurian Duijvestijn

Finance Director
finance.dept@frieslandcampina.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Code: DLADY 3026

AUDITORS

PRICEWATERHOUSECOOPERS PLT

(LLP0014401-LCA & AF 1146)
Chartered Accountants
Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur, Malaysia

PRINCIPAL BANKERS

PUBLIC BANK BERHAD

12, Jalan 14/14
46100 Petaling Jaya
Selangor Darul Ehsan

CITIBANK BERHAD

Level 45, Menara Citibank
No 165 Jalan Ampang
50450 Kuala Lumpur

MALAYAN BANKING BERHAD

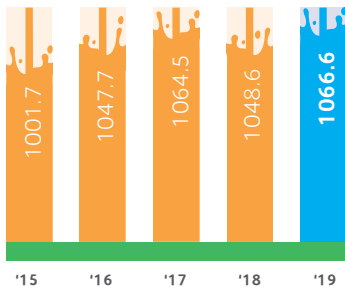
18A, Jalan 14/14
46100 Petaling Jaya
Selangor Darul Ehsan



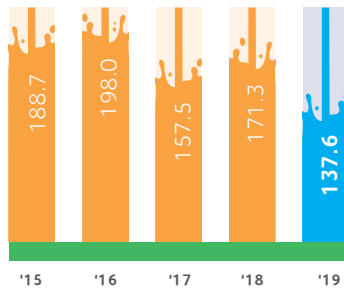


5-YEAR FINANCIAL SUMMARY

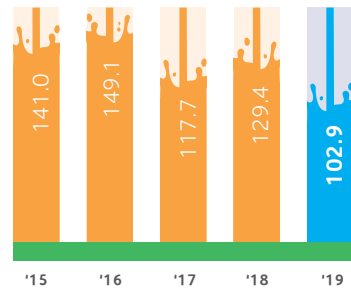
REVENUE
(RM 'mln)



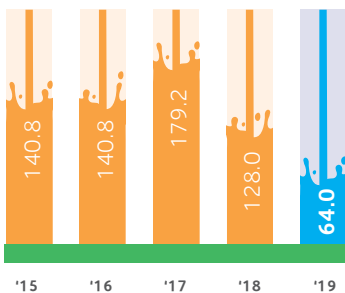
PROFIT BEFORE TAX
(RM 'mln)



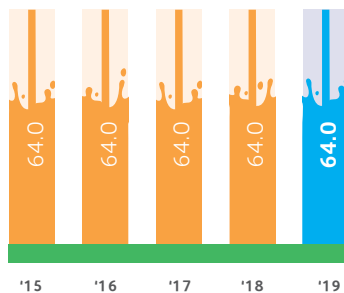
NET PROFIT FOR THE YEAR
(RM 'mln)



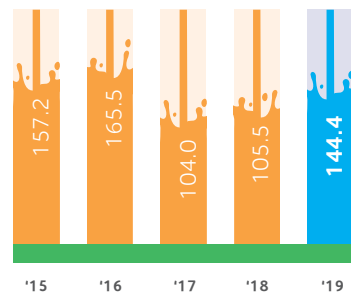
NET DIVIDEND PAID
(RM 'mln)



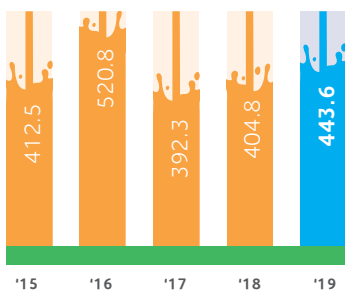
PAID-UP SHARE CAPITAL
(RM 'mln)



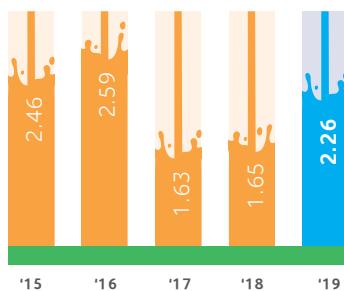
SHAREHOLDERS FUND
(RM 'mln)



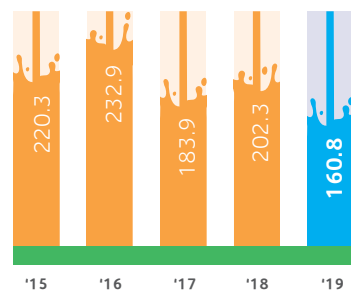
TOTAL ASSETS
(RM 'mln)



NET ASSET BACKING PER SHARE
(RM 'mln)



EARNINGS PER SHARE
(sen)



Berkat Sahur & Susu

DUTCH LADY®

Dengan ekstrak
**KURMA
SEBENAR**



**Nikmatnya puasa dengan
khasiat susu Dutch Lady**

Edisi Ramadan



Dengan ekstrak
**ROS
SEBENAR**

PROFILES OF BOARD OF DIRECTORS AND COMPANY SECRETARY

COMMITTEE MEMBER KEY

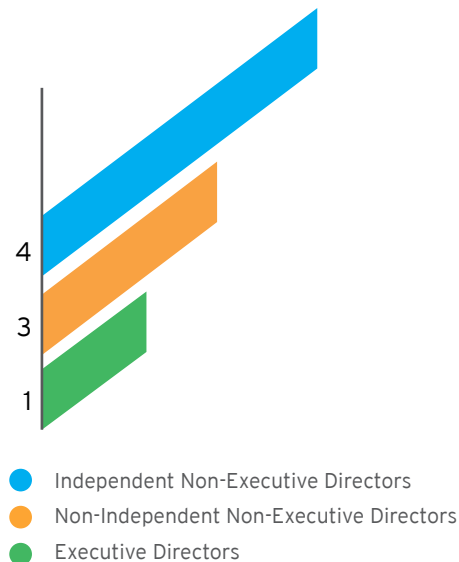


Audit Committee

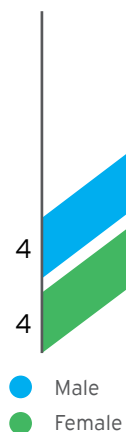


Nominating & Remuneration Committee

BOARD COMPOSITION



GENDER



DATO' ZAINAL ABIDIN BIN PUTIH



CHAIRMAN, SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

MALAYSIAN, MALE, AGE 74

Date of Appointment: 27 May 2009
 Tenure of Directorship: 11 years
 Board Meeting Attendance in 2019: 4/4

MEMBERSHIP OF BOARD COMMITTEE

- > Nominating & Remuneration Committee (Chairman)
- > Audit Committee

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- > CIMB Bank Berhad
- > Land and General Berhad
- > Petron Malaysia Refining & Marketing Berhad
- > Tokio Marine Insurans (Malaysia) Berhad

Dato' Zainal also holds directorships in several other private limited companies.

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- > Fellow of the Institute of Chartered Accountants in England & Wales
- > Member of the Malaysian Institute of Certified Public Accountants
- > Member of the Malaysian Institute of Accountants

WORKING EXPERIENCE

Dato' Zainal has extensive experience in audit, management consulting and taxation, having been involved as a practicing accountant and consultant throughout his career. He was formerly the Country Managing Partner of Messrs Hanafiah Raslan and Mohamad which merged with Messrs Arthur Andersen in 1990 and was an Adviser with Messrs Ernst & Young Malaysia, until his retirement on 31 December 2004. He is also the past President of the Malaysian Institute of Certified Public Accountants, former Chairman of the Malaysian Accounting Standards Board and previously served as a member of the Malaysian Communication and Multimedia Commission and a member of the Investment Panel of the Employees Provident Fund, amongst others.





TARANG GUPTA

EXECUTIVE DIRECTOR

INDIAN, MALE, AGE 43

Date of Appointment: 1 January 2018
 Tenure of Directorship: 2 years 4 months
 Board Meeting Attendance in 2019: 4/4

MEMBERSHIP OF BOARD COMMITTEE

None

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- › Bachelor's Degree in Hotel Management, Welcomgroup Graduate School of Hotel Administration, Manipal, India
- › MBA in Marketing from Institute for Technology & Management, Bangalore, India associated with New Hampshire College, USA

WORKING EXPERIENCE

Prior to his present role, Mr Tarang was the Marketing Director for FrieslandCampina Nigeria, a position he held since 2014. He joined FrieslandCampina in 2010 as the International Marketing Director for Infant & Toddler Nutrition ("ITN") for FrieslandCampina AMEA, based in Singapore.

He has 18 years of commercial experience within the fast-moving consumer goods industry. This has helped him hone his expertise in portfolio building, global category building & strategy, commercial implementation and business turnaround. He previously held sales and marketing positions at Sara Lee International, Cadbury and Unilever.

SAW CHOOI LEE



INDEPENDENT NON-EXECUTIVE DIRECTOR*

MALAYSIAN, FEMALE, AGE 56

Date of Appointment: 1 January 2014
 Re-designation to Independent Director: 15 January 2020
 Tenure of Directorship as Non-Independent Director: 6 years
 Tenure of Directorship as Independent Director: 4 months
 Board Meeting Attendance in 2019: 4/4

MEMBERSHIP OF BOARD COMMITTEE

- › Nominating & Remuneration Committee

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- › Bachelor of Science in Business Administration and MBA from the University of Nebraska-Lincoln, USA

WORKING EXPERIENCE

Ms Saw was formerly the Managing Director for Dutch Lady Milk Malaysia and Singapore from 2015 to 2017. She was then re-designated as a Non-Independent Non-Executive Director in January 2018.

Ms Saw started her marketing career by joining the Unilever management training programme and since then, she has held various senior managerial positions within the fast-moving consumer goods industry. She first joined the Company in March 2003 as its Commercial Director. From March 2008 to 2010, she was appointed as the General Manager for FrieslandCampina Hong Kong. She was then promoted to become the Managing Director for FrieslandCampina Mainland China from 2011 to 2014.

She also serves as an Adjunct Professor at the Graduate Business School, University Kebangsaan Malaysia from 2019.

*Re-designated from Non-Independent Non-Executive Director to Independent Non-Executive Director on 15 January 2020

PROFILES OF BOARD OF **DIRECTORS AND COMPANY SECRETARY**



BERNARDUS HERMANNUS MARIA KODDEN



NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

DUTCH, MALE, AGE 46

Date of Appointment: 1 January 2018
 Tenure of Directorship: 2 years 4 months
 Board Meeting Attendance in 2019: 3/4

MEMBERSHIP OF BOARD COMMITTEE

- > Nominating & Remuneration Committee

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- > BA in International Economics/Modern Japanese Studies University of Rotterdam in the Netherlands
- > MA International Relations, University of Gronigen in the Netherlands
- > MBA from University of Bradford/NIMBAS University

WORKING EXPERIENCE

Mr Kodden assumed the position of President of Business Group, Specialised Nutrition for Royal FrieslandCampina N.V on 1 January 2018. Prior to that, he was the Managing Director for FrieslandCampina, Branded Netherlands. He has also held various director and managerial positions for Infant & Toddler Nutrition, Brand and Innovation and Sales within Royal Friesland Foods and later FrieslandCampina N.V. He has extensive experience in the areas of sales, marketing, general management and crisis management.

DATO' DR ROSINI BINTI ALIAS



NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

MALAYSIAN, FEMALE, AGE 62

Date of Appointment: 16 March 2018
 Tenure of Directorship: 2 years 2 months
 Board Meeting Attendance in 2019: 4/4

MEMBERSHIP OF BOARD COMMITTEE

- > Audit Committee

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- > Doctor of Veterinary Medicine, DVM, Universiti Pertanian Malaysia

WORKING EXPERIENCE

Dato' Dr Rosini was formerly the Deputy Director-General of the Department of Veterinary Services (DVS), Malaysia. Her career in the veterinary and agricultural sector spans over 30 years, and her contribution and service to the veterinary sector has been recognised through state honours and by industry patrons in 2015 and 2017.





TENGGU NURUL AZIAN BINTI TENGGU SHAHRIMAN



INDEPENDENT NON-EXECUTIVE DIRECTOR

MALAYSIAN, FEMALE, AGE 57

Date of Appointment: 25 June 2018
Tenure of Directorship: 1 year 11 months
Board Meeting Attendance in 2019: 4/4

MEMBERSHIP OF BOARD COMMITTEE

- > Audit Committee
- > Nominating & Remuneration Committee

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- > Sunway REIT Management Sdn Bhd (management company of Sunway REIT which is listed on Bursa)
- > Freight Management Holdings Berhad

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- > Advocate and Solicitor of the High Court of Malaya
- > Barrister-at-Law - The Honourable Society of Inner Temple
- > School of Oriental & African Studies, London University, LLB (Hons)

WORKING EXPERIENCE

Tengku Nurul Azian is currently the Executive Vice President & Partner of PEMANDU Associates Sdn Bhd, a management consulting firm focused on public sector transformation and business turnaround with global experience.

She started her career in 1988 as an Advocate and Solicitor with Messrs. Shook Lin & Bok before pursuing a career in investment banking in 1992. She has over 18 years of broad experience in investment banking and corporate finance, the last position held as Head of Corporate Finance in RHB Investment Bank Berhad, a member of RHB Banking Group, the 4th largest fully integrated financial services group in Malaysia.

In 2010, she was appointed as the Director of Education and Human Capital Development in the Performance Management and Delivery Unit (PEMANDU) and held this position until 2017.

She is also a Board member of Global School Leaders, Malaysia, an organisation involved in providing school leadership programmes in 24 public schools and sits on the Board of Governors of her alma mater, Convent Bukit Nanas.

DATIN SERI SUNITA MEI-LIN RAJAKUMAR



INDEPENDENT NON-EXECUTIVE DIRECTOR

MALAYSIAN, FEMALE, AGE 51

Date of Appointment: 27 February 2019
Tenure of Directorship: 1 year 3 months
Board Meeting Attendance in 2019: 2/3

MEMBERSHIP OF BOARD COMMITTEE

- > Audit Committee (Chairman)
- > Nominating & Remuneration Committee

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- > Caring Pharmacy Group Berhad
- > MCIS Insurance
- > Zurich General Insurance Malaysia Berhad

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- > LLB (Honours), Bristol University
- > Qualified as Member of the Institute of Chartered Accountants of England & Wales in 1994

WORKING EXPERIENCE

Datin Seri Sunita's career began at the Audit and Insolvency Divisions of Ernst & Young in London. Thereafter she was attached to the Corporate Finance Department of RHB Investment Bank Berhad in Kuala Lumpur before becoming a consultant at MIMOS Berhad. She was then invited to manage Encipta Ltd, a foreign technology venture capital fund under MIMOS Berhad. She is appointed to the board of trustees of 4 charities and is involved in a spectrum of community-based activities. In addition, she is the Festival Director of the Kuala Lumpur International Arts Festival.

PROFILES OF BOARD OF **DIRECTORS AND COMPANY SECRETARY**



JEAN SERGE KROL



NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

DUTCH, MALE, AGE 50

Date of Appointment: 19 July 2019
 Tenure of Directorship: 10 months
 Board Meeting Attendance in 2019: 2/2

MEMBERSHIP OF BOARD COMMITTEE

- › Audit Committee

PRESENT DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- › Post-master Degree Certified Controller (RC), Vrije Universiteit, Amsterdam
- › Post-master Degree Certified Public Accountant (RA), Rijksuniversiteit Groningen (RUG), Groningen
- › Master of Economics (Drs.), Auditing variant, Rijksuniversiteit Groningen (RUG), Groningen

WORKING EXPERIENCE

Mr Krol joined FrieslandCampina in 2002 as Commercial Controller Friesland Foods Cheese, Wolvega. He then held the position as a Finance Director at FrieslandCampina Thailand, Bangkok from 2006 to 2010 and as Finance Director at FrieslandCampina DOMO, Amersfoort from 2010 to 2015 before assuming the position as Finance Director of FrieslandCampina China, Shanghai in May 2015. In July 2019, he was appointed as the Director of Finance for FrieslandCampina's Specialized Nutrition Business Group.

KATINA NURANI BINTI ABD RAHIM

COMPANY SECRETARY

MALAYSIAN, FEMALE, AGE 45

Date of Appointment: 6 April 2018

DIRECTORSHIP IN PUBLIC LISTED COMPANIES:

Nil

ACADEMIC/PROFESSIONAL QUALIFICATION(S)

- › LLB (Honours), University of Nottingham, United Kingdom
- › Bar Vocational Course, University of Wales, Cardiff, United Kingdom
- › Barrister-at-Law of England & Wales (Lincoln's Inn)
- › Advocate & Solicitor of the High Court of Malaya
- › Licensed Company Secretary

WORKING EXPERIENCE

Ms Katina was admitted as an Advocate & Solicitor of the High Court of Malaya in 1999 after which she practiced in several law firms in Kuala Lumpur before joining the Usaha Tegas Group as Legal Counsel in 2005. Subsequently, she was attached to Lafarge Malaysia Berhad from March 2011 to March 2018 where she was the Head Counsel for Cement and Drymix businesses and the Company Secretary. She then joined the Company on 15 March 2018 as the Legal & Company Secretarial head. She is a licensed company secretary under Section 20(G) of the Companies Commission of Malaysia Act 2001.

Save as disclosed, the Directors and the Company Secretary do not have any family relationship with any Director and/or major shareholder of the Company other than as nominee director of Royal FrieslandCampina N.V., do not have any conflict of interest with the Company, has not been convicted of any offence within the past five years, has not been imposed any penalty by the relevant regulatory bodies during the financial year 2019, and do not hold any shares in the Company.





RM1*

*Available at selected Traditional Trade only.

NEW

