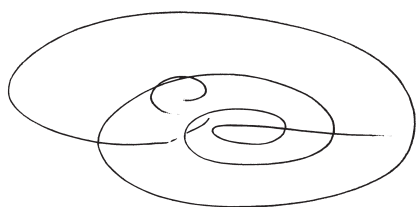


STATEMENT BY DIRECTORS

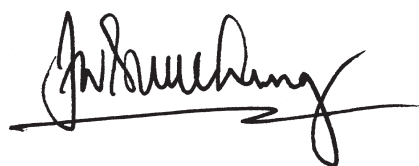
Pursuant to Section 169 (15) of the Companies Act, 1965

We, CORNELIS H. M. RUIJGROK and FOO SWEE LENG, being two of the directors of DUTCH LADY MILK INDUSTRIES BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 20 to 41 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Company as at 31 December 2004 and of the results and the cash flows of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors.



CORNELIS H.M. RUIJGROK
Director



FOO SWEE LENG
Director

Petaling Jaya, Malaysia
28 February 2005

STATUTORY DECLARATION

Pursuant to Section 169 (16) of the Companies Act, 1965

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I, HUANG SHI CHIN, being the Director primarily responsible for the financial management of DUTCH LADY MILK INDUSTRIES BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 20 to 41 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed HUANG SHI CHIN
at Petaling Jaya on 28 February 2005



HUANG SHI CHIN

Before me,



E. RADAKRISHNAN, AMN, PPN, PK, PPM, PPA, PKB, PJP (Sel).
Commissioner for Oaths (No. 008)
Petaling Jaya

REPORT OF THE AUDITORS

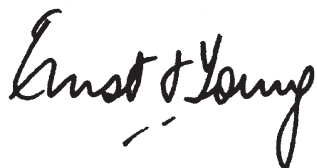
to the members of Dutch Lady Milk Industries Berhad (Incorporated in Malaysia)

We have audited the financial statements set out on pages 20 to 41. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Company as at 31 December 2004 and of the results and the cash flows of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



ERNST & YOUNG AF:0039
Chartered Accountants



SUKANTA KUMAR DUTT 1556/08/06 (J)
Partner

Kuala Lumpur, Malaysia
28 February 2005

FINANCIAL HIGHLIGHTS

Get ready for life!

		2004	2003	2002	2001	2000
Revenue	RM'000	420,471	372,687	357,239	329,045	323,304
Profit before tax	RM'000	26,805	20,916	20,066	15,134	17,871
Profit after tax	RM'000	19,723	15,484	15,540	12,004	14,871
Net dividend paid	RM'000	35,808	8,160	3,680	3,680	2,880
Issued & fully paid capital	RM'000	64,000	64,000	64,000	16,000	16,000
Shareholders' funds	RM'000	131,591	147,676	141,582	126,423	118,099
Total assets	RM'000	207,371	208,096	188,729	183,630	197,224
Net tangible asset backing per share*	RM'000	2.06	2.31	2.21	1.98	1.85
Earnings per share (net)*	sen	31	24	24	19	23

* For comparative purposes, the figures for all the years have been re-calculated based on 64 million ordinary shares in issue as at 31 December 2004.





OTHER INFORMATION

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Get ready for life!

Analysis of Shareholdings as at 18 March 2005

Class of Shares	Ordinary shares of RM1.00 each		
Voting Rights	On show of hands	:	1 vote
	On a poll	:	1 vote for each share held

Distribution Schedule Of Shareholders

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100 shares	36	0.91	942	0.00
100 to 1,000 shares	1,717	43.48	1,578,556	2.47
1,001 to 10,000 shares	1,997	50.57	7,444,954	11.63
10,001 to 100,000 shares	183	4.63	4,301,244	6.72
100,001 to Less than 5% of the issued shares	14	0.35	2,591,504	4.05
5% and above of the issued shares	2	0.06	48,082,800	75.13
Total	3,949	100.00	64,000,000	100.00

Name of 30 Largest Shareholders

	No. of Share	% of Holdings
1. Frint Beheer IV BV*	32,074,800	50.12
2. Amanah Raya Nominees (Tempatan) Sdn Bhd* - Skim Amanah Saham Bumiputera	16,008,000	25.01
3. RHB Nominees (Asing) Sdn Bhd - Sarasin-Rabo Nominees (Singapore) Pte Ltd for Cooperatieve Centrale Raiffeisen-Boerenlenbank B.A.	540,000	0.84
4. Yong Siew Lee	318,000	0.50
5. Yeo Khee Bee	236,000	0.37
6. Menteri Kewangan Malaysia Section 29 (SICDA)	189,800	0.30
7. Quek Guat Kwee	160,000	0.25
8. Ng Lam Shen	160,000	0.25
9. Kumpulan Wang Simpanan Guru-Guru	156,300	0.24
10. Universiti Malaya	144,000	0.23
11. Tong Yoke Kim Sdn Bhd	120,000	0.19
12. Lee Sim Kuen	120,000	0.19
13. Foo Mee Lee	117,404	0.18
14. Wong So-Ch'I	111,000	0.17
15. Soon Ah Khun @ Soon Lian Huat	110,000	0.17
16. Wong So Haur	109,000	0.17
17. Lim Teh Realty Sdn Bhd	90,000	0.14
18. HSBC Nominees (Asing) Sdn Bhd - Pictet and Cie for Ace Fund Sicav (Emerging Market)	80,000	0.13
19. Ong Tatt Poh	80,000	0.13
20. Foo Yoke Keong Adrian	80,000	0.13
21. Lim Pin Kong	75,000	0.12
22. Neoh Soon Leong	72,000	0.11

23. Leong Lai Meng	60,000	0.09
24. HSBC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Goh Hiong Eng	60,000	0.09
25. Looi Chin Seng	60,000	0.09
26. Sak Moy @ Sak Swee Len	58,000	0.09
27. Theo Chin Lian	56,000	0.09
28. Meng Hin Holdings Sdn Bhd	52,000	0.08
29. Tharumanathan A/L S.Eliathamby	51,000	0.08
30. Quah Say Beng	50,000	0.08

51,598,304	80.63
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*Registered in the Company's Register as Substantial Shareholders

Substantial Shareholders

Name	Direct	%	Indirect	%
1. Frint Beheer IV BV	32,074,800	50.12	0	0.00
2. Amanah Raya Nominees (Tempatan) Sdn Bhd [Skim Amanah Saham Bumiputera]	16,008,000	25.01	0	0.00

Directors' Shareholdings

Name	Direct	%	Indirect	%
1. Tan Sri Kamarul Ariffin bin Mohd Yassin	-	-	-	-
2. Cornelis H.M. Ruijgrok	-	-	-	-
3. Foo Swee Leng	-	-	-	-
4. Boey Tak Kong	-	-	-	-
5. Freek Rijna	-	-	-	-
6. Dato' Dr. Mhd. Nordin Bin Mohd Nor	-	-	-	-
7. Huang Shi Chin	-	-	-	-

Particulars of properties as at 31 December 2004

Locations of Property	13 & 15, Jalan Semangat, Petaling Jaya	Lot 79, Jalan 13/6, Petaling Jaya
Brief Description	Factory buildings and office complex	Warehouse
Approximate Land Area (sq. ft.)	358,482	74,135
Tenure	Leasehold land expiring in the year 2059	Leasehold land expiring in the year 2059
Age of property	Between 19 years to 40 years	17 years
Net Book Value (RM'mln)	27.4	3.3

ADDITIONAL COMPLIANCE INFORMATION

Material contracts

To ensure the Company's continuing relationship with the Koninklijke Friesland Foods Group ("the Group"), which is vital to the Company's continued successful operations and its obligation for the use of Group's brands, a Technical Assistance and Royalty Agreement dated 24 December 2001 was entered into between the Company and Friesland Brands BV, a wholly owned subsidiary of the Group, for the grant of a licence for the exclusive use in Malaysia of propriety intellectual property, including trademarks and know-how, and the provision of technical assistance. Consideration is by way of monthly Royalties and Technical fees at a rate of 2% of net sales.

Share Buybacks

During the financial year, there were no share buybacks by the Company.

Options, Warrants or Convertible Securities

During the financial year, the Company did not issue any options, warrants or convertible securities.

American Depositary Receipt (ADR) or Global Depositary Receipt (GDR) Programme

During the financial year, the Company did not sponsor any ADR or GDR programme.

Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company, Directors or management by any relevant regulatory bodies.

Non-Audit Fees

During the financial year, the Company paid RM23,000 in non-audit fees to the External Auditors.

Profit Estimate, Forecast or Projection

There was no material variance between the results for the financial year and the unaudited results previously announced. The Company did not release any profit estimate, forecast or projection for the financial year.

Profit Guarantees

During the financial year, there were no profit guarantees given by the Company.

Revaluation Policy on Landed Properties

The Company does not have a policy to revalue its landed properties.

Utilisation of Proceeds

The Company did not carry out any corporate exercise to raise funds during the financial year.

PROXY FORM



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Get ready for life!

No. of Shares held

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia under the then Companies Ordinances, 1940-1946)

FORM OF PROXY

I/We (NRIC No.)
of.....
being a member/members of **DUTCH LADY MILK INDUSTRIES BERHAD** ("the Company"), do hereby appoint [#]the Chairman of the Meeting or
.....(NRIC No.)
of
as my/our proxy/proxies to vote for me/us and on my/our behalf at the Forty-Second Annual General Meeting of the Company to be held at Hotel Armada,
Lorong Utara C, Section 52, Petaling Jaya, Selangor Darul Ehsan, on Wednesday, 25 May 2005 at 10.00 a.m. and any adjournment thereof, in respect of
my/our shareholding in the manner indicated below:-

Resolutions No.		*FOR	*AGAINST
1.	Receive Audited Financial Statements for the financial year ended 31 December 2004, together with the Reports of the Directors' and Auditors' thereon.		
2.	Approve payment of final dividend of gross 6.25 sen per share, less income tax , and 3.75 sen per share, tax exempt.		
3.	Approve the Directors' fees for the financial year ended 31 December 2004.		
4.	Re-election of Tan Sri Kamarul Ariffin bin Mohd. Yassin.		
5.	Re-election of Mr. Cornelis H.M. Ruijgrok		
6.	Re-election of Mr. Freek Rijna		
7.	Re-election of Mr. Huang Shi Chin.		
8.	Re-appoint of Messrs Ernst & Young as the Company's auditors.		
9.	Approve the Proposed Shareholders' Mandates for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

* Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Delete the words "the Chairman of the Meeting" if you wish to appoint some other person(s) to be your proxy.

Signed this day of2005

.....
Signature(s) of Shareholder/attorney (if Shareholder is a corporation, this part should be executed under seal)

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.