Minutes of the 42nd Annual General Meeting of Nestlé (Malaysia) Berhad held at Grand Ballroom, M World Hotel, No. 1, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 29 April 2026 at 10.00 a.m.

Members of the Board of Directors present at the venue:

1.	Tan Sri Wan Zulkiflee Wan Ariffin *(Independent, Non-Executive Director)*	) Chairman
2.	Mr. Chin Kwai Fatt *(Independent, Non-Executive Director)*	) Member
3.	Dato' Hamidah Naziadin *(Independent, Non-Executive Director)*	) Member
4.	YM Dr. Tunku Alina Raja Muhd. Alias *(Independent, Non-Executive Director)*	) Member
5.	YTM Tan Sri Tunku Puteri Intan Safinaz Sultan Abd Halim *(Independent, Non-Executive Director)*	) Member
6.	Mr. Juan Jose Aranols *(Non-Independent, Executive Director)*	) Member
7.	Mr. Syed Saiful Islam *(Non-Independent, Executive Director)*	) Member

In attendance:

Tengku Ida Adura Tengku Ismail
(Company Secretary)

Attendance of Shareholders (as per the Attendance List):

1. The number of shareholders who participated in the 42nd Annual General Meeting ("AGM") at the commencement of meeting was 970.
2. The number of proxies received appointing the Chairman was 542, representing 16,750,771 shares.
3. The substantial shareholders were present, Sociétés des Produits Nestlé S.A. was represented by Mr. Juan Aranols and Employees Provident Fund ("EPF") was represented by Ms. Norfilzah binti Faizul.

4. The external auditors, Messrs Ernst & Young PLT, were represented by Mr. Ng Kim Ling.
5. The poll administrator, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") was represented by Ms. Samantha Goh.
6. The independent scrutineers, Boardroom Corporate Services Sdn. Bhd. was represented by Ms. Salinah a/p David Joachim.

The Company Secretary informed that as the discussion in the AGM was deemed confidential and only for the knowledge of relevant parties, any visual or audio recording was prohibited, unless prior written consent was obtained.

1. Chairman of Meeting

Tan Sri Wan Zulkiflee Wan Ariffin ("Tan Sri Chairman"), the Chairman of Nestlé (Malaysia) Berhad ("Company" or "Nestlé Malaysia"), was in the chair and commenced the proceedings of the 42nd AGM of the Company.

Tan Sri Chairman thanked the shareholders, proxies, Board of Directors and members of the management team of the Company for their attendance. Thereafter, Tan Sri Chairman proceeded to introduce the members of the Board of Directors ("the Board") and the Company Secretary who were seated with him.

2. Quorum

The Company Secretary confirmed that the quorum was present, i.e. at least two (2) members or proxies or representatives (for corporations), representing not less than one-third of the issued shares of the Company.

Mr. Juan Aranols was appointed as the proxy for Sociétés des Produits Nestlé S.A. which represented 170,276,563 ordinary shares equivalent to 72.61% of the equity of the Company and the shareholders holding 218,570,726 shares have lodged their proxies within the stipulated time. The holders of 16,750,771 shares have appointed the Chairman to be their proxy. The proxies for these ordinary shares held an equivalent of 93.21% of the equity of the Company. Tan Sri Chairman then declared the meeting duly convened.

As the requisite quorum was present, Tan Sri Chairman called the meeting to order.

3. Presentation of the Annual Report 2025

Tan Sri Chairman presented to the shareholders the Annual Report 2025 and addressed the shareholders as the Chairman of the Company.

4. Presentation on the Company's Performance

Mr. Juan Aranols, the Chief Executive Officer of the Company ("CEO"), presented to the shareholders the Company's performance for the financial year ended 31 December 2025.

His presentation, amongst others, covered the following areas:

- The 2025 financial results, reflecting strong growth.
- Management of coffee and cocoa cost pressures.
- Value Chain Digitalisation driving efficiencies.
- Continued focus on innovation and consumer relevance.
- Strong consumer engagement and brand building.
- Ongoing product innovation aligned with evolving needs.
- Commitment to Environmental, Social and Governance ("ESG") priorities, including carbon reduction and waste management.
- Positive community impact and social contributions.
- People as a key driver of performance and culture.

Upon completing the presentation, he passed the floor back to the Chair.

5. Notice of Annual General Meeting

The Notice of AGM dated 30 March 2026, together with the Annual Report for the financial year ended 31 December 2025 having been circulated within the statutory period, was taken as read.

Tan Sri Chairman informed that the AGM was the principal forum for dialogue with shareholders and invited them to raise any questions they had regarding the items on the agenda or on the proposed resolutions to be tabled at the AGM.

Tan Sri Chairman thereafter explained how questions may be raised during the meeting, and pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, any resolution contained in the notice of any general meeting shall be voted on by poll which would be conducted by way of electronic voting ("e-voting") facility provided by Tricor, the appointed poll administrators. It was also notified that Boardroom Corporate Services Sdn. Bhd. had been appointed as the independent scrutineers to validate the casted votes.

Shareholders were also advised that voting on the resolutions could be done at any time throughout the meeting until the closure of the voting session.

The Chairman also informed that any shareholders who wished to receive follow-up feedback on their queries, may reach out to the Secretariat after the meeting. The queries would be answered by email at the earliest possible opportunity after the meeting.

The Chairman then presented the agenda of the AGM, as follows:

AS ORDINARY BUSINESS

Agenda 1
To receive the statutory financial statements for the financial year ended 31 December 2025 and the Directors' and Auditors' reports thereon.

The Audited Financial Statements of the Company for the financial year ended 31 December 2025 and the Directors' and Auditors' reports were tabled pursuant to Section 340(1) of the Companies Act 2016. The audited financial statements were for discussion only and were not required to be put to vote. It was declared that the Audited Financial Statements for the financial year ended 31 December 2025, together with the Directors' and Auditors' reports thereon were properly laid before the AGM.

Agenda 2.1
Resolution 1:
To re-elect Dato' Hamidah Naziadin as a Director of the Company in accordance with Article 97.1 of the Constitution of the Company.

Tan Sri Chairman tabled the motion for the re-election of Dato' Hamidah Naziadin who was retiring in accordance with Article 97.1 of the Constitution of the Company. Tan Sri Chairman shared that Dato' Hamidah Naziadin had indicated her willingness to be re-elected.

Agenda 2.2
Resolution 2:
To re-elect Syed Saiful Islam as a Director of the Company in accordance with Article 97.1 of the Constitution of the Company.

Tan Sri Chairman tabled the motion for the re-election of Syed Saiful Islam who was retiring in accordance with Article 97.1 of the Constitution of the Company. Tan Sri Chairman shared that Syed Saiful Islam had indicated his willingness to be re-elected.

Agenda 3
Resolution 3:
To re-appoint Ernst & Young PLT (Firm No. 202006000003 (LLP0022760-LCA) & AF 0039) as Auditors of the Company and to authorise the Directors to fix their remuneration.

Tan Sri Chairman tabled the next item on the agenda which was on the re-appointment of Ernst & Young PLT (Firm No. 202006000003 (LLP0022760-LCA) & AF 0039) as auditors of the Company and to authorise the Directors to fix their remuneration.

He informed that the Board of Directors had approved the recommendation by the Audit and Risk Committee to re-appoint Ernst & Young PLT as auditors of the Company. Both the Board of Directors and Audit and Risk Committee have agreed that the re-appointment of Ernst & Young PLT as auditors of the Company fulfilled the criteria laid out in Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

AS SPECIAL BUSINESS

Agenda 4.1
Resolution 4:
To approve the payment of the Non-Executive Directors' Fees of RM1,210,000 for the financial year ended 31 December 2025.

The motion for the payment of Non-Executive Director's fees amounting to RM1,210,000.00 for the financial year ended 31 December 2025 was tabled to the shareholders.

The Company Secretary then informed that Tan Sri Chairman would abstain from voting on this item of the agenda as he is personally interested in the motion. However, he would vote in his capacity as a proxy in accordance with the instructions received from non-interested shareholders who had appointed him as their proxy.

Agenda 4.2
Resolution 5:
To approve the payment of Non-Executive Directors' Benefits of RM250,000.00 for the financial period from 1 July 2026 to 30 June 2027.

The motion for the payment of Non-Executive Directors' benefits amounting to RM250,000.00 for the financial period from 1 July 2026 to 30 June 2027 was tabled.

The Company Secretary informed the shareholders that Tan Sri Chairman as an interested person in relation to this motion would abstain from voting on this item of the agenda. However, he would vote in his capacity as a proxy in accordance with the instructions received from non-interested shareholders who had appointed him as their proxy.

Agenda 5
Resolution 6:
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue of Trading Nature, as set out under Section 2.3(a), Part A of the Circular to Shareholders dated 30 March 2026.

The motion for the proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue of Trading Nature as set out under Section 2.3(a), Part A of the Circular to Shareholders dated 30 March 2026 accompanying the Company's Annual Report for the financial year ended 31 December 2025 was tabled. This motion if passed, would allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature.

Agenda 6
To transact any other business of which due notice shall have been given.

Tan Sri Chairman confirmed that no notice had been received for any other business to be transacted at the AGM.

6. Questions & Answers

Tan Sri Chairman invited Mr. Juan Aranols to read the questions receive from shareholders before the AGM via the Investor Relations mailbox and to provide the responses to the questions.

Thereafter, Tan Sri Chairman opened to the floor for questions from the Members, Proxies and Corporate Representatives physically present at the AGM. The Board and Management of the Company provided the responses to the questions, accordingly.

A summary of questions from the shareholders/proxies together with the summarised responses by the Company is annexed hereto and marked as "**Annexure A"**.

7. Polling Process

After the questions had been dealt with, a short video by Tricor was played to demonstrate to the shareholders who were present at the AGM on the process for voting via e-voting facility.

Upon the closing of the voting session, the meeting was adjourned at 11.51 a.m. for the counting of votes.

8. Announcement of Poll Results

At 12.32 p.m. Tan Sri Chairman reconvened the meeting for the declaration of the poll results. The results which have been verified by the independent scrutineers, Boardroom Corporate Services Sdn. Bhd., and presented as follows:

Resolution(s)	Vote For		Vote Against		Total Votes	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
1	217,874,546	99.7851	469,327	0.2149	218,343,873	100
2	218,235,081	99,9500	109,096	0.0500	218,344,177	100
3	217,914,314	99.8027	430,763	0.1973	218,345,077	100
4	218,300,492	99.9796	44,484	0.0204	218,344,976	100
5	218,326,392	99.9923	16,784	0.077	218,343,176	100
6	46,062,214	99.9958	2,000	0.0042	48,064,214	100

Based on the poll results, Tan Sri Chairman declared that all motions tabled at the AGM were carried.

It was RESOLVED as follows:

Resolution 1
THAT Dato' Hamidah Naziadin, the Director retiring in accordance with Article 97.1 of the Constitution of the Company, be hereby re-elected as Director of the Company.

Resolution 2
THAT Mr. Syed Saiful Islam, the Director retiring in accordance with Article 97.1 of the Constitution of the Company, be hereby re-elected as Director of the Company.

Resolution 3
THAT Ernst & Young PLT (Firm No. 202006000003 (LLP0022760-LCA) & AF 0039) be hereby re-appointed as the Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company, and for the Directors to fix their remuneration.

Resolution 4
THAT the payment of Non-Executive Directors' Fees amounting to RM1,210,000 for the financial year ended 31 December 2025 be hereby approved.

Resolution 5
THAT the payment of Non-Executive Directors' Benefits amounting to RM250,000.00 for the financial period from 1 July 2026 to 30 June 2027 be hereby approved.

Resolution 6

THAT approval be hereby given for the renewal of the mandate granted by the shareholders of the Company on 29 April 2026 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 30 March 2026 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.

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 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); 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.

9. Closure of Meeting

There being no other business to be discussed, the meeting was concluded at 12.35 p.m. with a vote of thanks to Tan Sri Chairman.

Signed as a correct record of the proceedings:

-signed-

Tan Sri Wan Zulkiflee Wan Ariffin
Chairman

Annexure A

Summary of Questions received from shareholder before AGM, and the Company's summarised responses by the CEO

From Mr. Yong Kuet Sang, a shareholder as follows:

1. Supply Chain & Logistics Resilience: Given the renewed disruptions in the Strait of Hormuz and the necessity for certain shipments to reroute via the Cape of Good Hope, how is Nestlé Malaysia managing the increase in freight costs and transit times for essential imported raw materials (e.g., cocoa and dairy)? Are current buffer stock levels sufficient to prevent production delays?

   The Company's response to Question 1:

   Mr. Juan Aranols explained that the Company leverages Nestlé's global procurement scale to manage supply chain challenges, enabling diversification of sourcing and greater flexibility in responding to disruptions. Following the recent geopolitical developments, Management has adopted a proactive approach, including building additional buffer stocks for critical materials and working closely with suppliers to secure longer-term supply visibility.

   He added that the Company continuously monitors supply risks and strengthens supplier partnerships to mitigate potential disruptions, while benefiting from Nestlé's global sourcing network to maintain operational resilience.

   In this regard, he assured the shareholders that the Company remains well positioned to ensure continuity of supply and meet market demand under current conditions.

2. Strategic Focus on Affordability: Management recently highlighted a "doubling down on affordability" for the 2026 outlook. Could you elaborate on how the Company plans to defend market share in a hyper-inflationary environment? Specifically, will there be a shift toward smaller "Value Packs" or a greater emphasis on "Made in Malaysia" Halal-certified products to reduce dependency on costly imports?

   The Company's response to Question 2:

   Mr. Juan Aranols explained that the Company was not operating in a high-inflation environment, but rather in a context where certain cost pressures and specific input risks required careful management. He noted that, over the years, the Company had focused on ensuring that its brands remained accessible to a broad majority of Malaysians.

He emphasised that this required a balanced approach, including continued investment in the strength and relevance of the Nestlé brands, while ensuring that products remained affordable and competitive on shelf. At the same time, the Company continued to educate consumers on the intrinsic value of its products, including the quality of ingredients used and the standards applied across its manufacturing and distribution operations.

He added that, ultimately, the Company's objective was to reinforce consumer trust and confidence, ensuring that its products represented a reliable and compelling choice for consumers in the fast-moving consumer goods segment.

3. Given higher energy and packaging costs, how much can Nestlé absorb through efficiencies before considering price increases?

The Company's response to Question 3:

Mr. Juan Aranols explained that, while the operating environment remained volatile, the Company did not plan to implement any price increases over the next six months. He emphasised that the Company's priority was to safeguard the purchasing power of Malaysians and ensure continued access to its brands.

He added that pricing would continue to be reviewed in line with evolving market conditions, and that any future adjustments would be carefully considered.

4. Has geopolitical uncertainty affected consumer demand, and are shoppers trading down within your portfolio?

The Company's response to Question 4:

Mr. Juan Aranols noted that there was currently limited evidence of significant trading down among consumers, with Malaysia's economy remaining relatively resilient in the current environment. He added that, while some impact might arise over time, particularly from rising costs such as fuel, such pressures were not yet materially evident.

He emphasised that the Company continued to focus on protecting the affordability of its products, which also underpinned its cautious approach to any potential price adjustments.

Summary of relevant questions received from shareholders/proxies/corporate representatives during AGM, and the Company's summarised responses

1. Questions from Mr. Jackson Tan, the corporate representative from MSWG, as follows:

Mr. Jackson Tan congratulated the Company on its strong financial performance for the financial year 2025, particularly noting the recovery from the headwinds experienced in 2024.

Question 1(i)
He sought clarification on the sustainability of these results in light of rising input costs. Referring to the earlier presentation by Mr. Juan Aranols indicating that there would be no price increases in the next six months, he enquired whether the Company's profit margins would be impacted and how Management intends to mitigate such pressures.

The Company's response to Question 1(i):

Mr. Juan Aranols responded that Management was confident that the Company's recovery was sustainable, supported by positive market share trends, extensive data analysis, and on-the-ground observations from regular trade visits across the country. Despite prior market challenges, the Company continued to see strong consumer demand and brand presence, reinforcing confidence in its underlying business fundamentals.

He emphasised that Management remained focused on ensuring product competitiveness, maintaining strong value propositions, and meeting evolving consumer expectations in terms of taste, quality and convenience, while also addressing emerging trends among younger consumers.

On margin sustainability, he acknowledged that, while certain input costs remained elevated, some key commodities, such as coffee and cocoa, had seen price moderation. He added that the Company's diversified portfolio across categories provided a natural hedge against cost fluctuations. In this context, Management was confident in its ability to deliver solid results without implementing price increases in the near term, while continuing to balance profitability with competitiveness in the market.

Question 1(ii):
Mr. Jackson Tan further asked when the Company had last implemented a broad-based price increase across its product portfolio.

The Company's response to Question 1(ii):

Mr. Juan Aranols shared that the Company implemented price increases mainly in 2024 in response to elevated commodity costs, particularly for coffee and cocoa, followed by some residual pricing adjustments in 2025. He added that the Company is currently focused on maintaining an appropriate price structure that balances the need to protect margins while remaining competitive on the shelf.

2. Questions from Dr. Ismet Yusoff, the corporate representative from MSWG, as follows:

Dr. Ismet Yusoff congratulated the Board and Management on the Company's strong performance for the year.

Question 2(i)
He sought further clarification on the resilience of the Company's supply chain in light of the ongoing global uncertainties, noting that Management had earlier indicated the establishment of buffers to protect supply. In this regard, he enquired on the extent of such reserves and how long they could sustain operations before any potential disruptions may impact pricing, including whether the previously indicated six-month pricing outlook could change sooner.

The Company's response to Question 2(i):

Mr. Juan Aranols explained that the Company has strengthened supply chain resilience by increasing inventory levels, particularly for key raw materials, and raising stock coverage both on hand and in transit. He added that Management has enhanced visibility not only over its direct supply chain but also over the supply chains of its key suppliers, recognising that risks may arise indirectly.

The Company had strengthened supply chain resilience by increasing inventory levels, particularly for key raw materials, and by raising stock coverage both on hand and in transit. He added that Management had enhanced visibility not only over its direct supply chain but also over the supply chains of key suppliers, recognising that risks may arise indirectly.

It was shared that business continuity plans covered a majority of the raw materials and packaging, and efforts included the diversification of suppliers across multiple sources and geographies. Management was also working closely with suppliers to extend contract visibility where feasible, whilst noting that current market conditions, including supply constraints, pricing volatility and a degree of supplier caution, may limit longer-term commitments.

In terms of governance, he highlighted that the Company had established a structured crisis management approach, including daily engagement with factories to monitor supply conditions and twice-weekly Management reviews to assess developments and respond accordingly.

While noting that certain details were commercially sensitive, he assured shareholders that supply continuity remained well managed and that the Company was confident in its ability to navigate the current environment, whilst continuing to monitor developments closely.

Question 2(ii):
Dr. Ismet Yusoff further enquired on the Board's overall approach to managing these risks beyond supply chain measures, including how the Board is engaged and the broader strategies in place to mitigate and manage such external uncertainties.

<u>The Company's response to Question 2(ii):</u>

Tan Sri Chairman responded that enterprise risk management remained a key focus of the Board, particularly in the current evolving and challenging environment. He highlighted that these risks were actively monitored by the Audit and Risk Committee, with regular updates provided to the Board.

He further shared that, at the most recent Board meeting, a dedicated paper had been presented to address the specific issues raised, reflecting the Board's close attention to such developments.

He added that, beyond raw material availability, the Board also considered a broader range of risks, including energy costs, logistics challenges and consumer spending trends. From the Board's perspective, Management had the situation under control to the best of its ability, supported by established business continuity plans. The Company benefited from leveraging Nestlé Group's global procurement capabilities, which provided additional resilience.

In this regard, he assured shareholders that risk management remained a top priority for the Board, with continued oversight across both current and emerging risk areas.

Question 2(iii):
Referring to his question at the previous Annual General Meeting regarding cocoa sourcing and innovation, Dr. Ismet Yusoff asked whether the Company is considering a similar approach for coffee, including the potential for increased local sourcing, particularly from regions such as Perak, and enhancing the quality of locally sourced coffee.

The Company's response to Question 2(iii):

Mr. Juan Aranols shared that the Company had been progressively developing local sourcing initiatives for both cocoa and coffee. In relation to coffee, he highlighted that the Company had launched a programme in Kedah approximately six years ago, which, while currently modest in scale, was being further expanded in collaboration with procurement and business teams. The focus remained on increasing capacity while ensuring traceability of origins.

3. Questions from Mr. Rabindran Balasupramaniam, a shareholder, as follows:

Question 3(i):
Mr. Rabindran noted the Company's initiatives to expand cocoa cultivation and enquired on the sustainability considerations in scaling such efforts, particularly in light of land use pressures from other crops and potential environmental concerns. He further asked how the Company manages and mitigates any potential negative perceptions or backlash relating to sustainability from stakeholders.

The Company's response to Question 3(i):

Mr. Juan Aranols explained that the development of local cocoa supply was a long-term initiative undertaken in collaboration with the Malaysian Cocoa Board, primarily in Sabah and Sarawak. The current baseline remained relatively small, with only a few hundred tonnes presently sourced for use in products such as KIT KAT Borneo and ice cream.

He added that the Company was progressively expanding these efforts with a focus on building a sustainable and responsible value chain, with strong emphasis on environmental sustainability and the protection of human rights. These initiatives were supported by close collaboration with government authorities and local partners. While acknowledging that scaling up production would take time, he expressed confidence that the programme would deliver gradual progress over the coming years

Question 3(ii):
Mr. Rabindran further enquired on the Company's strategy in the water category, noting the limited visibility of such products in the market, and asked whether this segment has been explored previously and, if so, the rationale for its current positioning.

The Company's response to Question 3(ii):

Mr. Juan Aranols explained that the water business margin was not high and required a highly intensive distribution model, which may not align with the Company's competitive strengths and priorities in Malaysia.

He added that, while limited product testing through imports had been undertaken in the past, water had not been identified as a priority category, and there were currently no plans to expand into this segment.

4. Question from Mr. Tey Hock Seng, a shareholder, as follows:

Question 4:
Mr. Tey Hock Seng referred to recent international media reports on product safety incidents of infant formula in other markets abroad. He enquired on the measures and safeguards in place at Nestlé Malaysia to prevent similar occurrences locally, noting that such incidents could significantly impact consumer trust and brand reputation.

The Company's response to Question 4:

Mr. Juan Aranols acknowledged the referenced global product safety incident and emphasised that, in such situations, the Company's foremost priority was always the safety of consumers. He noted that, where issues arose, Nestlé had acted decisively to implement voluntary product recalls, notwithstanding the potential reputational impact, demonstrating its commitment to not compromise on public health, particularly for vulnerable consumers such as infants.

He clarified that Nestlé Malaysia had not been impacted by the incident, as none of the affected batches were distributed in the local market. Nevertheless, he highlighted that the Company had taken the learnings from the incident seriously and had further strengthened its internal protocols.

He added that, given the scale of Nestlé's global operations, such incidents were extremely rare. However, when they occurred, immediate action was taken with full transparency and accountability. In this regard, he assured shareholders that Nestlé Malaysia maintained stringent quality and safety standards, supported by continuous monitoring and improvement processes, to ensure that product safety and consumer trust remained fully safeguarded.

5. Questions from Mr. Chong Fook Khing, a shareholder, as follows:

Mr. Chong Fook Khing congratulated the Company on its strong performance, noting the approximately 10% increase in revenue.

Question 5(i):
He then enquired on the sourcing of coffee raw materials, particularly from regional producers such as Vietnam and Indonesia, and whether the Company leverages supply from this region. He also asked how current logistics costs and transportation challenges are impacting the Company's cost structure and production.

The Company's response to Question 5(i):

Mr. Juan Aranols explained that coffee was a global commodity sourced from multiple regions, including Southeast Asia and South America, with sourcing dynamically managed based on market conditions and crop quality. He noted that Southeast Asia remained an important source of supply for the Company, with its proximity supporting a more efficient supply chain in terms of logistics and transportation.

Question 5(ii):
Mr. Chong Fook Khing further enquired on the Company's energy management initiatives, specifically the extent of utilisation of solar energy at its plants and the contribution of such initiatives in reducing overall energy consumption.

The Company's response to Question 5(ii):

Mr. Juan Aranols shared that the Company is progressively adopting renewable energy solutions across its operations. This includes the installation of solar panels at certain facilities, which contribute partially to overall energy needs, as well as the increased use of biofuels, such as biomass derived from palm oil by-products, to support more sustainable steam generation.

He added that these initiatives are complemented by similar efforts among distributors, and form part of a broader, ongoing transition towards more sustainable energy sources, although renewable energy currently constitutes only a portion of total energy consumption in the extended supply chain.

Question 5(iii):
Mr. Chong Fook Khing referred to the growing concern over obesity in Malaysia and the role of sugar consumption. Noting the wide range of the Company's food and beverage products, he enquired on the extent to which the Company is moderating sugar content across its portfolio, and how it is responding to potential regulatory developments, such as the introduction of sugar taxes.

The Company's response to Question 5(iii):

Mr. Juan Aranols acknowledged that obesity and related health concerns, such as diabetes and cardiovascular diseases, had been longstanding issues in Malaysia, and that the Company was fully aware of its role in addressing these challenges. He further highlighted that Malaysia had already implemented a sugar tax and highlighted that the majority of the Company's products were formulated below the applicable sugar threshold, resulting in minimal impact from such taxation measures, with only limited exceptions for more indulgent products.

He further shared that the Company had been progressively reformulating its products over the years to reduce sugar content while maintaining taste expectations. For example, products such as MILO minimised levels of added sugar, with most of its sugar naturally from milk which is one of MILO's main ingredients.

He emphasised that, beyond reformulation, the Company was also focused on promoting responsible consumption and consumer education, including encouraging balanced diets and appropriate portion sizes. He added that this was supported by ongoing brand and marketing efforts to guide consumers towards healthier consumption habits.

6. Questions from Mr. Tan Sin Su, a shareholder, as follows:

Question 6(i):
Mr. Tan Sin Su enquired on the contribution of the ice cream business to the Company's turnover and profitability. He further asked, in the event of a potential divestment, whether any proceeds would accrue to Nestlé Malaysia or solely to Nestlé S.A. at the Group level.

The Company's response to Question 6(i):

Mr. Juan Aranols explained that Nestlé had announced at the Group level its intention to integrate its remaining ice cream operations worldwide into the existing and well-established joint venture, Froneri. The process remained at an early stage and would take time to materialise.

He further emphasised that, should the transaction proceed, it would be subject to the appropriate regulatory requirements, including those of Bursa Malaysia, and that the Board remained committed to safeguarding the interests of minority shareholders. He added that further details would be provided in due course as the structure of the transaction is being formalised.

Question 6(ii)
Mr. Tan Sin Su followed up on his question from the previous Annual General Meeting regarding the regional logistics hub, which was previously indicated to be completed in the first quarter of the year. He enquired whether the facility is now operational and how it is expected to contribute to the Company's profitability.

The Company's response to Question 6(ii):

Mr. Juan Aranols shared that the regional logistics hub in Klang was at an advanced stage of completion and was expected to become operational in the coming months. The facility would serve as a centralised hub for export warehousing and the reception of raw materials.

He explained that the initiative was expected to deliver cost efficiencies, by optimising supply chain operations through improved scale, automation and flow optimisation. This was expected to also enhance service levels for both domestic operations and export markets, while supporting longer-term operational efficiency.

7. Question from Ms. Nur Ain Nazira Azhar, a shareholder as follows:-

Question 7:
Ms. Nur Nazira Azhar enquired how the Company ensures that shareholders remain informed, engaged and aligned with its direction and performance. She also asked how shareholders can have confidence that the Company is progressing in a manner that reflects their interests, particularly in terms of transparency, communication and accountability.

The Company's response to Question 7:

Mr. Juan Aranols explained that responsibility for driving the Company's strategy and operations rested with Management, under the guidance and oversight of the Board. He added that the Board comprised experienced and high-calibre individuals who provided effective oversight and ensured that shareholder interests were safeguarded.

Shareholders were encouraged to engage with the Company through established channels, including the investor relations function, to raise queries or seek clarification on specific matters. He emphasised that such engagement formed an important part of maintaining transparency and alignment between the Company and its shareholders.

8. Question from Ms. Chee Boon Lee, a shareholder as follows:-

Question 8:
Ms. Chee Boon Lee referred to an earlier statement by Mr. Philipp Navratil, Chief Executive Officer of the Nestlé Group regarding a global workforce review and potential job reductions. She enquired whether this initiative would have any impact on Nestlé Malaysia.

The Company's response to Question 8:

Mr. Juan Aranols explained that, in Malaysia, the Company had been progressively implementing efficiency initiatives over the years, including automation and process optimisation. While such initiatives might have some impact on specific roles, he emphasised that no radical workforce reductions were expected in Malaysia.

He added that these changes formed part of the normal evolution of the organisation, and that, where role redundancies arose, the Company was committed to managing them responsibly. This included ensuring a transparent process, treating affected employees with respect, and providing appropriate support in line with local employment laws and practices, including job transition assistance where required.

He assured shareholders that the Company would continue to pursue operational efficiencies while maintaining responsible workforce management practices.

9. Questions from Mr. Keh Yeow Hwee, a shareholder as follows:

Question 9(i):
Mr. Keh Yeow Hwee enquired on the competitiveness of the Company's instant coffee products, noting his personal observation that certain competing brands and products in other markets may offer differentiated taste profiles. He asked whether variations in formulation, such as the use of micro-ground coffee, are being considered to further enhance product quality. He also suggested the potential for exploring local coffee varieties, as part of the Company's coffee portfolio.

The Company's response to Question 9(i):

Mr. Juan Aranols noted that coffee taste preferences varied among consumers and that the Company continuously reviewed and refined its formulations to meet the expectations of a broad range of Malaysian consumers. The Company also offered a diverse coffee portfolio, spanning instant, ready-to-drink and specialty variants, to cater to different taste profiles and consumption occasions.

He added that consumer feedback was regularly incorporated into product development, while maintaining a balance between broad appeal and targeted offerings such as white coffee. With regard to local sourcing, he reiterated that the Company's current priority was to further scale its existing initiatives in Kedah and Kelantan before expanding into additional origins.

Question 9(ii):
Mr. Keh Yeow Hwee further enquired on the Company's capital expenditure trend, noting a reduction in recent years, and sought guidance on the Company's expected capital investment plans over the next few years, including whether there are plans for new production lines or capacity expansion.

The Company's response to Question 9(ii):

Mr. Juan Aranols explained that the Company had undertaken significant capital investments of approximately RM1 billion over the past three years, including major capacity expansions such as at the Batu Tiga manufacturing complex. As a result, capital expenditure levels were expected to normalise in the near term, with a focus on smaller, ongoing projects following the completion of this investment cycle, while remaining open to future large-scale investments as required.

Question 9(iii):
Mr. Keh Yeow Hwee also referred to the decline in profit margins in recent years and enquired whether the Company expects margins to recover to historical levels.

The Company's response to Question 9(iii):

On profitability, Mr. Juan Aranols emphasised that the Company focused not only on margin percentages but also on absolute profit growth and long-term financial and operational sustainability. Management remained committed to balancing profitability with growth, market competitiveness and consumer affordability, particularly in a challenging operating environment. He added that recent performance, including first quarter results, indicated a positive trend, and reaffirmed Management's focus on delivering sustainable financial performance over the long term as well as in the short term.

10. Question from Mr. Yap Eugene, a shareholder as follows:-

Question 10:
Mr. Yap Eugene congratulated the Company on its recent strong performance and enquired on its strategic priorities over the next three years. In particular, he asked whether the Company is making any significant investments or "big bets" in new brands, and how it intends to defend the market share of its core brands such as MILO, MAGGI and NESCAFÉ.

<u>The Company's response to Question 10</u>:

Mr. Juan Aranols highlighted that the Company's core brands, including MILO, MAGGI, NESCAFÉ and KIT KAT, continued to offer significant growth potential and remained central to its strategy. He emphasised that the Company's approach was to protect the relevance of these core brands while simultaneously developing new growth platforms in line with evolving consumer trends.

He explained that these growth platforms included innovations such as MAGGI air fryer-compatible products, which catered to demand for more convenient and healthier cooking, as well as new coffee formats such as NESCAFÉ concentrates that addressed the growing preference for cold coffee among younger consumers.

Similarly, MILO was expanding into adjacent segments, including higher-protein beverages, to capture emerging health and wellness trends while maintaining its core offering.

He added that the Company regularly reviewed its brand strategies and innovation pipelines to ensure continued competitiveness. In this regard, Management remained confident that, by combining strong core brand equity with targeted innovation, the Company was well positioned to sustain growth in Malaysia.

- End -