



Good Food, Good Life

# LIVE

CORPORATE REPORT 2015



## Vision & Mission



Nourishing and enhancing the lives of Malaysians for generations to come.



# Inside this report



We are committed to walk with our consumers every step of the way on their journey towards Nutrition, Health and Wellness.

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Notice of AGM

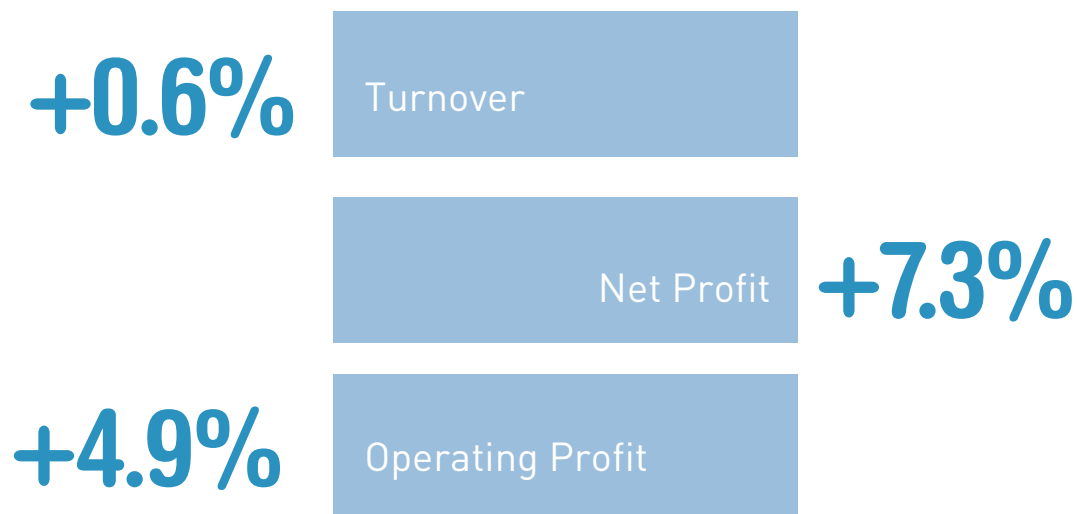
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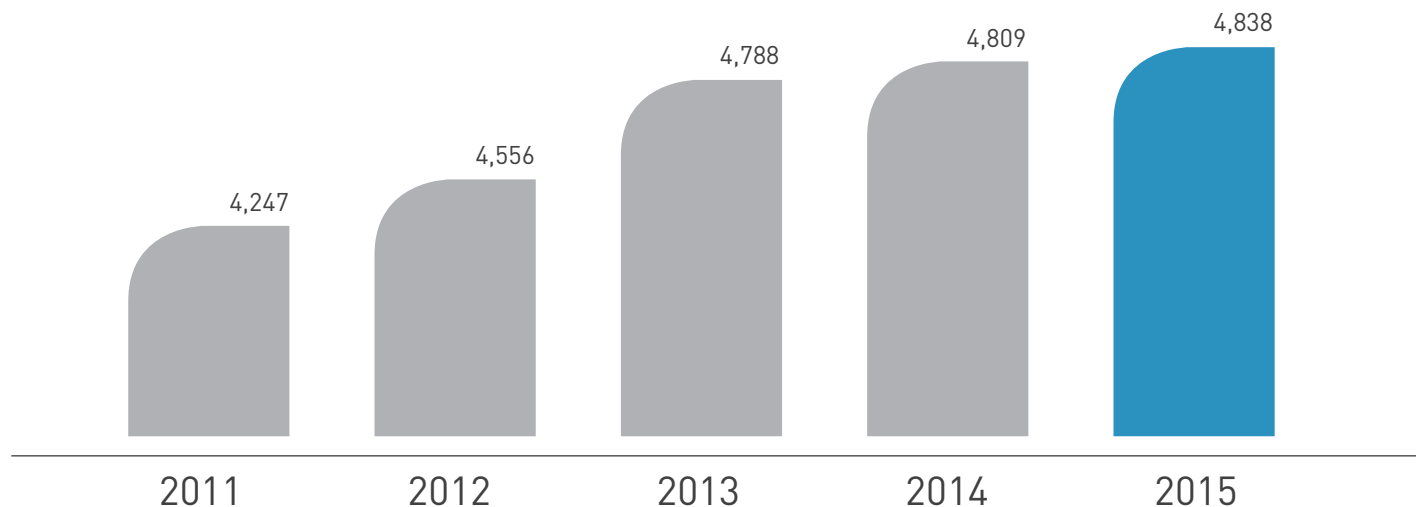
## Performance at a Glance

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- Delivered higher top and bottom line results, driven by increased investments in marketing and promotional activities, as well as improved cost of sales.
  - Recorded growth in both domestic and export businesses.
  - Profit after Tax of RM591 million for the financial year ended 31 December 2015, up by 7.3% from the previous financial year.
  - Proposed final dividend of RM1.10 per share and a special dividend of RM0.20 per share.
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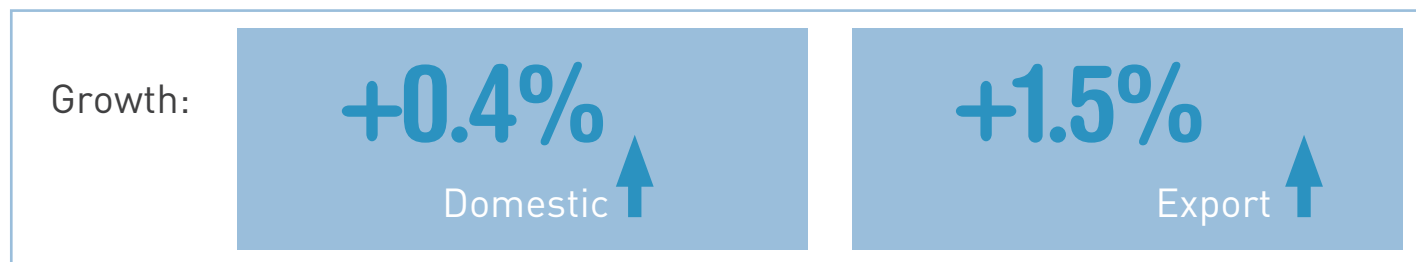
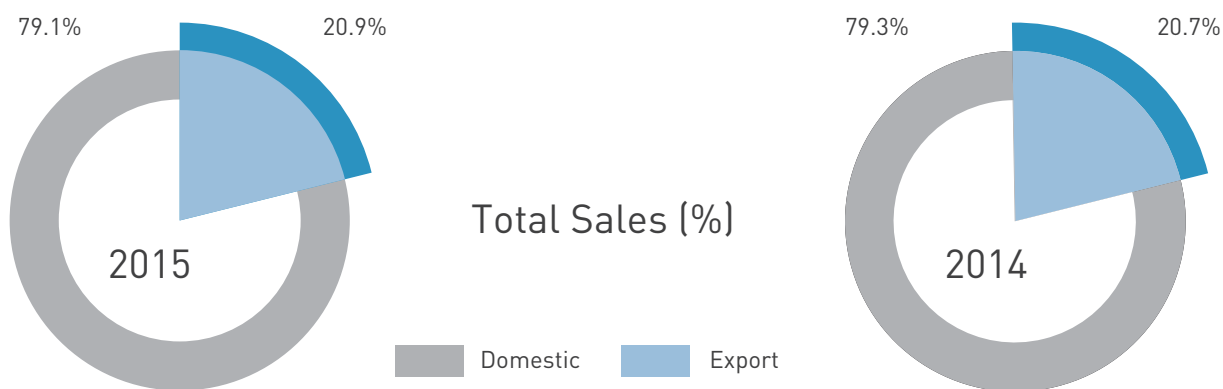


Strong investment in marketing and promotional activities drove domestic sales and expanded market share.



Effective from 1 January 2012, certain allowances and discounts are disclosed as a deduction of sales in conformity with Nestlé S.A. Group policy and with the practice generally applied by consumer goods companies.

For comparative purpose, only 2011 is adjusted to reflect the new turnover definition.





As the leading Nutrition, Health and Wellness company, Nestlé Malaysia strongly believes in the importance of encouraging families to LIVE healthier, happier lives.



LIVE  
WELL



An active lifestyle and a well-balanced diet helps families lead a happy and fulfilling life.

## Message to Shareholders

# Thank you

to our people for  
delivering our  
commitments

### Chairman

Y.A.M. Tan Sri  
Dato' Seri Syed  
Anwar Jamalullail

On behalf of the Board of Directors, we are pleased to present the Annual Report of Nestlé (Malaysia) Berhad for the financial year ended 31 December 2015.

#### PERFORMANCE OVERVIEW

The year 2015 was indeed challenging, with various market conditions weighing down Malaysia's economy and impacting consumers. This included the implementation of Goods and Services Tax ("GST") and rising living costs, as well as the depreciation of the Ringgit and the sluggish overall global economy. Amidst this tough economic backdrop, the Company was able to leverage on our solid fundamentals and resilient nature to deliver growth in 2015.

Despite the adverse environment, we started off on a strong note and continued to record stable results throughout the year, propelled by the domestic market which was driven by various consumer-oriented initiatives and campaigns. Coupled with our well-established portfolio of Nestlé brands, we were able to reinforce our role as a leader in Nutrition, Health and Wellness in the Malaysian market.

As a proactive step to mitigate uncertainty over price movements prior to the implementation of GST, the Company launched the '*Lebih Nilai, Lagi Hebat*' nationwide promotional campaign during the first quarter of the year. As the biggest





## Managing Director

**Alois Hofbauer**

promotion in the Company's history, this was part of our ongoing efforts to reward our consumers with greater value for their favourite Nestlé products, even during difficult times. The campaign was a key contributor, delivering solid growth for major product categories.

Following this, due to the implementation of GST in April 2015, the second quarter saw a slowdown as turnover was impacted on the back of softened consumer sentiment, leading to a marginal drop of 2.0% in domestic sales. This was expected as consumers underwent a period of adjustment following the onset of GST. Overall however, we recorded an improved operating profit in the first half of the year, indicating the healthy development of the Group's profit structure.

The third quarter also saw improved turnover and profitability on the back of our successful '*Lagi Sihat, Lagi Happy*' consumer campaign, along with other marketing and promotional activities. Reflecting the Company's core mission to bring '*GOOD FOOD, GOOD LIFE*' to all, the '*Lagi Sihat, Lagi Happy*' campaign was part of our ongoing drive to provide even greater value to Malaysians while promoting healthier lifestyles.

In tandem with this, we implemented other initiatives including the MILO Malaysia Breakfast Day Run across three cities – Kuching, Ipoh and Putrajaya. Activities such as these further strengthened the Group's position as the overall market leader.

Along with consumer campaigns, the Company also continued to invest in the innovation and renovation of our product portfolio. New product innovations in 2015 were key business drivers, contributing to the Company's overall turnover development. Significant achievements for Nestlé Malaysia during the year include MILO NUTRI G drink, the world's first MILO drink with healthy whole grains, NESCAFÉ BLEND & BREW coffee, the first in the world to offer consumers a perfect combination of freshly brewed café-style coffee with milk, as well as the world's first Halal-certified KIT KAT Green Tea.

Other new products that were successfully launched in 2015 included NESTLÉ OMEGA PLUS Ready-to-Drink milk with ACTICOL plant sterol to help Malaysians better manage cholesterol, NESCAFÉ MOUNTAIN WASH coffee, MAT KOOL BUTTERFLY ice confection, MAGGI LETUP noodles, MAGGI Mi Kolo noodles, and new additions to the MAGGI ROYALE premium range, Johor Seafood Laksa and Sarawak Sambal Laksa.

In the domestic market, our marketing and promotional initiatives in tandem with new product launches resulted in market share growth and drove our performance in the third quarter, despite tough external conditions and subdued consumer sentiment.

## The biggest promotion in Nestlé Malaysia's history, the '*Lebih Nilai, Lagi Hebat*' nationwide promotional campaign rewarded our consumers with greater value for their favourite Nestlé products.

From an input cost perspective, commodities prices in 2015 were more favourable overall compared with the previous year. Together with our proactive and sustainable cost management along the value chain via the Nestlé Continuous Excellence platform, we were able to strengthen market position for our brands.

For the financial year ended 31 December 2015, the Company recorded an improved Profit After Tax of RM591 million, a 7.3% increase compared with last year. The total turnover of RM4.8 billion represents a 0.6% increase against the previous year.

### OPERATIONAL DEVELOPMENTS

Nestlé is committed to scaling up our operational capabilities in the Malaysian market, in order to tap into the country's long-term prospects. As testament to this, in October 2015, we launched our eighth factory in the country, the Sri Muda Factory, producing Ready-to-Drink ("RTD") products such as MILO NUTRI G drink, NESCAFÉ coffee and NESTLÉ OMEGA PLUS UHT Milk.

Boosting our RTD capacity by 60%, Sri Muda is part of our long-term growth strategy to enable us to tap into the fast-growing area of RTD in the domestic and export market. This latest factory makes the Nestlé Shah Alam Manufacturing Site one of the largest in the country and in the Nestlé world.

We also launched the MAGGI high output noodle line, which is an expansion of our existing Batu Tiga factory. Incorporating advanced technology for end-to-end automation, the new line has a production capacity of 20,000 metric tonnes per year, extending our existing capacity by approximately 30%. It is also the biggest noodle factory in Malaysia.

### CORPORATE GOVERNANCE

In line with Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa") and Malaysian Code on Corporate Governance 2012 ("MCCG"), good governance enables us to uphold the trust of our

stakeholders. Towards this end, our Corporate Governance & Financial Report 2015 highlights the Company's Board of Directors ("Board") responsibilities towards ensuring good governance as per Bursa Malaysia's standards and regulations, as well as established best practices within the Nestlé (Malaysia) Berhad group of companies ("Group").

As a responsible corporate citizen, we believe that transparency is an important value across our organisation, including activities related to corporate social responsibility, known as, Creating Shared Value ("CSV"), which is our way of doing business. Over the past four years, we are pleased to note that our standalone CSV reports and the accompanying *Nestlé in Society Report 2015* have been externally verified; reflecting our commitment to providing full disclosure and transparency throughout our reporting process.

### CREATING SHARED VALUE

As a leading Nutrition, Health and Wellness company, we believe that in order for us to create long-term value for our shareholders, it is imperative that we create value for the communities in which we operate.

The Company focuses on three pillars which have the greatest potential for joint value creation with society: Nutrition, Water & Environment and Rural Development. As fundamental areas which are core to our business strategy and operations, these pillars are also part of our sustainability commitments which we aim to uphold and protect for generations to come.

In line with Nestlé's commitment to encouraging healthier eating and active lifestyles among children, we established the Nestlé Healthy Kids Programme ("NHK"). NHK consists of two components: the primary school programme, known as the Nestlé Healthy Kids Programme and the secondary school programme, *Program Cara Hidup Sihat* ("PCHS").

In 2015, the Company held its second year of its NHK Train-the-Trainer workshop. This workshop educated teachers and wardens from primary day-boarding schools in Sabah and Sarawak on early age inculcation, with various modules on nutrition and physical activity. The teachers are then able to implement these modules in their respective schools.

During the year, we also commemorated the official conclusion of PCHS, a three-year intervention programme which was held with the aim of improving knowledge, attitude and practice of healthy lifestyles among secondary school students through Healthy Eating & Be Active Among Teens ("HEBAT") modules. With the official conclusion of PCHS, the top 10 best-performing schools were rewarded with an outdoor gym set installation worth RM15,000. To date, the NHK Programme in Malaysia has benefitted approximately 10,000 students nationwide.

As part of our dedication to environmental sustainability, the Company made the commitment to purchase 100% renewable electricity energy within the shortest practical time in 2015. This is aligned with the 21<sup>st</sup> Conference of the Parties (“COP 21”) to the United Nations Framework Convention on Climate Change in December 2015.

In addition, we also believe in empowering rural communities, as reflected through the Nestlé Chilli Club (“NCC”) contract farming scheme. The NCC was established with the aim of improving yields and quality of crops among local farmers to meet global standards, while alleviating poverty among the local farming community. In 2015, we launched *Kebun Dapur MAGGI*, an expansion of the NCC. The one-acre farm dedicated to innovative research and development initiatives was established to encourage sustainable and holistic farming practices.

A more detailed account of our CSV initiatives can be found in the accompanying *Nestlé in Society Report 2015*.

## RECOGNITION AND AWARDS

Throughout the year, our firm commitment to making a positive difference in society via our CSV initiatives has earned the Company recognition and accolades from the industry. Among the awards which the Company received include Runner-Up in PricewaterhouseCoopers’ (“PwC”) inaugural Building Trust Awards and ‘Exceptional Achievement in Environmental Performance’ in the Prime Minister’s Hibiscus Awards. In addition, our popular brands such as NESCAFÉ, MILO and MAGGI won several awards in the Putra Brand Awards 2015, under the People’s Choice category.

## DIVIDENDS

We are committed to delivering the best value to our shareholders via consistent dividend payments. In line with this, the Board of Directors proposed a final dividend of RM1.10. A special dividend of RM0.20 per share was also proposed. Including the interim dividends paid, this will bring total dividends for the year to RM2.60 per share.

## OUTLOOK FOR 2016

In the face of tough economic headwinds during the year under review, the Group recorded a solid performance in 2015, building on our strong foundation. Moving into 2016, we have adopted a cautious approach given that market conditions are set to remain volatile, coupled with reduced consumer confidence as a result of the GST implementation. Furthermore, commodity prices are expected to see an increase and prices of raw materials could also be further impacted by the depreciation of the Ringgit.

Total net dividend of

# 260 sen

per share, an increase from the previous year

While we do not foresee an easy year ahead, as a resilient Group with a proven track record, we are well-positioned to weather these challenges. Malaysia is one of the top five markets for Nestlé in Asia, and we remain positive on the middle to long-term prospects for the country.

As we move forward, we will continue to innovate and renovate our product portfolio to cater to evolving consumer preferences, providing Malaysians with great value for our wide range of great-tasting, high quality, nutritious products. The launch of our Sri Muda Factory will also enable us to explore new opportunities in the growing Ready-to-Drink segment, which bodes well for the Group.

We have been successful as a company in Malaysia for over a hundred years, and next year will mark the 150-year milestone for Nestlé, globally. Ultimately, we are committed towards maintaining our business strategy of prudent cost management, coupled with proactive investments for the future. Through steady and continuous investments over the long-term and delivering solid results over the short-term, we are confident that we will be able to capitalise on the vast opportunities in Malaysia.

## APPRECIATION

The Board would like to extend its deepest appreciation to the management team for their dedication and commitment in driving the Company forward. Our sincere thanks also goes to all employees as well for playing an important role in ensuring that the Company continues to be the nation’s leading Nutrition, Health and Wellness company. We would also like to express our gratitude to our consumers, partners, distributors and customers for their support and loyalty to our Company and brands.

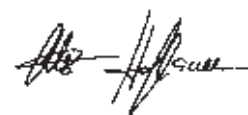
Thank You.

Chairman



**Y.A.M. Tan Sri Dato' Seri  
Syed Anwar Jamalullail**

Managing Director



**Alois Hofbauer**



At Nestlé Malaysia, we SHARE our journey and commitment to be the leading Nutrition, Health and Wellness company with our employees.



# SHARE MOMENTS



Shared times together are made all  
the more special with great food and  
good friends.

# Business Review

A major highlight was the Nestlé Promosi '*Lebih Baik, Lebih Nilai*' in March – a key campaign building on our Nutrition, Health and Wellness platform.

For the financial year ended 31 December 2015, the Group delivered a solid performance, recording a turnover of RM4.8 billion, a 0.6% increase compared with the previous year. This was mainly attributable to the domestic business which saw good growth despite challenging market conditions, clearly demonstrating the Group's resilience and strong foundation. The export business also saw an improvement as exports started to normalise over the course of the year.

Although Malaysia's economy was impacted by reduced consumer confidence during the year on the back of the implementation of the Goods and Services Tax (GST) coupled with the rising cost of living, the Group's domestic business continued to be driven by investments in marketing and promotional activities, particularly consumer campaigns, as well as new product innovations. This enabled us to command greater market share for our brands across all major product categories.

As a trusted brand, Malaysian consumers appreciate the fact that Nestlé consistently offers a strong value proposition, both in terms of high product quality and affordability. In line with this, the Group launched two successful corporate campaigns in 2015, promoting tastier and healthier choices and offering greater value for consumers for their favourite Nestlé products. This is part of our aim to reinforce our position as a leader in Nutrition, Healthy and Wellness, while driving sales with a healthy return on investment.

The domestic business saw good growth despite challenging market conditions, demonstrating the Group's resilience and strong foundation.

A key contributor was the '*Lebih Nilai, Lagi Hebat*' nationwide promotional campaign in February and March. As our biggest promotion to date, consumers were offered over 11 million bonus packs, as well as premium items with purchases and price discounts. The success of this campaign enabled the Group to outperform category growth for key products and strengthen our market share, despite concerns over the GST implementation.

This was followed by the '*Lagi Sihat, Lagi Happy*' campaign, with irresistible offers and great savings for a wide range of Nestlé products, alongside a variety of activities that consumers could participate in. The highlight was a game show that aired on national television, offering participants a grand prize of RM50,000. This campaign was very well-received and saw the Group posting record-high sales for the month of September.

In addition to promotional campaigns, significant strides were made in our sales operations as merchandising standards saw an improvement via the Sales Force Automation (SFA) system. The '*Win In Every Store*' initiative encouraged our sales representatives to increase their sales and improve service levels by tracking in-store execution standards on electronic devices.

This was complemented by ongoing efforts to increase the number of '*Perfect Store*' outlets across the country. By leveraging on shopper traffic and behaviour patterns, the Nestlé sales team helped more outlets optimise their floor space in order to cater to consumer preferences.

We also realised improvements via our Supply Chain Transformation programme, which aims to enhance performance, increase savings, and ultimately ensure that the supply chain as a whole effectively supports the growth of the Group. Through this programme, we have reviewed our end-to-end logistics network and initiated four major projects to transform and upgrade our warehousing capabilities, along with many other projects to improve transport optimisation and reduce costs. We are also strengthening our procurement strategies in order to maximise value and service levels, leveraging as much as possible on the synergies across the region.

Meanwhile, in the area of planning, we are upgrading our methods to forecast demand, and we have seen very good results for short, medium and long term forecasts. In addition, our export team underwent major changes in 2014 and is now delivering excellent results. Our customer service team is also starting a transformation, and we have identified six key projects with several more minor projects underway.

In tandem with this, the Group was able to drive internal improvements via the Nestlé Continuous Excellence (NCE) platform. By leveraging on the NCE, we were able to maintain prudent cost management and strengthen efficiency and productivity. In 2015, our factories increased their productivity significantly as well as reduced energy consumption. We recorded savings of 4.8% of energy usage to 3.36 GJ per tonne product in 2015, surpassing the annual 4% target.

In addition, our efforts to reduce the amount of water utilised in our operations resulted in savings of 3.8% for specific water usage of 4.31 m<sup>3</sup>/tonne in 2015. Along with reducing the usage of water in our operations, we are also looking at ways to reduce water consumption throughout our supply chain. This includes training the local farmers in Kedah through our Nestlé Paddy Club initiative to use an environmentally-friendly and sustainable innovation known as the Semi-Aerobic Rice Intensification ("SARI") method. This is a water-saving approach applied in lowland paddy fields that reduces water usage and methane emission in irrigated fields, conserving up to 30% to 40% of water.

As a leading Nutrition, Health and Wellness company, we are well aware that our employees are our greatest assets. As the backbone of Nestlé, our talent pool will ultimately drive the Company to greater heights. In line with this, we continuously look for ways to enable our employees to thrive and achieve their maximum potential within the organisation. Throughout the year, Nestlé organises training and development programmes for employees, with the aim of cultivating capabilities and enhancing the Company's work culture.

Among these initiatives include the Leadership & Personal Effectiveness Programme (LEAD PEP 2.1). This programme was developed to strengthen relationships between leaders and teams, especially senior leaders throughout the organisation. Participants of LEAD PEP 2.1 included the Company's Managing Director, Alois Hofbauer, as well as division heads and business unit managers. Through this programme, participants gained a deeper insight into a wide range of topics on leadership, including self-awareness, motivation and engagement of employees, coaching, strategic human capital, cultural sensitivity and awareness, and navigating complex and abstract challenges.

As part of the four-month programme, each participant underwent two short residential modules and a more in-depth module that focused on an individual development project. Since this programme began in 2014, 240 participants have taken part in 10 different cohorts. A total of 77 new participants completed Module 1 and 115 participants completed Module 3 in 2015. LEAD PEP 2.1 succeeded in developing stronger leaders capable of empowering positive transformations in their teams.

Apart from nurturing leaders, the Company recognises the importance of encouraging our workforce to embrace healthy and active lifestyles. We have conducted several initiatives throughout the year to raise awareness on the importance of nutrition, health and wellness. This includes the Employee Wellness Programme, with engaging educational activities throughout the year such as Lunch N' Learn, Group Exercise, Nestlé Wellness Chef Challenge and World Healthy Day 2015. Through these activities, our team members have learnt the importance of leading healthy lifestyles in a fun and interactive manner.

As a company that cares, Nestlé also ensures that the loved ones of employees are involved in our Company's initiatives. In 2015, we organised a Nestlé Healthy Kids (NHK) Session for the young children of Nestlé employees. A spin-off of the NHK Primary School Module (please refer to *Nestlé in Society Report 2015* on pages 22-23), this programme proved to be a big success as the participating children displayed significant improvements in terms of their Knowledge, Attitude and Practice scores on nutrition, health and wellness. This programme also fostered closer family bonds as parents joined in the sessions with their children.

As a result of our significant investment in our people, Nestlé has received recognition as a leading employer as well as an excellent company to work in. In 2015, we were once again awarded 'Most Popular Graduate Employer in the FMCG category' at the Malaysia's 100 Leading Graduate Employers Award 2015.

**We continuously look for ways to enable our employees to thrive and achieve their maximum potential within the organisation.**

# DAIRY

## MILO



Inspired to live healthier lifestyles, 30,000 Malaysians from all walks of life joined Malaysia's largest breakfast gathering at the MILO Malaysia Breakfast Day 2015.



Through *Hidup Bola's* annual futsal tournament, participants learnt to embrace the MILO spirit of perseverance and excellence.

### MALAYSIA BREAKFAST DAY RUN 2015

Malaysians often miss the first and most important meal of the day – breakfast. Well-aware of this issue that many households face, MILO continues to highlight the importance of breakfast as the ultimate energy source to ensure that Malaysians stay focused and alert to ensure a productive start to the day.

In 2015, the MILO Malaysia Breakfast Day Run returned with a greater mission to reach out to more Malaysians by expanding to two more cities – Kuching and Ipoh; with the finale held at Putrajaya. A total of 30,000 Malaysians from all walks of life joined Malaysia's largest breakfast gathering by participating in the run and enjoying a healthy breakfast thereafter with their friends and loved ones.

Strongly believing that proactive measures are vital in encouraging Malaysians to embrace the importance of breakfast, MILO utilised various communication platforms, including in-store and on-ground activities throughout the campaign to reinforce this message. During the campaign, Malaysians were inspired to think of situations when they were awake but not alert, and this was linked back to how breakfast provides energy for the day. MILO engaged with key broadcast stations, newspapers and magazines to conduct interviews with Nestlé's team of nutritionists in order to highlight the importance of healthy breakfast habits throughout Malaysia. To further reinstate this, creative breakfast ideas and tips were included on the MILO website for fellow Malaysians on-the-go.

### HIDUP BOLA 2015

MILO is proud to have nourished generations of Malaysian children, bringing out the champion within them. We believe that with the right nourishment and counsel, each child has the potential to be a champion.

Conceptualised in 2006, the MILO *Hidup Bola* remains an anchoring initiative to serve as an avenue for children to not only compete and enhance their skills but also foster a passion for futsal. In 2015, the MILO *Hidup Bola* annual futsal tournament celebrated its 10-year milestone with a five-month carnival which started in August. As with previous years, the *Hidup Bola* Futsal Carnival saw hundreds of youth teams from both the under-12 and under-16 categories travelling across Malaysia to Kuala Lumpur, vying for a chance to qualify for the Grand Finals. Aside from displaying their skills in the area, the players and coaches also demonstrated excellent sportsmanship throughout the carnival.

During the carnival, the top 12 players from the under-16 category were selected for an opportunity to train with futsal professionals in Bangkok, Thailand. At the end of the training session, a four-sided mini tournament was held between the participants and Thailand's top Under-16 Futsal teams. It was a great delight to witness our newly-formed Malaysian team emerge as champions of the tournament after drawing with Thailand's defending Champions.

This victory is a testament to the enduring commitment MILO has towards cultivating sports at the grassroots level.

### CHAMPIONS CLINIC 2015

In a bid to raise champions, MILO advocates the 'Never Give Up' spirit, among Malaysian children as well as their parents. To demonstrate our commitment to inculcate this important value, MILO organised the inaugural MILO Champions Clinic as an extension of the *Hidup Bola* Futsal Carnival.

Held in Selangor, Johor Bahru and Kuching, the eight-session futsal training programme was conducted with a two-pronged approach. Firstly, it aimed to impart futsal skills to the children as well as nurture values such as teamwork and perseverance. Secondly, it provided parents with counsel on ways to communicate and encourage their children, especially when they face challenges.

The children's training was led by Elite Futsal Instructor Coach Yong and his team; while the exclusive session with the parents was led by key speakers, including Encik Hadi Ahmad, father of SEA Games Gold Medalist, Farah Ann Hadi; Ann Osman, Malaysia's First Professional Female Mixed Martial Arts Fighter and Puan Liyana Binti Abdullah, Co-Founder of Ombak FC from the "*Takkan Gentar*" documentary. In addition, Senior Nutritionist from Nestlé (Malaysia) Berhad, Puan Iliani Ahmad, shared nutrition advice to ensure that the children were aware of the importance of healthy eating habits.

The programme saw over 150 participants across the three locations and received positive feedback from the children as well as parents.



The MILO Champions Clinic reflects our commitment to instill the 'Never Give Up' spirit among our children.



## NESTUM

A multi-grain cereal that generations of Malaysians have grown up with, NESTUM is committed to continue nourishing consumers in years to come, especially in this fast-paced era.

2015 proved to be an even more exciting year for NESTUM as we moved into the second phase of our 'MORE CEREAL MORE LIFE' campaign. Launched in 2014, this campaign saw NESTUM's first-ever musical television commercial emphasising the nutritional multi-grain ingredients in NESTUM. In order to reach out to a wider audience, including the younger generation of Malaysia, the catchy tune and enthusiastic dance routine was also uploaded on digital platforms such as YouTube and Facebook, in line with our aim to utilise multiple communication touch points to increase our market share and brand awareness across Malaysia.

In addition to this, during the year the NESTUM website was also revamped to reflect an ever-evolving digital platform. Through this initiative, we highlighted the rebranding of the NESTUM 3IN1 range to NESTUM Grains & More. In order to ensure that our website remains relevant and attracts users, handy nutritional content, brand events and modern NESTUM recipes were included.

As a brand that is strongly affiliated with the Hari Raya festivities, we continued to drive our product innovation during this festive season. In July, NESTUM All Family Cereals made its debut on a well-loved local television programme, *STRAWBERI & KARIPAP*. This platform provided NESTUM with the opportunity to reach out to Malaysian families and to highlight the importance of consuming multi-grains in meals such as breakfast and healthy



snacks. Through this show, NESTUM also showcased the values that a NESTUM child upholds. Qualities including enthusiasm, passion and leadership skills were portrayed through child stars Raykarl Iskandar and Jelita Kako.

Meanwhile, in order to engage with our consumers who are passionate about cooking while encouraging family bonds, NESTUM held an exciting cook-off at the BAGUS Baking Studio in Kota Damansara. Junior finalists from the '2015 Breakfast for Awesomeness' NESTUM digital recipe contest partnered with their mothers to create nutritious and tasty multi-grain recipes using NESTUM All Family Cereals. The NESTUM Junior Cook-Off was followed by an exciting mini carnival with a meet and greet session with young celebrities.



The NESTUM Junior Cook-Off was organised to encourage young Malaysians to embrace healthier eating habits, on top of fostering stronger family bonds.

## NESTLÉ OMEGA PLUS



NESTLÉ OMEGA PLUS achieved another year of growth in 2015, registering a strong market share gain of +2.2 share points compared to the previous year, despite a challenging year for the Malaysian economy. The brand focused on recruiting new consumers by investing significantly in driving awareness on the importance of maintaining good heart health, in collaboration with Yayasan Jantung Malaysia (“YJM”) and Institut Jantung Negara (“IJN”) Foundation.

Themed “Your Heart is in Your Hands”, the campaign for 2015 was communicated through various media touch points and activities, calling for Malaysians of all ages to take care of their heart health. Initiatives included in-store cholesterol checks nationwide, roundtable interviews with key opinion leaders from the IJN Foundation as well as nutritionists, NESTLÉ OMEGA PLUS health fairs and the ‘WALK-a-MILE’ event.

The ‘WALK-a-MILE’ event is jointly organised by NESTLÉ OMEGA PLUS and YJM, with 2015 marking the 14<sup>th</sup> year of the annual event. This year’s ‘WALK-a-MILE’ event achieved new milestones



Minister of Youth and Sports, Yang Berhormat Khairy Jamaluddin participating actively at the ‘WALK-a-MILE’ event which saw over 3,000 participants at the Lake Gardens in Kuala Lumpur.

with bigger and bolder activities, attracting over 3,000 participants despite the haze condition in Malaysia. The event was held at the Lake Gardens in Kuala Lumpur and was officiated by the Minister of Youth and Sports, Yang Berhormat Khairy Jamaluddin. Families and other participants pledged to take care of their hearts, walking through a fun-filled route with mini obstacles educating them on heart health. Free health screenings, cardiopulmonary

resuscitation (“CPR”) training, and ZUMBA fitness exercise were some of the activities conducted during the event.

The brand also launched a Ready-to-Drink pack in conjunction with the World Heart Month in September. This convenient new product is available in 200ml Ready-to-Drink packs, enabling consumers to take care of their heart whilst on-the-go.

# BEVERAGES

## NESCAFÉ

As the preferred coffee of choice of Malaysians, NESCAFÉ continued its pioneering efforts in 2015, introducing new innovative products to cater to consumers' evolving needs and tastes.

In March, the brand unveiled the first-of-its-kind NESCAFÉ BLEND & BREW range of coffee in Malaysia, offering consumers a perfect combination of freshly brewed café-style 3-in-1 coffee with added milk, as a result of NESCAFÉ's revolutionary One Step Technology. The Malaysian market was the first in the world to savour this all-new product with three variants – Original, Mild and Rich – each tailored to personal preferences ranging from light to full-bodied, while maintaining NESCAFÉ coffee's unique taste and balanced flavours. Also launched in July was NESCAFÉ BLEND & BREW Zero, a 2-in-1 Coffee and Creamer variant.

NESCAFÉ marked another first for Malaysia with the introduction of NESCAFÉ MOUNTAIN WASH in July. Fresh from Vietnam's Tri-An mountain, NESCAFÉ MOUNTAIN WASH is a 100% naturally caffeine-free premium coffee, providing a smooth, well-rounded flavour with a fresh floral note.

In tandem with strengthening its market share with new products, during the year NESCAFÉ joined hands with BMW MINI to launch the NESCAFÉ Dolce Gusto MINI machine. Unveiled in May, this was part of NESCAFÉ Dolce Gusto's continuous drive to deliver its 'coffee shop at home' experience to consumers, coupled with innovative design. The limited edition machine featured an iconic new look, evoking the style of the classic car, with a compact design and the distinct winged logo.



# FOOD

## MAGGI



Despite challenging market conditions, MAGGI maintained its profit position with a sustained focus on streamlining its value chain.

As a brand that is dedicated to delighting consumers, MAGGI has always encouraged families to adopt wholesome cooking to enrich their lives by enjoying healthy, tasty meals together. The brand was able to grow its market share in 2015 by promoting tasty, healthy home cooking and launching an array of inspiring new products and recipe ideas.

As part of its drive to reward consumers with greater value, MAGGI enhanced several of its core products. In the Noodles range, MAGGI Big Kari noodles and Big Ayam noodles were relaunched with 10% more noodles. MAGGI Hot Cup also had 10% more noodle cake and real vegetables.



# NESTLÉ PROFESSIONAL

In line with our commitment to Nutrition, Health and Wellness, NESTLÉ PROFESSIONAL constantly develops healthier food and beverage choices and strives to provide our partners with high quality, nutritious products.

In August, we launched the all-new MAGGI Demi-Glace Brown Sauce Mix to meet the ever-evolving needs of the culinary world. The ideal 'kitchen helper', this product enables chefs to transform the premium brown sauce mix into a flavourful marinade for meat, a delicious soup base, stews or a smooth thickener for braised dishes.

Following NESTLÉ DOCELLO's success in the market, which is now widely used by chefs across hotels, restaurants, cafes and bakeries nationwide, Nestlé Professional embarked on a successful collaboration with local chain restaurants during the year. We provided these popular eateries with a range of NESTLÉ DOCELLO dessert mixes such as Crème Brûlée and Panna Cotta, which they used to dish out these delectable desserts.

Nestlé Professional also partnered with Taylor's University through a programme which aims to cultivate entrepreneurial skills amongst the Culinary Arts students of the University. This initiative was conducted through Tiffin Deli Bar, their in-house restaurant, this partnership has resulted in the first NESCAFÉ Alegria branded café in a university. By establishing a strong presence in one of Malaysia's top universities, NESCAFÉ is well-positioned to leverage on the growing coffee culture in Malaysia, particularly amongst the younger consumer segment. Our aim is to ensure that Tiffin Deli Bar delivers on NESCAFÉ Alegria's promise of "Great Quality Beverages, Cup after Cup."



In addition, MAGGI further expanded its repertoire of noodle varieties catering to Malaysians from all walks of life. For those looking to indulge in noodle dishes from the different regions of Malaysia, MAGGI introduced two new flavours to its MAGGI ROYALE range of premium noodles – Sarawak Sambal Laksa and Johor Seafood Laksa. East Malaysians can also enjoy their very own MAGGI Mi Kolo noodles with soup in the comfort of their homes. Meanwhile, for adventurous eaters, MAGGI introduced an explosively spicy taste – the MAGGI LETUP noodles range, which comes in two variants – Kari Cili Api and Goreng Kari Berasap.

For the brand's Culinary business, strategic placement and merchandising within the growing fresh section of leading hypermarkets and supermarkets successfully led to double-digit growth. Digital platforms were further reinforced through the MAGGI website revamp, where consumers can now find more recipes, kitchen tips and cooking videos to make meal preparation more fun. MAGGI also implemented a well-received digital campaign communicating the intrinsic goodness of MAGGI Chilli Sauce which is made from fresh chillies grown in Kelantan farms. The communication also highlighted the continued contribution of in supporting local farming communities to guarantee high quality produce and create shared value.

MAGGI continued to drive consumer engagement through innovative advertising campaigns, as well as in-store sampling and cooking demonstrations. This included the 19<sup>th</sup> year of the annual MAGGI Secondary School Cooking Competition, which provides a platform for young Malaysians to demonstrate their culinary talents while encouraging them to develop healthy cooking skills and good food habits.



# NESTLÉ READY-TO-DRINK



The Nestlé Ready-to-Drink business recorded sustained growth in 2015 despite the challenging economic climate. This was primarily a result of new and innovative products launched during the year, and was further strengthened by value-adding consumer campaigns and promotions.

The Ready-to-Drink Business Unit is driven by two of our key brands, MILO and NESCAFÉ, which are now available in three convenient formats: UHT, Cans and PET bottles, to cater to the evolving needs of our consumers. To meet the growing demands of consumers, we launched a new PET line in the Sri Muda Factory in 2015. This will increase our growth capabilities as well as enable us to delight our consumers by providing new convenient PET packs.

As testament to this and as part of our drive to continuously renovate and innovate our product portfolio, in June we launched MILO NUTRI G drink in Malaysia, the world's first MILO in a convenient PET bottle. MILO NUTRI G is the first product globally to have a unique mix of four different whole grains – brown rice, wheat, oats, and barley – while maintaining MILO's signature delicious chocolate malt taste.

This product provides 'breakfast-on-the-go' and is specially formulated to give Malaysians a strong start to their mornings, fuelling them with energy to go further.

In addition, during the year we relaunched MILO Cans, featuring new attractive packaging and promoting the added benefits of Activ-Go.

Meanwhile, NESCAFÉ Cans remained focused on engaging Malaysian youths via the NESCAFÉ Cans GO-JER redemption campaign. This initiative played a vital role in enhancing market share for the NESCAFÉ Ready-to-Drink segment and was very well-received among consumers and trade partners. We also successfully launched a new offering in 2015, NESCAFÉ Cans Creamy Roast, which provides consumers with a more intense coffee experience.

# NESTLÉ ICE CREAM

Nestlé Ice Cream delivered a strong performance in 2015, enhancing its market position with all-new products.

Leading kids' ice cream brand MAT KOOL kicked off the year with sweet success, as its new 'MAT KOOL Butterfly' launched in January was well-received by both children and adults alike. The MAT KOOL BUTTERFLY ice confection comes in a sweet and tangy strawberry and grape flavour with a sorbet-like texture. The key highlight of the product comes in the form of its sharing element, which is the first of its kind in Malaysia.

The LA CREMERIA ice cream range also saw new additions in 2015 as it expanded its format from the tub category to the sticks category in May, followed by the LA CREMERIA multipack ice cream launch in June. The LA CREMERIA ice cream sticks come in three variants: Absolutely Almond, Delightfully Pecan and Heavenly Chocolate. The rich, creamy and indulgent ice cream is made out of imported milk chocolate and Californian almonds, giving the product its unique taste and texture for an exquisite LA CREMERIA ice cream experience.

In September, Nestlé Ice Cream unveiled the new KIT KAT Green Tea ice cream in the cone format, launching alongside the KIT KAT Green Tea wafer. Offering a treat with the unique taste of green tea, the product was very well received by consumers. Together, the collaboration helped to expand consumer awareness on KIT KAT Green Tea across both formats.



# NESTLÉ CONFECTIONERY

As the leading chocolate company in Malaysia, Nestlé has consistently delivered strong double-digit growth year-on-year. In 2015, the Confectionery Business Unit achieved another year of growth, with KIT KAT expanding its market share and establishing itself as the top chocolate brand in Malaysia.

In September, Nestlé Confectionery launched the world's first Halal-certified KIT KAT Green Tea, which further strengthened the brand's position in the market through innovative product offerings. Building on the popularity of Japan's KIT KAT Green Tea, Nestlé Malaysia imported Japan's finest green tea powder to produce Halal-certified KIT KAT Green Tea, giving Malaysians the opportunity to experience and enjoy a 'Japanese-inspired Break'.

The birth of KIT KAT Green Tea also marks the beginning of an exciting chapter for the Business Unit, which recently celebrated the 80<sup>th</sup> Anniversary of KIT KAT. Other offerings such as KIT KAT and KIT KAT RUBIES which are



KIT KAT's very own ROBO-GT was on-hand to add cheer during the launch of the world's first Halal-certified KIT KAT Green Tea.

produced at our Chembong Factory are widely popular with consumers across Malaysia, reflecting KIT KAT's continuous success and growth.

These excellent results were driven by the strong collaboration between our Marketing and Sales teams as well as

the Chembong Factory. We remain focused on delivering results by ensuring effective in-store execution and communications, coupled with innovative marketing activities, promotions and products to continue delighting our consumers.



# NESTLÉ CHILLED DAIRY



Nestlé Chilled Dairy continued to deliver solid growth amidst tough market conditions in 2015, maintaining its leadership position in the yoghurt category. In order to delight our consumers nationwide, we employed several brand-building and consumer-oriented initiatives throughout the year.

NESTLÉ BLISS returned to the airwaves with its “Dominoes” television commercial, emphasising the important role of live cultures in aiding digestive wellbeing. The brand also rolled out initiatives such as the well-received “Luminarc” glass promotion, the “Feel Great Challenge”, joint partnerships with Zalora to reward consumers with

exciting online shopping deals, as well as the year-end festive launch of our limited edition flavour.

The key pillars for the spoonable yoghurts platform also displayed accelerated growth during the year with our Natural Set Yoghurts. Through this product, we are committed to encouraging Malaysians to embrace healthier lifestyles via creative solutions, such as using our yoghurt as a healthy replacement in cooking.

In line with this, numerous culinary-related initiatives were conducted in 2015, including joint promotions with MAGGI CUKUP RASA and the

introduction of a set of recipes that can be conveniently prepared using our Natural Set Yoghurts. Meanwhile, our GREEK Style Yoghurt offerings also continued to grow in popularity amongst the health-conscious, as it is seen as a mean to aid digestion, in addition to being an excellent source of protein and calcium.

Throughout the year, we also held numerous trial and sampling activities to raise awareness among our consumers across Malaysia on our creamier, more indulgent, and low in fat products.



Participants having an exciting shopping spree during the “Feel Great” Challenge, Nestlé Chilled Dairy’s first supermarket sweep.

## NESTLÉ INFANT NUTRITION



Nestlé Infant Nutrition continued to make strong inroads and market share gains in the children's milk category during the year.

In line with its commitment to build a healthier younger generation of Malaysians, the Infant Nutrition business launched new product innovations in 2015. This included Nestlé MOM & ME, a nutritious formulated milk for pregnant and lactating women which ensures a strong start for pregnant mothers from day one. This new and nutritious product complements the diets of pregnant mothers by combining beneficial ingredients such as BIFIDUS BL Probiotic, folic acid, DHA, as well as other essential multivitamins and minerals.

We also achieved a major breakthrough in 2015 with the launch of our new CERELAC infant cereal product, now formulated with more iron. Well-aware that iron deficiency among young children is prevalent in Malaysia, Nestlé

Infant Nutrition introduced this product to ensure that children receive adequate nutrition, especially iron, during their vital developmental years.

In tandem with this, our new CERELAC product is the only formulation that offers a 25% increase in iron and vitamin C as compared to previous recipes, enhancing young children's nutritional intake and helping them reach their full potential. Through the Nestlé Paddy Club initiative, local farmers in Kedah grow and harvest rice for use in our CERELAC white rice variants. The locally-produced CERELAC is also exported to ASEAN countries.

Meanwhile, our formulated milk powder LACTOKID with its unique GROW PLUS ingredient was launched in 2015 and was an instant success among Malaysian mums, supporting physical growth for toddlers. Also launched during the year was LACTOKID COMFORTIS 3, which contains magnesium, vitamin C and L reuteri probiotic, which supports digestion.

Another innovative product launched in 2015 was NANKID OPTIPRO HA 3, which is a formulated milk powder that contains partially hydrolysed milk proteins which is easier to digest and less allergenic compared to regular cow's milk protein. It is also formulated with beneficial probiotic and the new formulation has 47% increase in DHA and ARA versus the previous recipe. This product has seen increased popularity among consumers due to our efforts to ensure the strong visibility of this product, particularly through digital platforms.

## NESTLÉ HEALTH SCIENCE



Nestlé Health Science ("NHS") is dedicated to providing nutritional solutions for people with specific dietary needs related to medical and health conditions.

Product development and innovation is an integral part of NHS' commitment. In 2015, NHS highlights the success story of NOVASOURCE Renal, an innovation which offers complete and balanced nutrition to meet the needs of kidney patients.

The product was introduced to key hospitals throughout Malaysia and successfully achieved sustainable repeat purchases and an increase in prescriptions. This resulted in a record-breaking tenfold growth in sales over the course of the year, which is indeed an accomplishment for a new product.

The success of NOVASOURCE Renal contributed significantly to the growth of NHS' Critical Care platform in 2015. This enabled us to further solidify our role as a nutrition specialist, in line with our aim to support patients in acute conditions via our innovative products.

Nestlé in Society:

# Creating Shared Value and Meeting Our Commitments

Creating Shared Value (“CSV”) is a fundamental part of Nestlé’s way of doing business. We believe that in order for our business to prosper in the long-term, it is vital to consider the needs of our shareholders, as well as the needs of the communities in which we operate. CSV is the foundation of our Company’s culture and values and shapes how we run our business.

Nestlé Malaysia successfully planted

**484,580** trees

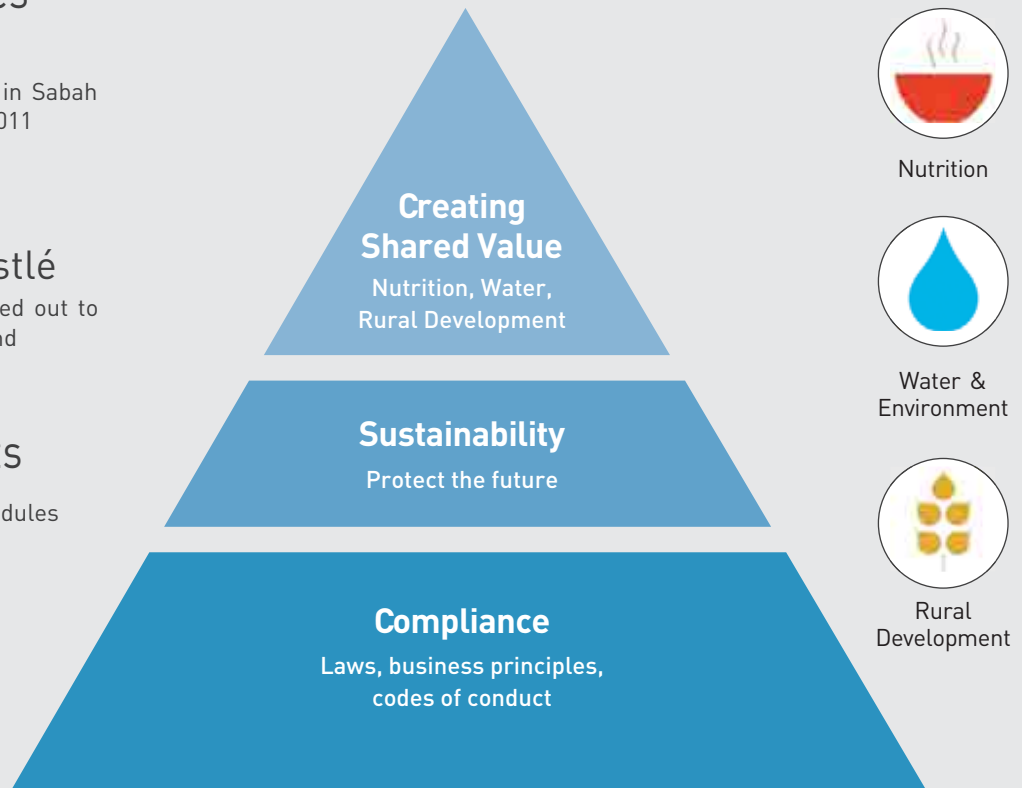
along the lower Kinabatangan river in Sabah since the launch of the project in 2011

Implementation of Nestlé

Healthy Kids Programme has reached out to 10,000 students for both Primary and Secondary modules

**10,000** students

for both Primary and Secondary modules



### MEETING OUR COMMITMENT THROUGH OUR THREE PILLARS

At Nestlé, we believe that we must ensure that the communities in which we operate have opportunities to develop and prosper. This will subsequently ensure the sustainable success of our Company over the long-term. In order to achieve this, we have successfully embedded the concept of CSV across our value chain and operations, focusing on these three pillars which are core to our business and have excellent potential for joint-value optimisation:

**Nutrition:** Food and Nutrition are the basis of health and our business – it is the reason we exist.

**Water & Environment:** As one of our most critical resources, water is critical to life, food production, and our business operations. The scarcity of this important resource threatens the very fabric of life and is one of the key environmental issues that our world faces today.

**Rural Development:** The overall wellbeing of our various stakeholders including farmers, rural communities, employees, small entrepreneurs and suppliers are essential to the sustainability and continued success of our business.

As the leading Nutrition, Health and Wellness company, we aim to continue affirming the trust of all stakeholders by upholding these three areas. Through the incorporation of CSV in our business model, we are committed to continue creating a positive, long-term impact on society. This includes addressing health and nutrition issues, sedentary lifestyles, aging populations and rising health costs; as well as agriculture issues and rural poverty; water, energy and climate change.

For further information on our CSV initiatives, please refer to our *Nestlé in Society Report 2015*, which can be downloaded from our corporate website: [www.nestle.com.my](http://www.nestle.com.my). Other CSV-related information can also be obtained from [www.nestle.com](http://www.nestle.com).



As the world's leading Nutrition, Health and Wellness company, the well-being and happiness of our consumers is our top-most priority.

# Corporate Information

## Board of Directors:

**Y.A.M. TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL**

Independent, Non-Executive Director  
Chairman of the Board of Directors  
Chairman of the Audit Committee  
Chairman of the Nomination Committee

**DATO' MOHD. RAFIK BIN SHAH MOHAMAD**

Independent, Non-Executive Director  
Member of the Audit Committee  
Chairman of the Compensation Committee

**TAN SRI DATUK (DR.) RAFIAH BINTI SALIM**

Independent, Non-Executive Director  
Member of the Audit Committee  
Member of the Compensation Committee

**TAN SRI DATUK YONG POH KON**

Independent, Non-Executive Director  
Member of the Nomination Committee

**DATO' FRITS VAN DIJK**

Independent, Non-Executive Director  
Member of the Nomination Committee  
Member of the Compensation Committee

**TOH PUAN DATO' SERI HAJJAH DR. AISHAH ONG**

Independent, Non-Executive Director

**ALOIS HOFBAUER**

Managing Director  
(Alternate Director to Martin Peter Krügel)  
Member of the Compensation Committee

**MARTIN PETER KRÜGEL**

Executive Director  
(Alternate Director to Alois Hofbauer)



**AUDIT COMMITTEE****Y.A.M. TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL**

Chairman

**DATO' MOHD. RAFIK BIN SHAH MOHAMAD**

Member

**TAN SRI DATUK (DR.) RAFIAH BINTI SALIM**

Member

**NOMINATION COMMITTEE****Y.A.M. TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL**

Chairman

**TAN SRI DATUK YONG POH KON**

Member

**DATO' FRITS VAN DIJK**

Member

**COMPENSATION COMMITTEE****DATO' MOHD. RAFIK BIN SHAH MOHAMAD**

Chairman

**TAN SRI DATUK (DR.) RAFIAH BINTI SALIM**

Member

**DATO' FRITS VAN DIJK**

Member

**ALOIS HOFBAUER**

Member

**COMPANY SECRETARY****TENGGU IDA ADURA TENGGU ISMAIL**

(MACS 01686)

Tel : +603 7965 6000

Fax : +603 7962 7213

E-mail : TengkuldaAdura.

Tengkulsmail@

my.nestle.com

**REGISTERED OFFICE**

22-1, 22nd Floor, Menara Surian

No.1, Jalan PJU 7/3

Mutiara Damansara

47810 Petaling Jaya

Selangor Darul Ehsan

Tel : +603 7965 6000

Fax : +603 7965 6767

**COMPANY WEBSITE**[www.nestle.com.my](http://www.nestle.com.my)**SHARE REGISTRAR****TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.**

(11324-H)

Unit 32-01, Level 32, Tower A

Vertical Business Suite, Avenue 3

Bangsar South, No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Tel : +603 2783 9299

Fax : +603 2783 9222

**AUDITORS****KPMG** (Firm No. AF 0758)

Chartered Accountants

Level 10, KPMG Tower

8, First Avenue, Bandar Utama

47800 Petaling Jaya

Selangor Darul Ehsan

Tel : +603 7721 3388

Fax : +603 7721 3399

**PRINCIPAL BANKER**

HSBC Bank Malaysia Berhad (127776-V)

**STOCK EXCHANGE LISTING**

Main Market

Bursa Malaysia Securities Berhad

(635998-W)

## Head Office:

### **NESTLÉ (MALAYSIA) BERHAD** (110925-W)

22-1, 22<sup>nd</sup> Floor, Menara Surian

No. 1, Jalan PJU 7/3

Mutiara Damansara

47810 Petaling Jaya

Selangor Darul Ehsan

Tel : +603 7965 6000

Fax : +603 7965 6767

Consumer Services : 1 800 88 3433

Website : [www.nestle.com.my](http://www.nestle.com.my)

Facebook : <http://www.facebook.com/NestleMalaysia>

# Corporate Directory



## Factories:

### PETALING JAYA

#### NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.

25, Jalan Tandang  
46050 Petaling Jaya  
Selangor Darul Ehsan  
Tel : +603 7787 7400  
Fax : +603 7787 7599

### BATU TIGA

#### NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.

Lot 3, Jalan Playar 15/1  
Kawasan Perindustrian Shah Alam  
40000 Shah Alam  
Selangor Darul Ehsan  
Tel : +603 5522 5600  
Fax : +603 5510 6263

### CHEMBONG

#### NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.

Lot 691, Jalan Perusahaan Utama  
Kawasan Perindustrian Chembong  
71300 Rembau  
Negeri Sembilan  
Tel : +606 686 3900  
Fax : +606 686 4080

### KUCHING

#### NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.

Lot 844, Block 7  
Muara Tebas Land District  
Sejingkat Industrial Park  
93714 Kuching  
Sarawak  
Tel : +6082 472 800  
Fax : +6082 472 999

### SHAH ALAM COMPLEX

#### NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.

Lot 5, Jalan Playar 15/1  
Kawasan Perindustrian Shah Alam  
40700 Shah Alam  
Selangor Darul Ehsan  
Tel : +603 5522 5600  
Fax : +603 5522 5999

### SRI MUDA

#### NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.

Lot 75 & 76, Jalan Playar 15/1  
Kawasan Perindustrian Shah Alam  
40700 Shah Alam  
Selangor Darul Ehsan  
Tel : +603 5520 6400  
Fax : +603 5520 6500

### CHEMBONG (ICE CREAM)

#### NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.

Lot 3857 – 3862  
Jalan Perusahaan Utama 4  
Kawasan Perindustrian Chembong  
71300 Rembau  
Negeri Sembilan  
Tel : +606 686 3900  
Fax : +606 686 4095

### KUCHING (ICE CREAM)

#### NESTLÉ MANUFACTURING (MALAYSIA) SDN. BHD.

Lot 915, Block 7  
Muara Tebas Land District  
Sejingkat Industrial Park  
93714 Kuching  
Sarawak  
Tel : +6082 472 800  
Fax : +6082 472 998

### NATIONAL DISTRIBUTION CENTRE

#### NESTLÉ PRODUCTS SDN. BHD.

Lot 1, Persiaran Waja  
Kawasan Perindustrian Bukit Raja  
41050 Klang  
Selangor Darul Ehsan  
Tel : +603 3361 7800  
Fax : +603 3361 7801



Malaysia's favourite brand, MILO, is committed to continue its legacy to INSPIRE and nourish Malaysians for generations to come.



INSPIRE  
PEOPLE

The ties that bind us also make us  
stronger and inspire us to reach  
greater heights.

# Board of Directors

*From left to right:*

- 1 Dato' Frits van Dijk
- 2 Toh Puan Dato' Seri Hajjah Dr. Aishah Ong
- 3 Martin Peter Krügel
- 4 Tan Sri Datuk Yong Poh Kon
- 5 Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail





- 6 Alois Hofbauer
- 7 Dato' Mohd. Rafik Bin Shah Mohamad
- 8 Tan Sri Datuk (Dr.) Rafiah Binti Salim
- 9 Tengku Ida Adura Tengku Ismail  
(Company Secretary)



# Profile of Directors

- 01 Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail
- 02 Dato' Mohd Rafik Bin Shah Mohamad
- 03 Tan Sri Datuk (Dr.) Rafiah Binti Salim
- 04 Dato' Frits van Dijk
- 05 Tan Sri Datuk Yong Poh Kon
- 06 Toh Puan Dato' Seri Hajjah Dr. Aishah Ong
- 07 Alois Hofbauer
- 08 Martin Peter Krügel
- 09 Tengku Ida Adura Tengku Ismail  
*(Company Secretary)*

## Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail

*Independent, Non-Executive Director*  
 Chairman of the Board of Directors  
 Chairman of the Audit Committee  
 Chairman of the Nomination Committee  
 Malaysian, 64 years of age

Tan Sri Dato' Seri Syed Anwar Jamalullail has been the Chairman of the Board of Directors since 16 April 2009. Having served the Company for over nine (9) years, Tan Sri was re-appointed as an Independent Director at the 31st Annual General Meeting held last year. He is also the Chairman of the Audit Committee and the Nomination Committee. Tan Sri was first appointed to the Board on 25 February 2002 as a Non-Independent, Non-Executive Director, representing Lembaga Tabung Haji. On 5 November 2004 he was re-designated as an Independent, Non-Executive Director, when Lembaga Tabung Haji ceased to be a substantial shareholder of the Company.

Tan Sri commenced his career with Malaysian Airlines Systems Berhad in 1975 as a Financial Accountant, before moving on to hold senior positions in various companies. His last position was as the Group Managing Director of Amanah Capital Partners Berhad. Tan Sri was the former Chairman of the Lembaga Tabung Haji Investment Panel. He was also the former Chairman of Media Prima Berhad, MRCB Berhad, DRB-Hicom Berhad, EON Bank Berhad, Uni Asia Life Assurance Berhad, Uni Asia General Insurance Berhad, the Executive Chairman of Realmild (M) Sdn. Bhd. and Radicare (M) Sdn. Bhd. He was also an independent director of Maxis Communications Berhad and Bangkok Bank Berhad.

Currently, Tan Sri is the Chairman of Cahya Mata Sarawak Berhad, Lembaga Zakat Selangor, Pulau Indah Ventures Sdn. Bhd. (a joint venture company between Khazanah Nasional Berhad and Temasek Holdings of Singapore) and Malakoff Corporation Berhad. He is also the Chancellor of SEGi University.

Tan Sri holds a Bachelor of Arts degree in Accounting from Macquarie University, Sydney, Australia, having qualified in 1974. He is also a Chartered Accountant and a Certified Practising Accountant (Australia).

In the financial year ended 31 December 2015, Tan Sri Dato' Seri Syed Anwar Jamalullail has attended all five (5) meetings of the Board of Directors.\*

## Dato' Mohd. Rafik Bin Shah Mohamad

*Independent, Non-Executive Director*

Member of the Audit Committee

Chairman of the Compensation Committee

Malaysian, 65 years of age

Dato' Mohd. Rafik Bin Shah Mohamad has been a director of the Company since 1 June 2007 as a Non-Independent, Non-Executive Director. He was later re-designated as an Independent, Non-Executive Director on 7 August 2008. He is a member of the Audit Committee and the Chairman of the Compensation Committee.

Dato' commenced his career in 1973 as an Analyst with Esso Malaysia Berhad. In 1981, he joined the Company and retired in 2006 after 25 years of service. During his time he held various significant management positions within the Nestlé group of companies both locally and overseas. Dato' was an Independent, Non-Executive Director at Handal Resources Bhd., and was also previously a director of Felda Global Ventures Holdings Sdn. Bhd.

Currently, Dato' is the Chairman of the Malaysian AgriFood Corp. Berhad, Cold Chain Network Sdn. Bhd. (a subsidiary of Malaysian AgriFood Corp. Berhad), AgriFood Resources Holdings Sdn. Bhd., Sanicare Hygiene Services Sdn. Bhd. and Biotropics Malaysia Berhad. Biotropics Malaysia Berhad wholly owns Phytes Biotek Sdn. Bhd., which is one of the current suppliers of raw materials to a subsidiary of the Company. Be that as it may, Phytes Biotek Sdn. Bhd. carries on business with the subsidiary of the Company on the same terms as other suppliers.

Dato' is a qualified Chartered Accountant from the Malaysian Institute of Accountants and is a fellow of the Association of Chartered Certified Accountants, United Kingdom. He has also attended the Executive Development Programme at the International Institute for Management Development, Lausanne, Switzerland.

In the financial year ended 31 December 2015, Dato' Mohd. Rafik Bin Shah Mohamad has attended all five (5) meetings of the Board of Directors.\*



## Tan Sri Datuk (Dr.) Rafiah Binti Salim

*Independent, Non-Executive Director*  
Member of the Audit Committee  
Member of the Compensation Committee  
Malaysian, 68 years of age

Tan Sri Datuk (Dr.) Rafiah Binti Salim has been a director of the Company since 17 April 2009. She is a member of the Audit Committee and the Compensation Committee.

Tan Sri has excellent service records within both the domestic public and private sectors, and international environments. She has served as a Lecturer, Deputy Dean and Dean of the Law Faculty of University of Malaya, Assistant Governor of the Central Bank of Malaysia, Human Resource General Manager of Malayan Banking Berhad and the Assistant Secretary General for United Nations Human Resource Management in New York. Tan Sri was previously an Executive Director of the International Centre for Leadership in Finance and in 2006, she was appointed as the first female Vice-Chancellor in Malaysia posted to University of Malaya.

Tan Sri is currently a Director of Perbadanan Usahawan Nasional Berhad, Allianz Malaysia Bhd., Allianz Life Insurance Malaysia Bhd., Allianz General Insurance Company (Malaysia) Bhd. and the Chairman of the Board for Malaysian Genomics Resource Centre Berhad. She is also the President of Pertubuhan Tindakan Wanita Islam (PERTIWI) and the Malay Girls' College/Tunku Kurshiah College Old Girls' Association.

Tan Sri graduated with a Masters and a Bachelors Degree in Law from the Queen's University, Belfast, United Kingdom and was awarded an honorary Doctorate by the same University in 2002. She was called to the Malaysian Bar in 1988.

In the financial year ended 31 December 2015, Tan Sri Datuk (Dr.) Rafiah Binti Salim has attended four (4) out of the five (5) meetings of the Board of Directors.\*





## Dato' Frits van Dijk

*Independent, Non-Executive Director*  
Member of the Nomination Committee  
Member of Compensation Committee  
Dutch, 68 years of age

Dato' Frits van Dijk has been a director of the Company since 26 April 2006 as a Non-Independent, Non-Executive Director. He was later re-designated as an Independent, Non-Executive Director on 19 November 2013. He is a member of the Nomination Committee and the Compensation Committee.

He has served the Nestlé group of companies for 41 years, beginning from 1970 as a Sales Representative with Nestlé UK. He has held various senior positions within the Nestlé group of companies in various countries, such as India, the Philippines, Sri Lanka, China and Japan. Dato' was the Chief Operating Officer and subsequently the Market Head of the Company from 1987 until 1995. He has also served as the Market Head of Nestlé Japan, the Chairman and Chief Executive Officer of Nestlé Waters, and the Executive Vice President and Head of Zone Asia, Oceania, Africa and Middle East of Nestlé S.A., Switzerland, before retiring at the end of September 2011.

Dato' graduated with a Bachelor's Degree in Economics from the School of Economics, Rotterdam, The Netherlands, and has attended the Executive Development Programme at the International Institute for Management Development, Lausanne, Switzerland.

In the financial year ended 31 December 2015, Dato' Frits van Dijk has attended four (4) out of the five (5) meetings of the Board of Directors.\*



## Tan Sri Datuk Yong Poh Kon

*Independent, Non-Executive Director*  
Member of the Nomination Committee  
Malaysian, 70 years of age

Tan Sri Datuk Yong Poh Kon has been a director of the Company since 25 April 2011. He is a member of the Nomination Committee.

Tan Sri has served as a Board member of the Malaysian Productivity Corporation, Malaysian Industrial Development Authority and Bank Negara Malaysia. He was also a Member of the National Economic Consultative Council (MAPEN I and II), the Malaysian Communications and Multimedia Commission and a member of the Advisory Board of the Malaysian Anti-Corruption Commission. He was appointed as Co-Chair of PEMUDAH the “Special Task Force to Facilitate Business” together with the Chief Secretary of Malaysia from 2007 to 2013. In 2013, he was appointed a member of the Economic Council of the Prime Minister’s office.

He is currently the Chairman of Royal Selangor International Sdn. Bhd., Director of TAHPS Group Berhad, RAM Holdings Berhad and President of the Royal Selangor Golf Club. He is also a Fellow of the Academy of Sciences and the Malaysian Institute of Management. Tan Sri is also a Council member and past President of the Federation of Malaysian Manufacturers (“FMM”).

Tan Sri graduated with First Class Honours in Mechanical Engineering from the University of Adelaide, Australia in 1968.

In the financial year ended 31 December 2015, Tan Sri Datuk Yong Poh Kon has attended all five (5) meetings of the Board of Directors.\*

## Toh Puan Dato' Seri Hajjah Dr. Aishah Ong

*Independent, Non-Executive Director*  
Malaysian, 71 years of age

Toh Puan Dato' Seri Hajjah Dr. Aishah Ong has been a director of the Company since 28 November 2013.

Toh Puan is the Pro-Chancellor of University of Malaya, having previously served for many years as the Chairman of University Malaya Medical Centre (formerly known as University Hospital). She is also the Chairman of the Institute Jantung Negara Foundation, Cancer Research Malaysia and the Charity Welfare Sub-committee of Badan Kebajikan Isteri-isteri Menteri. She completed two (2) terms as the first Chairman of the Health Promotion Board of the Ministry of Health.

She is also a Founding Trustee of the Alzheimer's Disease Foundation of Malaysia as well as a Trustee of MERCY Malaysia, the Tun Abdul Razak Foundation, the National Council of Women's Organisations, the Women's Aid Organisation and the Dewan Filharmonik Petronas. She is also the Patron of Cancerlink, the Arthritis Foundation of Malaysia, the National Stroke Association of Malaysia, Wanita Pertubuhan Kebajikan Islam Malaysia Wilayah Persekutuan and the Mental Health Association of Malaysia. Toh Puan also presently sits on the Board of the Malaysian Philharmonic Orchestra. She is also a Trustee of the Media Prima Humanitarian Fund.

Toh Puan qualified as a medical doctor from the University of London in 1969 and is an active social worker.

In the financial year ended 31 December 2015, Toh Puan Dato' Seri Hajjah Dr. Aishah Ong has attended all five (5) meetings of the Board of Directors.\*





# Alois Hofbauer

## *Managing Director*

Member of the Compensation Committee

Austrian, 50 years of age

Alois Hofbauer has been a director of the Company since 22 February 2013. He is a Member of the Compensation Committee.

In December 1990, Alois joined the Nestlé group of companies, initially as a Sales and Marketing Trainee in Austria. In 1995, he was transferred to Hong Kong in the first of several assignments in the Greater China Region ("GCR") over a period of 15 years. In 1998 he moved to Mainland China, first as Sales Manager, next as Group Brand Manager, Coffee and Beverages, and finally as Business Development Manager for Milks. In 2001, he was appointed Head of the Confectionery business for GCR, before taking up his first general management role in 2004 as the Managing Director of Nestlé Taiwan business. In 2010, Alois Hofbauer was appointed as the Managing Director of Nestlé Sri Lanka, a position he held until his current appointment as the Managing Director of the Company.

He presently serves on the Council of the Federation of Malaysian Manufacturers ("FMM"). He is also the Chairman of the FMM Ethical Business Practices Committee.

Alois Hofbauer is a graduate of the International Institute for Management Development, Lausanne, Switzerland and the University of Innsbruck, Austria.

In the financial year ended 31 December 2015, Alois Hofbauer has attended all five (5) meetings of the Board of Directors.\*





## Martin Peter Krügel

*Executive Director*  
(Responsible for Finance & Control)  
German, 48 years of age

Martin Peter Krügel has been a director of the Company since 1 October 2014.

In 1995, Martin joined Nestlé Germany where he held various positions in Supply Chain, Finance, Accounting and Controlling. In 2000, he was promoted to Finance Manager in Maitre Paul B.V. Netherlands, a subsidiary of Nestlé. In 2004 to 2006, he was the Finance Manager for Cereal Partners Germany. In 2006, he was transferred to Nestlé Nordics as Finance Manager, Cereal Partners. In 2008, he was promoted to Head of Finance & Control in Nestlé Nigeria, where he played a strong co-pilot role in operational and strategic business decisions and implemented a very structured communication to institutional and retail shareholders.

Martin Peter Krügel holds a Master of Science in Economics from University Erlangen, Germany.

In the financial year ended 31 December 2015, Martin Peter Krügel has attended all five (5) meetings of the Board of Directors.\*

\* *Additional information on the Board of Directors:*

- i. Details of any interest in securities*  
Save and except for Dato' Frits van Dijk who holds 8,000 ordinary shares in Nestlé (Malaysia) Berhad, none of the other Directors own any shares in Nestlé (Malaysia) Berhad.
- ii. Family relationship with any director and/or major shareholder*  
None of the Directors have any family relationship with any other director and/or major shareholder of the Group.
- iii. Conflict of interests*  
None of the Directors have any conflict of interest or any personal interest in any business arrangement involving the Group.
- iv. The list of convictions for offences within the past 10 years other than traffic offences*  
None of the Directors have been convicted of any offence within the past 10 years, other than traffic offences, if any.



## Tengku Ida Adura Tengku Ismail

*Company Secretary*  
Head of Legal and Secretarial  
Malaysian

Tengku Ida Adura Tengku Ismail has been the Company Secretary of the Group since 2013. She is a certified Company Secretary, being a member of the Malaysian Association of Company Secretaries.

She commenced her career in private legal practice and prior to joining the Company, Tengku Ida was a Legal Manager with Kumpulan Guthrie Berhad (now known as Sime Darby Berhad). She joined the Company in 2005 as Legal Counsel and in 2010, she was expatriated to Nestlé S.A., Switzerland as Legal Counsel for Zone Asia, Oceania, Africa and Middle East. Upon her return in 2013, she assumed the position of Head of Legal and Secretarial, responsible for all legal and secretarial matters for the Group. She holds a Bachelor of Laws (Hons) from the University of Nottingham, United Kingdom and was admitted as a Barrister-at-Law of the Honourable Society of Lincoln's Inn. She was also called to the Malaysian Bar.

Tengku Ida was in attendance at all five (5) meetings of the Board of Directors for the financial year ended 31 December 2015.

# Management Team

*From left to right:*

- 1 Adnan Pawanteh
- 2 Nirmalah V. Thurai
- 3 Chew Soi Ping
- 4 Gavin Schwarzenbach
- 5 Zainun Nur Abdul Rauf
- 6 Kumaran Nowuram





*From left to right:*

- 7 Martin Peter Krügel
- 8 Alois Hofbauer
- 9 Uzma Qaiser Butt  
(replaced by Shahzad Umar)



# Profile of Management Team



**A**lois Hofbauer, an Austrian national, is the Managing Director of Nestlé (Malaysia) Berhad and Regional Head of Nestlé Malaysia/Singapore. He was appointed to the Company on 22 February 2013. A graduate of the Swiss Business School, International Institute for Management Development (IMD) and the University of Innsbruck, Austria, Alois Hofbauer's career with Nestlé began over 20 years ago when he joined Nestlé Austria as a Sales and Marketing Trainee. He has a strong leadership track record in country management and a deep understanding of business in Asia. Over the last 20 years, he has held various Senior Management positions in the region before becoming the Managing Director of Nestlé Taiwan in 2004 and subsequently the Managing Director of Nestlé Sri Lanka in 2010.

**ALOIS HOFBAUER**  
Managing Director

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**M**artin Krügel, a German national, was appointed Executive Director, Finance & Control of the Company on 1 October 2014. His career with Nestlé began in 1995 with Nestlé Germany where he held various positions in the areas of Supply Chain, Finance, Accounting and Controlling, after which he was transferred to the Nordics in 2006, where he assumed the role of Finance Manager for Cereal Partners. In 2008, Martin Krügel was promoted to Nestlé Nigeria as Head of Finance & Control, a position he held until the end of September 2014.

**MARTIN PETER KRÜGEL**  
Executive Director, Finance & Control

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**G**avin Schwarzenbach was appointed Executive Director, Supply Chain on 2 June 2014. His career with Nestlé began in 1987 when he joined Nestlé United Kingdom in Operations Research. He later embarked on an expatriate career in 1994. He was the Supply Chain Director of Nestlé Denmark from 2001 to 2004, after which he was appointed as Head of Supply Chain for the European Nutrition Business. Gavin Schwarzenbach then moved to Nestlé USA in 2009 as the Head of Supply Chain for Nutrition North America and then to Nestlé S.A. in 2012 as Head of Supply Chain for the Global Nutrition Business, a position he held until the end of May 2014.

## **GAVIN SCHWARZENBACH**

**Executive Director, Supply Chain**

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**Z**ainun Nur Abdul Rauf is the Executive Director, Group Corporate Affairs of the Company. In 1998, she joined the Company as Group Brand Manager for Nestlé Breakfast Cereals. Thereafter, she moved to the Food Services Business Unit (now known as Nestlé Professional), followed by a stint in Consumer Services Division. In 2005, she returned to Nestlé Professional as Country Business Manager for Malaysia and Singapore, managing the out-of-home food and beverage market. Zainun Nur Abdul Rauf holds a Masters in Business Administration from the Institute of Marketing, United Kingdom.

## **ZAINUN NUR ABDUL RAUF**

**Executive Director, Group Corporate Affairs**

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**A**dnan Pawanteh is the Executive Director, Technical & Production. As an Engineering degree holder with a Masters of Business Administration in Management, he began his career as a Trainee Engineer in Nestlé Malaysia in 1984. He subsequently held various positions in the Technical area. In 2001, he was posted to Nestlé Australia where he was assigned to the position of Industrial Performance Manager and Production Manager before returning to Malaysia as the Factory Manager of Nestlé Shah Alam Complex in 2002. In 2010, Adnan Pawanteh was transferred to Nestlé Turkey as Technical Director, a position he held until the end of May 2012.

## **ADNAN PAWANTEH**

**Executive Director, Technical & Production**

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**K**umaran Nowuram is the Executive Director, Ready-to-Drink effective 1 October 2015. Prior to this, he was the Executive Director, Sales, a role he held since August 2013. Kumaran Nowuram began his career with the Company in 1994 as a Management Trainee. In 2002, he became Group Brand Manager for the Dairy business before he was expatriated to Nestlé Middle East in 2003 to head the Dairy business for the region, stationed in Dubai. In 2009, he took up the role of Business Executive Manager (Dairy) based in India, before becoming the Sales Director of the Company. He holds a Bachelor's Degree in Social Sciences (Economics) from Universiti Sains Malaysia and has also attended the Programme for Executive Development at the International Institute for Management Development (IMD) in Lausanne, Switzerland.

## **KUMARAN NOWURAM**

**Executive Director, Ready-to-Drink**

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**N**irmalah Thurai is the Country Business Manager for Nestlé Breakfast Cereals a position she has held since 2006. She joined the Company in 1981 as a Market Research Executive. In 1987, she moved to Nestlé United Kingdom for a year, before returning to Malaysia as a Product Executive. Nirmalah Thurai has held various managerial positions over the next 12 years in the Food Business, before she was appointed as the Business Executive Manager for Chilled Dairy Business Unit in 2000. She graduated with a Bachelor's Degree in Arts from Universiti Sains Malaysia.

## **NIRMALAH THURAI**

**Country Business Manager, Nestlé Breakfast Cereals**

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**U**zma Qaiser Butt is the Executive Director, Group Human Resources Malaysia/Singapore. She was appointed to the Company on 1 July 2013. Uzma Qaiser Butt started her career with Nestlé Pakistan in 2001 and became the Human Resources Director of Nestlé Pakistan in 2005 before being expatriated to Nestlé S.A., Switzerland in 2010 as Human Resource Operations Manager. She holds a Masters in Business Administration from Lahore University of Management Sciences and a Degree from Kinnaird College in Pakistan.

### **UZMA QAISER BUTT**

**Executive Director, Group Human Resources**  
(transferred to Nestlé S.A. effective 1 March 2016)



**C**hew Soi Ping was appointed as the Executive Director, Sales on 1 October 2015. He started his career in Nestlé Malaysia in 1988 as a Management Trainee, where he first gained experience in Sales. In 2008, he was appointed Executive Director (Ice Cream) in Malaysia before transitioning to the role of Executive Director Nestlé Continuous Excellence. This was followed by an expatriation to the Philippines as the Senior Vice President (Ice Cream) in 2013, a position he held until August 2015. Chew Soi Ping holds a Masters in Business Administration from the University of Central Arkansas, USA and Bachelor of Science in Marketing (Honours) from the University of Ozarks, Arkansas, USA.

### **CHEW SOI PING**

**Executive Director, Sales**

**S**hahzad Umar succeeded Uzma Qaiser Butt as the Executive Director, Group Human Resources effective 1 March 2016. He started his career as a Management Trainee with Nestlé Pakistan in 2001, where he held various managerial posts in Human Resources. He was then expatriated to Malaysia in April 2009 as the Group Human Resources Manager for Organisational Development. In June 2012, Shahzad went back to Pakistan where he headed the Human Resources Division of Nestlé Pakistan for more than three years. He holds a Masters of Business Administration from the University of Nottingham, Malaysia Campus and a Degree in Mechanical Engineering from the University of Engineering and Technology, Lahore.

### **SHAHZAD UMAR**

**Executive Director, Group Human Resources**  
(from 1 March 2016)

# Leadership Team



- |   |                                |    |                       |    |   |
|---|--------------------------------|----|-----------------------|----|---|
| 1 | Yit Woon Lai                   | 10 | Xavier Payrard        | 19 | Uzma Qaiser Butt                                    |
| 2 | Kumaran Nowuram                | 11 | Martin Peter Krügel   | 20 | Khoo Kar Khoon                                      |
| 3 | Rajiv Deraniyagala             | 12 | Nirmalah V. Thurai    | 21 | René Wipperich<br>(transferred to Nestlé Indonesia) |
| 4 | Adnan Pawanteh                 | 13 | Emilyn Loo            | 22 | Philomena Tan                                       |
| 5 | Sachin Goel                    | 14 | Gonzalo Vega          | 23 | Ng Su Yen   |
| 6 | Sherif Hani                    | 15 | Chew Soi Ping         | 24 | Rosalyn Simba                                       |
| 7 | Alois Hofbauer                 | 16 | Zainun Nur Abdul Rauf | 25 | Wilfrid Foo   |
| 8 | Gavin Schwarzenbach            | 17 | Heike Steiling        |    |   |
| 9 | Tengku Ida Adura Tengku Ismail | 18 | Jasmmine Wong         |    |   |



# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the 32<sup>nd</sup> (Thirty-Second) Annual General Meeting of the Company will be held at Ballroom B & C, Hilton Kuala Lumpur, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur on Thursday, 28 April 2016 at 10.00 a.m. for the transaction of the following business:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the statutory financial statements for the financial year ended 31 December 2015 and the Directors' and Auditors' reports thereon.

[Resolution 1](#)

2. To approve the payment of a final dividend of 110 sen per share and a special dividend of 20 sen per share, under a single-tier system, in respect of the financial year ended 31 December 2015.

[Resolution 2](#)

3. To approve the payment of Directors' fees of RM1,060,000 for the financial year ended 31 December 2015 (2014: RM810,000).

[Resolution 3](#)

*Please refer to Explanatory Note 1*

4. To re-elect the following Directors retiring in accordance with Article 90.1 of the Company's Articles of Association:

(i) Tan Sri Datuk (Dr.) Rafiah Binti Salim

[Resolution 4](#)

(ii) Alois Hofbauer

[Resolution 5](#)

*Please refer to Explanatory Note 2*

5. To re-appoint Messrs KPMG (Firm No. AF 0758) as auditors of the Company and to authorise the Directors to fix their remuneration.

[Resolution 6](#)

*Please refer to Explanatory Note 3*

### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following as Ordinary Resolutions:

6. **Re-appointment of Toh Puan Dato' Seri Hajjah Dr. Aishah Ong as a director pursuant to Section 129 of the Companies Act, 1965.**

"THAT Toh Puan Dato' Seri Hajjah Dr. Aishah Ong being over the age of 70 years and retiring in accordance with Section 129(2) of the Companies Act 1965, be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company."

[Resolution 7](#)

*Please refer to Explanatory Note 4*

**7. Re-appointment of Tan Sri Datuk Yong Poh Kon as a director pursuant to Section 129 of the Companies Act, 1965.**

“THAT Tan Sri Datuk Yong Poh Kon being over the age of 70 years and retiring in accordance with Section 129(2) of the Companies Act 1965, be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company.”

[Resolution 8](#)

*Please refer to Explanatory Note 5*

**8. Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out under Section 2.3(a) of the Circular to Shareholders dated 1 April 2016.**

“That the mandate granted by the shareholders of the Company on 23 April 2015 pursuant to paragraph 10.09 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, authorising the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature as set out in Section 2.3(a) of the Circular to Shareholders dated 1 April 2016 with the related parties mentioned therein which are necessary, for the Company and/or its subsidiaries’ day-to-day operations and which are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of minority shareholders, be and is hereby renewed.

That the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the forthcoming AGM at which such mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 143(1) of the Companies Act 1965 (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act 1965); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is earlier;

That the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution.”

[Resolution 9](#)

*Please refer to Explanatory Note 6*

**9. Retention of Independent Director**

“THAT Tan Sri Dato’ Seri Syed Anwar Jamalullail be hereby retained as an Independent Director of the Company until the conclusion of the next Annual General Meeting, in accordance with the Malaysian Code on Corporate Governance 2012.”

[Resolution 10](#)

*Please refer to Explanatory Note 7*

- 10. To transact any other business of which due notice shall have been given.

**NOTICE IS ALSO HEREBY GIVEN THAT,** subject to the approval of the shareholders at the 32<sup>nd</sup> (Thirty-Second) Annual General Meeting of the Company, a final dividend of 110 sen per share and a special dividend of 20 sen per share, under a single-tier system in respect of the financial year ended 31 December 2015 will be paid to the shareholders on 2 June 2016. The entitlement date for the said dividend shall be 19 May 2016.

**FURTHER NOTICE IS HEREBY GIVEN THAT** a depositor shall qualify for entitlement only in respect of:

- A. Shares transferred into the Depositors' Securities Account before 4.00 p.m. on 19 May 2016 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**

**TENGGU IDA ADURA TENGGU ISMAIL**  
Company Secretary  
(MACS 01686)

Petaling Jaya  
1 April 2016

#### **NOTES:**

- (i) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may, but need not be, a member of the Company and the provision of Section 149(1)(b) of the Companies Act 1965, shall not apply to the Company.
- (ii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (iii) Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.  
  
Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (iv) An authorised nominee or an exempt authorised nominee with more than one (1) securities account must submit a separate instrument of proxy for each securities account.

- (v) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. (Company No. 11324-H) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (vi) In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 April 2016 shall be entitled to attend, speak and vote at the general meeting.

#### **Explanatory Notes on Ordinary Business:-**

- 1. Increase in Directors' Fees**  
The proposed increase in the Non-Executive Directors' fees is to reflect their increased responsibilities in the Board and the Board Committees, and to align with industry standards. The quantum proposed is based on the outcome of benchmarking analysis carried out by the Company. The proposed Ordinary Resolution 3 is in accordance with Article 98, of the Company's Articles of Association and if passed, shall be effective from 1 January 2015. All the Non-Executive Directors who are shareholders of the Company will abstain from voting on Ordinary Resolution 3, concerning Directors' fees at the 32<sup>nd</sup> Annual General Meeting.
- 2. Re-election of Retiring Directors**  
Tan Sri Datuk (Dr.) Rafiah Binti Salim and Alois Hofbauer are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election.

### 3. Re-appointment of Messrs KPMG as Auditors of the Company

The Board had at its meeting held on 23 February 2016 approved the recommendation by the Audit Committee on the re-appointment of KPMG as Auditors of the Company. The Board and Audit Committee collectively agreed that KPMG has met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

#### Explanatory Notes on Special Business:-

### 4. Re-appointment of Toh Puan Dato' Seri Hajjah Dr. Aishah Ong

The proposed Ordinary Resolution under item 6, is to seek shareholders' approval on the re-appointment of Toh Puan Dato' Seri Hajjah Dr. Aishah Ong, a director who is over the age of 70 years and retiring in accordance with Section 129(2) of the Companies Act, 1965. The recommendation for the re-appointment of Toh Puan Dato' Seri Hajjah Dr. Aishah Ong is supported by her invaluable contributions to the Board and the Group. She has also shown full commitment in discharging her responsibilities as a Director of the Company. Her previous knowledge and experience as a medical professional is also important to the Company as it further strengthens and positions itself to be the leading nutrition and wellness company globally. Her active involvement in non-governmental and charity organisations provides the Company valuable guidance on how the Company can contribute to the society through its corporate social responsibility (known as creating shared value). In light of the various challenges faced by the Company in certain segments of its business, Toh Puan Dato' Seri Hajjah Dr. Aishah Ong has been instrumental in providing guidance to the Company.

### 5. Re-appointment of Tan Sri Datuk Yong Poh Kon

The proposed Ordinary Resolution under item 7, is to seek shareholders' approval on the re-appointment of Tan Sri Datuk Yong Poh Kon, a director who is over the age of 70 years and retiring in accordance with Section 129(2) of the Companies Act, 1965. The recommendation for the re-appointment of Tan Sri Datuk Yong Poh Kon is supported by his contributions to the Board of Directors through the sharing of his vast knowledge, experience and expertise as a businessman particularly in relation to manufacturing, export activities and industry practices. His experience as the former President of the Federation of Malaysian Manufacturers, as a current member of the Economic Council and former Co-Chair of PEMUDAH (a Special Taskforce to Facilitate Business) contributed greatly to the Company.

### 6. Recurrent Related Party Transactions

The proposed resolution is to seek a renewal of shareholders' mandate to allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. For further information, please refer to the Circular to Shareholders dated 1 April 2016 accompanying the Company's Annual Report for the financial year ended 31 December 2015.

### 7. Retention of Independent Director

The proposed resolution is to seek shareholders' approval to retain Tan Sri Dato' Seri Syed Anwar Jamalullail as an Independent, Non-Executive Director. He has served the Company as an Independent, Non-Executive Director since 5 November 2004 for a cumulative period of over nine (9) years and he has served as Chairman of the Board for the last six (6) years since 16 April 2009. The Nomination Committee has made the necessary assessment and recommended to the Board that he be retained as an Independent Director of the Company based on his ability to

maintain his independence of judgement and to express and maintain unbiased views without any influence. His position as an Independent Non-Executive Director has been assessed pursuant to Recommendation 3.2 of the MCG 2012 and it has been agreed to retain Tan Sri Dato' Seri Syed Anwar Jamalullail as an Independent Non-Executive Director of the Board of Directors and as Chairman of the Audit Committee. The recommendation is based on his exemplary leadership and dedication to his responsibilities as the Chairman of the Board. He has provided unwavering support to the Company's initiatives in implementing relevant strategies in moving the Company forward and strengthening the Company's credibility and reputation as the leader in the food and beverage industry. His tenure in the Board has given him an in depth understanding of the business environment in which the Company operates, including the challenges faced by the Company. His vast experience in the Company also allows him to provide guidance to the Management team especially in setting the strategies and direction of the Company. His leadership has ensured effective check and balance in the proceedings of the Board and the Board Committees and he encourages active participations from all members of the Board. Tan Sri is practical in his analysis and assessment, vocal in his outlook and views and has provided the Board with a strong and principled voice. His experience in various companies and capacities suits the Company's required mix of skills and Board diversity. This proposed resolution is in line with the recommendation under MCG 2012 and this would also allow him to continue to serve as Chairman of the Audit Committee pursuant to Paragraph 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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# Proxy Form

**Nestlé (Malaysia) Berhad** (110925-W)

(Incorporated in Malaysia)

No. of shares held	
CDS Account No.	

I/We \_\_\_\_\_ NRIC No: \_\_\_\_\_ (New) \_\_\_\_\_ (Old)

of \_\_\_\_\_

being a member of Nestlé (Malaysia) Berhad, hereby appoint \*the Chairman of the meeting or \_\_\_\_\_

\_\_\_\_\_ NRIC No: \_\_\_\_\_ (New) \_\_\_\_\_ (Old)

of \_\_\_\_\_

or failing him/her, \_\_\_\_\_

NRIC No: \_\_\_\_\_ (New) \_\_\_\_\_ (Old) of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the **32<sup>nd</sup> (Thirty-Second) Annual General Meeting** of the Company to be held at the **Ballroom B & C, Hilton Kuala Lumpur, 3 Jalan Stesen Sentral, 50470 Kuala Lumpur** on **Thursday, 28 April 2016** at 10.00 a.m. and at any adjournment thereof.

*\*Delete if not applicable*

My/Our proxy is to vote as indicated with an "X" below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

No.	Resolutions	For	Against
1.	To receive the statutory financial statements for the financial year ended 31 December 2015 and the Directors' and Auditors' reports thereon.		
2.	To approve the payment of a final dividend of 110 sen per share and a special dividend of 20 sen per share, under a single-tier system, in respect of the financial year ended 31 December 2015.		
3.	To approve the payment of Directors' fees of RM1,060,000 for the financial year ended 31 December 2015 (2014: RM810,000).		
4.	To re-elect Tan Sri Datuk (Dr.) Rafiah Binti Salim as a Director of the Company.		
5.	To re-elect Alois Hofbauer as a Director of the Company.		
6.	To re-appoint Messrs KPMG (Firm No. AF 0758) as auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	To re-appoint Toh Puan Dato' Seri Hajjah Dr. Aishah Ong as a Director of the Company.		
8.	To re-appoint Tan Sri Datuk Yong Poh Kon as a Director of the Company.		
9.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out under Section 2.3(a) of the Circular to Shareholders dated 1 April 2016.		
10.	Retention of Independent Director.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Witnessed by : \_\_\_\_\_

Signature : \_\_\_\_\_

Address : \_\_\_\_\_

Company Stamp : \_\_\_\_\_

Occupation : \_\_\_\_\_

\_\_\_\_\_  
Signature of shareholder or Common Seal

**Notes:**

- (i) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may, but need not be, a member of the Company and the provision of Section 149(1)(b) of the Companies Act 1965, shall not apply to the Company.
- (ii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (iii) Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.  
Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (iv) An authorised nominee or an exempt authorised nominee with more than one (1) securities account must submit a separate instrument of proxy for each securities account.
- (v) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. (Company No. 11324-H) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (vi) In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 April 2016 shall be entitled to attend, speak and vote at the general meeting.

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Affix postage  
stamp

**Tricor Investor & Issuing House Services Sdn. Bhd.**

(Company No. 11324-H)  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

Tel: (03) 2783 9299 Fax: (03) 2783 9222


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# Nestlé

## CONTACT DETAILS

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Visit our website at : <http://www.nestle.com.my>  
Visit our Facebook page at : <http://www.facebook.com/NestleMalaysia>  
Call us at Free Phone : 1-800-88-3433  
Fax to us at : 03-7965 6767  
Write to us at : Nestlé Consumer Services  
22-1, 22<sup>nd</sup> Floor, Menara Surian,  
No. 1, Jalan PJU 7/3,  
Mutiara Damansara,  
47810 Petaling Jaya,  
Selangor Darul Ehsan.



**Nestlé (Malaysia) Berhad** (110925-W)

22-1, 22<sup>nd</sup> Floor, Menara Surian

No. 1, Jalan PJU 7/3

Mutiara Damansara

47810 Petaling Jaya

Selangor Darul Ehsan

Malaysia

Tel: (+603) 7965 6000

Fax: (+603) 7965 6767

Nestlé Consumer Services Free Phone: 1-800-88-3433

Facebook: <http://www.facebook.com/NestleMalaysia>

[www.nestle.com.my](http://www.nestle.com.my)