

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)
(Incorporated in Malaysia)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the financial quarter ended 31 March 2015
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER	COMPARATIVE QUARTER	3 months TO DATE	3 months TO DATE
	31/03/15 RM'000	31/03/14 RM'000	31/03/15 RM'000	31/03/14 RM'000
Revenue	196,894	227,682	196,894	227,682
Cost of Sales	<u>(126,739)</u>	<u>(155,182)</u>	<u>(126,739)</u>	<u>(155,182)</u>
Gross Profit	70,155	72,500	70,155	72,500
Other Income	3,369	1,102	3,369	1,102
Distribution Expenses	(31,480)	(26,252)	(31,480)	(26,252)
Administrative Expenses	(6,237)	(6,742)	(6,237)	(6,742)
Other Operating Expenses	<u>(12,397)</u>	<u>(9,735)</u>	<u>(12,397)</u>	<u>(9,735)</u>
Results from Operating Activities	23,410	30,873	23,410	30,873
Finance Costs	(737)	(766)	(737)	(766)
Interest Income	343	1,061	343	1,061
Profit Before Taxation	23,016	31,168	23,016	31,168
Income Tax Expenses	<u>(5,988)</u>	<u>(8,102)</u>	<u>(5,988)</u>	<u>(8,102)</u>
Profit After Taxation	17,028	23,066	17,028	23,066
Profit for the period/Total comprehensive income for the period	<u>17,028</u>	<u>23,066</u>	<u>17,028</u>	<u>23,066</u>
Profit Attributable to:				
Equity holders of the Company	17,028	23,066	17,028	23,066
Non-controlling interest	-	-	-	-
	<u>17,028</u>	<u>23,066</u>	<u>17,028</u>	<u>23,066</u>
EARNINGS PER SHARE				
- Basic earnings per share (sen) (Based on 64,000,000 ordinary shares)	<u>26.60</u>	<u>36.00</u>	<u>26.60</u>	<u>36.00</u>

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)
(Incorporated in Malaysia)

CONDENSED STATEMENT OF FINANCIAL POSITION

For the financial quarter ended 31 March 2015

	AS AT 31/03/15 RM'000 (Unaudited)	AS AT 31/12/14 RM'000 (Audited)
ASSETS		
Property, plant and equipment	84,985	82,811
Intangible assets	1,714	1,759
TOTAL NON-CURRENT ASSETS	86,699	84,570
Inventories	117,903	92,545
Trade and other receivables	49,619	37,346
Prepayments	915	1,229
Derivatives financial assets	3,918	5,548
Cash and cash equivalents	123,477	124,269
TOTAL CURRENT ASSETS	295,832	260,937
TOTAL ASSETS	<u>382,531</u>	<u>345,507</u>
EQUITY		
Share capital	64,000	64,000
Retained profits	110,067	93,039
Attributable to equity holders of the Company	174,067	157,039
TOTAL EQUITY	174,067	157,039
LIABILITIES		
Deferred tax liabilities	6,704	6,704
TOTAL NON-CURRENT LIABILITIES	6,704	6,704
Trade and other payables	199,421	176,496
Provision	240	229
Derivatives financial liabilities	16	19
Current tax liabilities	2,083	5,020
CURRENT LIABILITIES	201,760	181,764
TOTAL LIABILITIES	208,464	188,468
TOTAL EQUITY AND LIABILITIES	<u>382,531</u>	<u>345,507</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>2.72</u>	<u>2.45</u>

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF CHANGES IN EQUITYFor the financial quarter ended 31 March 2015
(The figures have not been audited)

	Share Capital RM'000	Distributable Retained profits RM'000	Attributable to equity holders of the Company RM'000	Total RM'000
3 months ended 31 March 2015				
Balance at beginning of period	64,000	93,039	157,039	157,039
Movements during the period	-	17,028	17,028	17,028
Balance at end of period	<u>64,000</u>	<u>110,067</u>	<u>174,067</u>	<u>174,067</u>
3 months ended 31 March 2014				
Balance at beginning of period	64,000	123,998	187,998	187,998
Movements during the period	-	23,066	23,066	23,066
Balance at end of period	<u>64,000</u>	<u>147,064</u>	<u>211,064</u>	<u>211,064</u>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF CASH FLOWFor the financial quarter ended 31 March 2015
(The figures have not been audited)

	3 months TO DATE	3 months TO DATE
	31/03/15 RM'000	31/03/14 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and other receivables	188,353	212,162
Cash paid to suppliers and employees	(175,387)	(243,731)
	<hr/>	<hr/>
Cash generated from operations	12,966	(31,569)
Income tax paid	(8,925)	(9,708)
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	4,041	(41,277)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(4,476)	(1,585)
Additions of intangible assets	(59)	-
Proceeds from disposal of property, plant and equipment	96	1,496
Interest received	343	1,061
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(4,096)	972
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(737)	(766)
	<hr/>	<hr/>
Net cash used in financing activities	(737)	(766)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(792)	(41,071)
Cash and cash equivalents brought forward	124,269	187,641
	<hr/>	<hr/>
Cash and cash equivalents carried forward	123,477	146,570
	<hr/>	<hr/>
Cash and cash equivalents consist of:		
Cash and bank balances	16,477	4,670
Deposits placed with licensed banks	107,000	141,900
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	123,477	146,570
	<hr/>	<hr/>

(The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)
(Incorporated in Malaysia)

NOTES

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, 'Interim Financial Reporting' in Malaysia and with IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the most recent audited financial statements of the Company as at and for the year ended 31 December 2014.

2. Auditors' Report of Preceding Annual Financial Statements

The auditors' report of the Company in respect of the annual audited financial statements for the year ended 31 December 2014 was not subject to any audit qualification.

3. Seasonal and Cyclical Factors

The dairy and dairy related business can be influenced by the weather and major festivals.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

6. Changes in Estimates

There were no changes in estimates of amounts reported in the current quarter or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

7. Changes in Debt and Equity

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period under review.

8. Dividends

There were no dividends paid for the financial period under review.

9. Segmental Analysis

The Company operates principally in Malaysia and in one major business segment. As such, only one reportable segment analysis is prepared. The Company's Board of Directors (the chief operating decision maker) reviews internal management reports at least on a quarterly basis.

	Quarter ended 31/03/15 RM'000	Quarter ended 31/03/14 RM'000
Segment profit		
Revenue	196,894	227,682
Profit After Taxation	17,028	23,066

10. Capital Commitments

	Quarter ended 31/03/15 RM'000	Quarter ended 31/03/14 RM'000
Property, plant and equipment		
Authorised but not contracted for	17,819	17,763
Contracted but not provided for	5,906	2,303

11. Subsequent Events

There were no material subsequent events that will affect the financial results of the financial period under review.

12. Changes in Composition of the Company

There were no changes in the composition of the Company during the financial period under review.

13. Operating Lease

The existing operating lease obligations by the Company amounts to RM15.2 million.

14. Related Party Transactions

The following are significant related party transactions: -

	Quarter ended 31/03/15 RM'000	Quarter ended 31/03/14 RM'000
Sales to related parties	3,452	5,678
Purchases from related parties	100,533	48,545
Know-how, Trademark License and Management Support fees	5,053	6,526
Shared services from related parties	1,731	2,494

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

15. Review of Results (Against preceding year corresponding period)

Revenue in the current quarter was lower compared to the preceding year's corresponding quarter; in line with the planned phasing in of the new relaunch of Dutch Lady Children Formula Milk. Lower revenue was due to the rundown activities prior to the relaunch. Profit before taxation for the current quarter was lower due to the lower revenue and increased marketing investments to support the relaunch activities.

16. Comments on Material Changes in Profit Before Taxation (Against immediate preceding quarter)

Compared to previous quarter, revenue was lower due to the phasing in of the relaunch of Dutch Lady Children Formula Milk. Additionally, in the immediate preceding quarter, higher sales of UHT was due to the seeding-in of the PureFarm range and strong sales of Dutch Lady Growing Up Milk to support "Mak Kata" promotion campaign. Profit before tax in Q1 2015 was lower compared to the preceding quarter due to the lower revenue.

17. Business Prospects

The business environment is expected to remain competitive against the backdrop of less robust consumer confidence. Despite the ongoing business challenges for 2015, the Company remains committed to leveraging the strength of the Dutch Lady brand with the introduction of the Dutch Lady PureFarm range and relaunch of Dutch Lady Children Formula Milk.

18. Statement on Revenue or Profit Estimate, Forecast, Projection or Internal Targets Previously Announced or Disclosed in a Public Document

Not applicable.

19. Profit Forecast

The Company did not issue any profit forecast during the financial period under review.

20. Taxation

Taxation is made up as follows: -

	Quarter ended 31/03/15 RM'000	Quarter ended 31/03/14 RM'000
Income tax for current period	5,988	7,915
Deferred tax for current period	-	187
Total taxation	<u>5,988</u>	<u>8,102</u>

The effective tax rate for the period under review is higher than the statutory tax rate mainly due to certain expenses incurred that was disallowed for tax purposes.

21. Deferred Tax Liabilities

	Quarter ended 31/03/15 RM'000	As at 31/12/14 RM'000
At 1 January	6,704	5,695
Recognised in the statement of comprehensive income	-	1,009
At period end	<u>6,704</u>	<u>6,704</u>

22. Corporate Proposals

There were no corporate proposals announced during the financial period under review.

23. Company Borrowings

There were no borrowings or debt securities as at the end of the financial period under review.

24. Material Litigation

There were no material litigations against the Company during the financial period under review.

25. Financial Instruments

Derivatives

The foreign exchange contracts which have been entered into by the Company are as follows:

Forward exchange contracts	Quarter ended 31/03/15 RM'000	As at 31/12/14 RM'000
Derivatives held for trading at fair value through profit or loss for US Dollar		
Nominal Value	78,309	92,783
Assets	3,918	5,548
Liabilities	16	19

Forward exchange contracts are used to manage the foreign currency exposures arising from the Company's receivables and payables denominated in currencies other than the functional currencies of the Company's entity. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period.

26. Proposed Dividend

On 24 February 2015, the Company has declared a first interim dividend and special interim dividend in respect of the financial year ending 31 December 2015 as follows:-

- a) A first interim dividend of 50.0 sen per ordinary share amounting to RM32.0 million, and
- b) A special interim dividend of 60.0 sen per ordinary share amounting to RM38.4 million.

All shareholders whose names appear on the Record of Depositors on 28 April 2015 shall be paid the above dividends on 19 May 2015.

A Depositor shall qualify for entitlement only in respect of :-

- a) Securities transferred to the Depositor's Securities Account before 4.00pm on 28 April 2015, in respect of ordinary transfers; and
- b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

27. Retained Profits

The breakdown of the retained profits of the Company as at 31 March 2015, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Year to-date 31/03/15 RM'000	Year to-date 31/12/14 RM'000
Total retained profits:		
- Realised profit	113,393	94,384
- Unrealised loss	(3,326)	(1,345)
Total retained profits as per statement of financial position	<u>110,067</u>	<u>93,039</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.

28. Earnings Per Share

	Quarter ended 31/03/15	Quarter ended 31/03/14
Basic earnings per share		
Profit for the period (RM'000)	17,028	23,066
Weighted average number of ordinary shares in issue ('000)	64,000	64,000
Basic earnings per share (sen)	26.60	36.00

The Company does not have in issue any financial instrument or other contract that may entitle its holders to ordinary shares and therefore dilute its basic earnings per share.

29. Notes to the Condensed Statement of Comprehensive Income

	Year to- date 31/03/15 RM'000	Year to- date 31/03/14 RM'000
Interest income	343	1,061
Finance costs	(737)	(766)
Depreciation of property, plant and equipment	(2,209)	(2,008)
Amortisation of intangible assets	(105)	(94)
Write down of inventories	(827)	(194)
Gain on disposal of property, plant and equipment	3	11
Gain on disposal of assets classified as held for sale	-	856
Property, plant and equipment written off	-	(3)
Net loss on derivatives	(1,627)	(330)
Net foreign exchange gain/(loss)		
- Realised	5,711	(423)
- Unrealised	(524)	317

By Order of the Board
Izreen Fara Binti Ismail
Company Secretary
26 May 2015