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Get ready for life!

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NOTICE OF ANNUAL GENERAL MEETING



1

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NOTICE IS HEREBY GIVEN that the Forty-Second Annual General Meeting of the Company will be held at Hotel Armada, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan, on Wednesday, 25 May 2005 at 10.00 a.m. for the purpose of transacting the following business:

AGENDA

AS ORDINARY BUSINESS

Ordinary Resolution 1

- 1 To receive the Audited Financial Statements for the financial year ended 31 December 2004, together with the Reports of the Directors and Auditors thereon.

Ordinary Resolution 2

- 2 To approve the payment of a final dividend of gross 6.25 sen per share, less income tax, and a tax exempt dividend of 3.75 sen per share, in respect of the financial year ended 31 December 2004.

Ordinary Resolution 3

- 3 To approve the increase in Directors' fees for the financial year ended 31 December 2004.

Ordinary Resolution 4

- 4 To consider and if thought fit, pass the following resolution to re-appoint Tan Sri Kamarul Ariffin bin Mohd. Yassin as a Director of the Company pursuant to Section 129(6) of the Companies Act, 1965:-

“THAT, pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Kamarul Ariffin bin Mohd. Yassin be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting.”

Ordinary Resolution 5 & 6

- 5 To re-elect the following Directors, who retire by rotation pursuant to Article 94(a) of the Company's Articles of Association:-

- (i) Mr. Cornelis H.M. Ruijgrok
- (ii) Mr. Freek Rijna

Ordinary Resolution 7

- 6 To re-elect Mr. Huang Shi Chin, who was appointed to the Board during the year and retires pursuant to Article 97 of the Company's Articles of Association.

Ordinary Resolution 8

- 7 To re-appoint Messrs Ernst & Young as Company's

auditors and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

- 8 To consider and if thought fit, pass the following ordinary resolution:

Ordinary Resolution 9

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“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 28 April 2005 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 favourable 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' Mandates 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 143(1) of the Malaysian Companies Act, 1965 (“the Act”)(but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in a general meeting;
- whichever is 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 authorised by this Ordinary Resolution.”

- 9 To transact any other business for which due notice shall have been given.

Notice of Dividend Entitlement

NOTICE IS ALSO HEREBY GIVEN that a final dividend of gross 6.25 sen per share, less income tax, and 3.75 sen per share, tax exempt, in respect of the financial year ended 31 December 2004, if approved by the shareholders, will be paid on 29 June 2005 to shareholders whose names appear in the Register of Members and Record of Depositors at the close of business on 1 June 2005.

A Depositor shall qualify for entitlement only in respect of:

- (a) Shares transferred to the Depositor's securities account before 4.00 p.m. on 1 June 2005 in respect of ordinary transfers; and
- (b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

HUANG SHI CHIN (MIA 3891) Petaling Jaya
Company Secretary 28 April 2005

Notes:

A Member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a proxy/proxies to attend and vote instead of him. A proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply.

Save for an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account, a Member shall be entitled to appoint not more than two proxies to attend and vote at the same meeting provided that where a Member appoints two proxies, the appointment shall not be valid unless such Member specifies the proportion of his holdings to be represented by each proxy.

The instrument appointing the proxy must be signed by the Member or his attorney duly authorised in writing, or if the appointor is a corporation, the instrument must be executed under its common seal or under the hand of its officer or attorney duly authorised.

To be valid, the instrument appointing a proxy, duly completed (and, if applicable, the power of attorney or other authority under which it is signed or notarially certified copy of that power of authority) must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.

Explanatory Notes on Special Business:

Please refer to Circular to Shareholders dated 28 April 2005.

Statement Accompanying Notice of Forty-Second Annual General Meeting

1 Directors who are standing for re-election at the Forty-Second Annual General Meeting of the Company

Pursuant to Section 129(6) of the Companies Act, 1965:-

Tan Sri Kamarul Ariffin bin Mohd. Yassin

Pursuant to Article 94(a) of the Company's Articles of Association:-

- (i) Mr. Cornelis H.M. Ruijgrok
- (ii) Mr. Freek Rijna

Pursuant to Article 97 of the Company's Articles of Association:-

Mr. Huang Shi Chin

Details of Directors who are standing for re-election are set out in the Directors' Profile appearing on pages 10 to 11 of the Annual Report.

2 Details of attendance of Directors at Board meetings

There were six Board meetings held during the financial year ended 31 December 2004. Details of attendance of the Directors are set out in the Directors' Profile appearing on pages 10 to 11 of the Annual Report.

3 Place, Date and Time of the Forty-Second Annual General Meeting

Place : Hotel Armada
Lorong Utara C, Section 52
46200 Petaling Jaya
Selangor Darul Ehsan

Date & Time : Wednesday, 25 May 2005 at
10.00 a.m.

CORPORATE INFORMATION



3

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Board of Directors

Chairman

- Tan Sri Kamarul Ariffin bin Mohd. Yassin (Independent Non-Executive Director)

Directors

- Cornelis H. M. Ruijgrok (Managing Director)
- Dato' Dr. Mhd. Nordin bin Mohd. Nor (Non-Independent Non-Executive Director)
- Freek Rijna (Non-Independent Non-Executive Director)
- Foo Swee Leng (Independent Non-Executive Director)
- Huang Shi Chin (Executive Director)
- Boey Tak Kong (Independent Non-Executive Director)

Joint-Secretary

- Huang Shi Chin (MIA 3891)
- Chin Ngeok Mui (MAICSA 7003178)

Audit Committee

Chairman

- Tan Sri Kamarul Ariffin bin Mohd. Yassin

Members

- Boey Tak Kong
- Cornelis H. M. Ruijgrok

Remuneration Committee

Chairman

- Dato' Dr. Mhd. Nordin bin Mohd. Nor

Members

- Foo Swee Leng
- Cornelis H. M. Ruijgrok

Nomination Committee

Chairman

- Tan Sri Kamarul Ariffin bin Mohd. Yassin

Members

- Foo Swee Leng
- Boey Tak Kong

Registered Office

13 Jalan Semangat
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7956 7477
Fax : 03-7954 6301

Registrar

Symphony Share Registrars
Sdn Bhd (Formerly known as
Malaysian Share Registration
Service Sdn Bhd)
Level 26, Menara Multi-
Purpose Capital Square
No.8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2721 2222
Fax : 03-2721 2530

Website

www.dutchlady.com.my

Stock Exchange Listing

Main Board of Bursa
Malaysia Securities Berhad

Auditors

Ernst & Young
Level 23A
Menara Milenium
Jalan Damanlela
50490 Kuala Lumpur

Principal Bankers

Bumiputra Commerce
Bank Berhad
6, Jalan 14/14
46100 Petaling Jaya
Selangor Darul Ehsan

Public Bank Berhad
12, Jalan 14/14
46100 Petaling Jaya
Selangor Darul Ehsan

Solicitors

Khaw & Partners
6th Floor,
Menara Boustead
Jalan Raja Chulan
50200 Kuala Lumpur

Oh Seng Dee & Co.
No. 11, 3rd Floor
Jalan 19/29
46300 Petaling Jaya
Selangor Darul Ehsan

H.K. Teh & Associates
No. 5, Mezzanine &
1st Floor, Jalan SS2/67
47300 Petaling Jaya
Selangor Darul Ehsan

CHAIRMAN'S STATEMENT

Get ready for life!



On behalf of the Board of Directors, I have pleasure in presenting the Company's Annual Report and Audited Financial Statements for the financial year ended 31 December 2004.

The Company had a good year in 2004. Under the able stewardship of the new Managing Director, Mr. Cornelis Ruijgrok, major improvements were made in the Marketing and Operations divisions.

The new pack designs, particularly for Growing-Up Milk, was a tremendous success and resulted in the Company's turnover growing by 12.8% from RM372.7 million in the previous year to RM420.5 million.

As a result of the increased turnover, coupled with substantial increases in productivity and efficiency, the Company's operating profit in 2004 rose from RM20.9 million in 2003 to RM26.8 million in 2004, despite a 24% increase in Skimmed Milk Powder prices during the year.

This result includes the gain of RM2.2 million from the sale of the canning equipment that had been written down in the previous year.

Prospects for 2005 remain challenging, with world dairy raw material prices trending even higher than the previous high levels of 2004.

After the Company's first ever Interim dividend payment of gross 6.25 sen, less income tax, per RM1.00 ordinary share, in 2003, the Company also paid the same Interim Dividend in December 2004 as well as a Special Interim Dividend payment of 60.0 sen, less income tax, per RM1.00 ordinary share in May 2004.

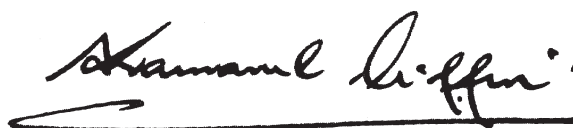
The Company is maintaining the final dividend of gross 6.25 sen, less income tax, and 3.75 sen tax exempt, per RM1.00 ordinary share, in respect of the financial year ended 31 December 2004.

Your Directors are committed to reward its shareholders where the Company is in the position to do so, depending on its operational needs.

The Board had earlier announced the resignation of Mr. James Gray, who was unable to continue serving the Company due to his other commitments.

I am pleased to inform that the Board had appointed Mr. Huang Shi Chin to fill his vacancy. Mr. Huang has served the Company loyally for many years as its Director of Finance and Company Secretary. He has therefore a wealth of experience that will serve the Board well.

As always, on behalf of the Board, I would like to convey our sincere thanks to the Management and Staff of the Company for their hard work in 2004 and to wish them even greater success in the current year.



TAN SRI KAMARUL ARIFFIN
BIN MOHD. YASSIN
Chairman

CORPORATE GOVERNANCE STATEMENT



Get ready for life!

The Board of Directors is pleased to report to shareholders the manner in which the Company has applied the principles and the extent of compliance with the best practices of good governance as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance (the Code) pursuant to Paragraph 15.26 of the Listing Requirements of Bursa Malaysia Securities Berhad (the Listing Requirements).

The Company will continually review its corporate governance principles and practices in its effort to achieve a higher standard of governance in the Company.

1 The Board of Directors

1.1 Composition

The Board comprises seven directors; two of whom are non-independent non-executive directors, three are independent non-executive directors and two Executive Directors within the meaning of Chapter 1.01 of the Listing Requirements. The Board is required under Paragraph 15.02 of the Listing Requirements to ensure that it has one-third independent directors.

The Board has identified its senior Independent and Non-Executive Chairman, Tan Sri Kamarul Ariffin bin Mohd. Yassin, to whom concerns of shareholders, Management and others may be conveyed.

Duties and Responsibilities

The Company is led by an experienced Board under a Chairman who is an Independent and Non-Executive director. The roles of the Chairman and Managing Director are separate and each has a clearly accepted division of responsibilities. Members of the Board are professionals from varied backgrounds, bringing depth and diversity in experience, expertise and perspectives to the Company's business operations. The profiles of the members of the Board are set out in this Annual Report on pages 10 to 11.

The Board is ensured of a balanced view at all board deliberations largely due to the presence of its non-

executive directors that form a majority in the Board. More importantly, the Board has as members, independent non-executive directors who are independent from Management and major shareholders of the Company. The independent directors are also free from any business or other relationships that could materially interfere with the exercise of their independent judgement.

Together with the Managing Director who has an intimate knowledge of the Company's business, the Board is constituted of individuals who are committed to business integrity and professionalism in all its activities. As part of its commitment, the Board supports the highest standards of corporate governance and the development of best practices for the Company.

The Board retains full and effective overall control of and responsibility for the Company. This includes the following six specific responsibilities in the discharge of its duties:

- reviewing and adopting a strategic plan for the Company.
- overseeing the conduct of the Company's business to evaluate whether the business is being properly managed. The Board plays a supportive yet watchful role over the performance of Management.
- identifying principal risks to ensure the implementation of appropriate systems to manage these risks.
- establishing succession planning, including the appointment, training and fixing of compensation and where appropriate, replacement of senior management.
- maintaining shareholder and investor relations for the Company.
- reviewing the adequacy and the integrity of the Company's internal control systems and management systems; including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

2 Board Meetings

The Board meets at least four times a year and has a formal schedule of matters reserved to it. Additional meetings are held as and when required. It meets within two months of the end of every quarter of the financial year, whereat the Company's financial statements and results are deliberated and considered. The Board and its Committees are supplied with sufficient information to enable them to discharge their duties. During these meetings, the Board also appraises business proposals, reviews the management or performance of the business and any other strategic issues that affect or may affect the Company's business.

During the financial year, the Board met six times; whereat it deliberated and considered a variety of matters including the Company's financial results, the business plan and direction of the Company. The Board receives documents on matters requiring its consideration prior to and in advance of each meeting. The Board papers are comprehensive and encompass all aspects of the matters being considered which enable the Board to look at both the quantitative and qualitative factors so that informed decisions are made.

Directors have access to information within the Company and to the advice and services of the Company Secretary who is responsible for ensuring that Board meeting procedures are followed and that applicable rules and regulations are complied with. The Directors also have access to independent professional advice in furtherance of their duties.

The attendance of the Directors at the Board Meetings is set out in the Directors's Profile appearing on pages 10 and 11 of the Annual Report.

3 Re-Election of Directors

At least one-third of the Directors are required to retire by rotation each financial year in accordance with the Company's Articles of Association and can offer themselves for re-election at the Annual General Meeting.

Directors who are appointed by the Board to fill a casual vacancy during the year are subject to election by shareholders at the next Annual General Meeting following their appointment.

The Company's Articles of Association provide that the Managing Director is also subject to re-election by rotation once every three years.

4 Directors' Training

All members of the Board have attended and successfully completed the mandatory accreditation programme.

Directors are encouraged to attend continuous education programmes to keep abreast with developments in the market place. As of 31 December 2004, every member of the Board had accumulated the necessary Continuing Education Programme (CEP) points as specified in Practice Note 15.

5 Directors' Remuneration

Non-executive directors are paid an attendance allowance for each Board or Committee Meeting that they attend. Directors' fees are paid to non-executive directors and these are approved by shareholders at the Annual General Meeting. The Executive Directors are not paid an attendance allowance nor directors' fees.

The Company has adopted the objectives as recommended by the Malaysian Code on Corporate Governance to determine the remuneration of Directors so as to ensure that the Company attracts and retains the Directors needed to run the Company successfully.

The aggregate remuneration of Directors of the Company for the financial year ended 31 December 2004 are as follows:

| | |
|-------------------------|-----------|
| Executive Directors | RM774,498 |
| Non-Executive Directors | RM 84,000 |

The number of Directors whose total remuneration falls within the following bands are as follows:

| Range of Remuneration | Executive Directors | Non-Executive Directors |
|------------------------|---------------------|-------------------------|
| Below RM50,000 | - | 3 |
| RM150,000 to RM200,000 | 1 | - |
| RM550,000 to RM600,000 | 1 | - |

6 Board Committees

As appropriate, the Board has delegated certain responsibilities to Board Committees that operate within clearly defined terms of reference. These Committees are:

6.1 Audit Committee

The Company's Audit Committee assists and supports the Board's responsibility to oversee the Company's operations in the following manner:-

- provides a means for review of the Company's processes for producing financial data, its internal controls and independence of the Company's External and Internal Auditors.
- reinforces the independence of the Company's External Auditors.
- reinforces the objectivity of the Company's Internal Audit function.

The Audit Committee comprises three directors (two of whom, including the Chairman, are independent non-executive directors). The members of the Committee are:

1. Tan Sri Kamarul Ariffin bin Mohd. Yassin
(Independent Non-Executive Director) - Chairman

2. Mr. Boey Tak Kong
(Independent Non-Executive Director)
3. Mr. Cornelis H.M. Ruijgrok
(Executive Director)

The Committee's terms of reference include the review of and deliberation on the Company's financial statements, the audit findings of the External Auditors arising from their audit of the Company's Financial Statements and the audit findings and issues raised by the Internal Auditors together with Management's responses thereon. The Director of Finance, Internal Auditors and External Auditors attend meetings at the invitation of the Audit Committee.

The Committee also reviews the Company's Quarterly unaudited statements and final audited (twelve months) Financial Statements before they are considered, deliberated and approved by the Board as well as related party transactions and any conflicts of interest situations during the year.

The Audit Committee Report for the financial year pursuant to Paragraph 15.16 of the Listing Requirements is contained on pages 12 to 14 of this Annual Report.

6.2 Nomination Committee

The Committee comprises three directors, all of whom are independent non-executive directors. The members of the Committee are:

1. Tan Sri Kamarul Ariffin bin Mohd. Yassin
(Independent Non-Executive Director) - Chairman
2. Mr. Boey Tak Kong
(Independent Non-Executive Director)
3. Mr. Foo Swee Leng
(Independent Non-Executive Director)

The Committee's responsibility among others, is to propose or review new nominees for the Board and

Board Committees, to assess the effectiveness of Board as a whole, examine its size with a view to determine the impact of its number upon its effectiveness, the Committees of the Board and the individual directors on an on-going basis, and to annually review the required skills and core competencies of non-executive directors. The Committee also ensures that an orientation and education programme is in place for new Board members.

6.3 Remuneration Committee

The Committee comprises three directors, two of whom are non-executive directors. The members of the Committee are:

1. Dato' Dr. Mhd. Nordin bin Mohd. Nor
(Non-Independent Non-Executive Director)
- Chairman
2. Mr. Foo Swee Leng
(Independent Non-Executive Director)
3. Mr. Cornelis H.M. Ruijgrok (Executive Director)

The Committee's primary responsibility is to recommend to the Board, the remuneration of Directors (executive and non-executive) in all its forms, drawing from outside advice if necessary. Nevertheless, the determination of remuneration packages of Directors is a matter for the Board as a whole and individuals are required to abstain from discussion of their own remuneration.

7 Accountability and Audit

7.1 Financial Reporting:

The Board aims to provide and present a balanced and meaningful assessment of the Company's financial performance and prospects at the end of the financial year, primarily through the Financial Statements and the Chairman's Statement in the Annual Report.

7.2 Statement of Directors' Responsibility in respect of Audited Financial Statements pursuant to Paragraph 15.27(a) of the Listing Requirements.

Directors are required pursuant to Section 169 (15) of the Companies Act, 1965 to state whether the Company's Financial Statements for the financial year are drawn up in accordance with approved accounting standards so as to give a true and fair view of the Company's state of affairs and of the results of the Company's business operations for the financial year.

In preparing the above Financial Statements, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed; and
- prepared the Financial Statements on an ongoing basis.

The Company's quarterly and annual results announcement are released to shareholders within the stipulated time frame to reinforce the Board's commitment to provide a true and fair view of the Company's operations.

7.3 Internal Audit

Deloitte Enterprise Risk Services Sdn Bhd carries out the Company's Internal Audit function.

They report to the Audit Committee. As such, the Company's internal audit function is independent of its activities and is performed with professionalism and impartiality.

During the year, the Internal Auditors had four meetings with the Audit Committee. They reported on the Company's system of internal and operational controls with focus on key areas of business risks.

The Internal Auditors' audit plan, nature and scope of the audit were agreed with the Audit Committee prior

to the commencement of their audit. They reported on weaknesses in control procedures and made recommendations on areas for improvement. They also reviewed the extent to which their recommendations have been implemented by the Company.

7.4 External Audit

The Company's independent External Auditors play an essential role to the shareholders by enhancing the reliability of the Company's Financial Statements and by giving assurance of that reliability to users of the Financial Statements.

The External Auditors have an obligation to bring any significant weaknesses in the Company's system of controls and compliance to the attention of Management, the Audit Committee and the Board.

8 Relations with Shareholders and Investors

The Company's Annual General Meeting (AGM) is the principal forum for dialogue with individual shareholders. It is a crucial mechanism in shareholder communication for the Company. At the Company's AGM, which is generally well attended, shareholders have direct access to the Board and are given the opportunity to ask questions during the open question and answer session prior to the moving of the motion to approve the Company's Audited Financial Statements and Directors' Report for the financial year. Shareholders are encouraged to ask questions both about the resolutions being proposed or about the Company's operations in general.

Additionally, a press conference is held immediately after the AGM whereat the Chairman and the Managing Director advise members of the media of the resolutions passed, and answer questions on the Company's operations posed by the reporters. Members of the media are also invited to the Company's major product launches where clarifications are given on the products and the business in general.

Announcements are made on a timely basis to Bursa Malaysia Securities Berhad in accordance with the Listing Requirements.