

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

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

For the financial quarter ended 30 June 2015  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER	COMPARATIVE QUARTER	6 months TO DATE	6 months TO DATE
	30/06/15 RM'000	30/06/14 RM'000	30/06/15 RM'000	30/06/14 RM'000
Revenue	278,288	268,229	475,182	495,911
Cost of Sales	<u>(156,610)</u>	<u>(179,453)</u>	<u>(283,349)</u>	<u>(334,635)</u>
Gross Profit	121,678	88,776	191,833	161,276
Other Income	666	272	4,035	1,374
Distribution Expenses	(36,236)	(36,983)	(67,716)	(63,235)
Administrative Expenses	(6,018)	(6,173)	(12,255)	(12,915)
Other Operating Expenses	<u>(14,590)</u>	<u>(13,042)</u>	<u>(26,987)</u>	<u>(22,777)</u>
Results from Operating Activities	65,500	32,850	88,910	63,723
Finance Costs	(1,034)	(887)	(1,772)	(1,653)
Interest Income	1,176	841	1,519	1,902
Profit Before Taxation	65,642	32,804	88,657	63,972
Income Tax Expenses	<u>(16,866)</u>	<u>(8,530)</u>	<u>(22,854)</u>	<u>(16,632)</u>
Profit After Taxation	48,776	24,274	65,803	47,340
Profit for the period/Total comprehensive income for the period	<u>48,776</u>	<u>24,274</u>	<u>65,803</u>	<u>47,340</u>
Profit Attributable to:				
Equity holders of the Company	48,776	24,274	65,803	47,340
Non-controlling interest	-	-	-	-
	<u>48,776</u>	<u>24,274</u>	<u>65,803</u>	<u>47,340</u>
<b>EARNINGS PER SHARE</b>				
- Basic earnings per share (sen) (Based on 64,000,000 ordinary shares)	<u>76.20</u>	<u>37.95</u>	<u>102.80</u>	<u>73.95</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**

As at 30 June 2015

	<b>AS AT 30/06/15 RM'000 (Unaudited)</b>	<b>AS AT 31/12/14 RM'000 (Audited)</b>
<b>ASSETS</b>		
Property, plant and equipment	86,395	82,811
Intangible assets	1,629	1,759
<b>TOTAL NON-CURRENT ASSETS</b>	<b>88,024</b>	<b>84,570</b>
Inventories	128,736	92,545
Trade and other receivables	64,048	37,346
Prepayments	983	1,229
Derivatives financial assets	1,688	5,548
Cash and cash equivalents	118,765	124,269
<b>TOTAL CURRENT ASSETS</b>	<b>314,220</b>	<b>260,937</b>
<b>TOTAL ASSETS</b>	<b><u>402,244</u></b>	<b><u>345,507</u></b>
<b>EQUITY</b>		
Share capital	64,000	64,000
Retained profits	88,443	93,039
Attributable to equity holders of the Company	152,443	157,039
<b>TOTAL EQUITY</b>	<b>152,443</b>	<b>157,039</b>
<b>LIABILITIES</b>		
Deferred tax liabilities	6,505	6,704
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,505</b>	<b>6,704</b>
Trade and other payables	232,822	176,496
Provision	250	229
Derivatives financial liabilities	-	19
Current tax liabilities	10,224	5,020
<b>CURRENT LIABILITIES</b>	<b>243,296</b>	<b>181,764</b>
<b>TOTAL LIABILITIES</b>	<b>249,801</b>	<b>188,468</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>402,244</u></b>	<b><u>345,507</u></b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>2.38</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 EQUITY**

For the financial quarter ended 30 June 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
<b>6 months ended 30 June 2015</b>				
Balance at beginning of period	64,000	93,039	157,039	157,039
Movements during the period	-	65,803	65,803	65,803
Dividends paid	-	(70,400)	(70,400)	(70,400)
Balance at end of period	<u>64,000</u>	<u>88,442</u>	<u>152,442</u>	<u>152,442</u>
<b>6 months ended 30 June 2014</b>				
Balance at beginning of period	64,000	123,998	187,998	187,998
Movements during the period	-	47,340	47,340	47,340
Dividends paid	-	(70,400)	(70,400)	(70,400)
Balance at end of period	<u>64,000</u>	<u>100,938</u>	<u>164,938</u>	<u>164,938</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 FLOW**For the financial quarter ended 30 June 2015  
(The figures have not been audited)

	<b>6 months TO DATE</b>	<b>6 months TO DATE</b>
	<b>30/06/15 RM'000</b>	<b>30/06/14 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers and other receivables	451,291	473,145
Cash paid to suppliers and employees	(360,023)	(449,602)
	<hr/>	<hr/>
Cash generated from operations	91,268	23,543
Income tax paid	(17,849)	(18,635)
	<hr/>	<hr/>
Net cash generated from operating activities	73,419	4,908
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment	(8,287)	(5,252)
Additions of intangible assets	(79)	(96)
Proceeds from disposal of property, plant and equipment	96	1,496
Interest received	1,519	1,902
	<hr/>	<hr/>
Net cash used in from investing activities	(6,751)	(1,950)
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(1,772)	(1,653)
Dividends paid	(70,400)	(70,400)
	<hr/>	<hr/>
Net cash used in financing activities	(72,172)	(72,053)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(5,504)	(69,095)
Cash and cash equivalents brought forward	124,269	187,641
	<hr/>	<hr/>
Cash and cash equivalents carried forward	118,765	118,546
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents consist of:		
Cash and bank balances	2,665	1,762
Deposits placed with licensed banks	116,100	116,784
	<hr/>	<hr/>
	118,765	118,546
	<hr/> <hr/>	<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

	Quarter ended 30/06/15 RM'000	Quarter ended 30/06/14 RM'000	Year to-date 30/06/15 RM'000	Year to-date 30/06/14 RM'000
In respect of the financial year ending 31 December 2015				
Interim dividends paid:				
- 50.00 sen (2014: 50.00 sen) per RM 1.00 ordinary share	32,000	32,000	32,000	32,000
Special interim dividend paid:				
- 60.00 sen (2014: 60.00 sen) per RM 1.00 ordinary share	38,400	38,400	38,400	38,400
	<hr/>	<hr/>	<hr/>	<hr/>
	70,400	70,400	70,400	70,400
Net dividend per share (sen)	110.00	110.00	110.00	110.00

## 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 30/06/15 RM'000	Quarter ended 30/06/14 RM'000
<b>Segment profit</b>		
Revenue	278,288	268,229
Profit After Taxation	48,776	24,274

## 10. Capital Commitments

	Quarter ended 30/06/15 RM'000	Quarter ended 30/06/14 RM'000
<b>Property, plant and equipment</b>		
Authorised but not contracted for	3,300	-
Contracted but not provided for	6,996	10,488

## 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 RM14.1 million.

### 14. Related Party Transactions

The following are significant related party transactions: -

	Quarter ended 30/06/15 RM'000	Quarter ended 30/06/14 RM'000
Sales to related parties	6,064	7,292
Purchases from related parties	103,931	45,411
Know-how, Trademark License and Management Support fees	6,581	7,764
Shared services from related parties	1,717	1,535

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)

- A. Revenue in the current quarter was higher compared to the preceding year's corresponding quarter mainly contributed by the relaunch of Dutch Lady Children Formula Milk but slightly offset by the GST implementation impact. Profit before taxation has increased compared with last year same quarter attributed to improved revenue and lower raw material prices.
- B. Decrease in revenue for first half of 2015 compared to the corresponding period in 2014 due to the planned phasing of the relaunch of new products in Q1 2015, rundown of activities prior to relaunch and implementation of GST. Higher profit before tax largely attributed to favourable raw material.

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

Compared to previous quarter, revenue was higher contributed by the new relaunch of Dutch Lady Children Formula Milk. Profit before tax in Q2 2015 was higher compared to the preceding quarter with improved revenue and lower raw material prices.

### 17. Business Prospects

The business environment is expected to remain challenging against the backdrop of less robust consumer confidence post-GST period and the foreign exchange uncertainty of Ringgit Malaysia. Despite the ongoing business challenges for 2015, the Company remains committed to leveraging the strength of the Dutch Lady brand supported by the various shopper activities to support the new product relaunches of the Dutch Lady PureFarm Milk range and 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 30/06/15 RM'000	Quarter ended 30/06/14 RM'000
Income tax for current period	17,065	8,530
Deferred tax for current period	(199)	-
Total taxation	<u>16,866</u>	<u>8,530</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**

	As At 30/06/15 RM'000	As at 31/12/14 RM'000
At 1 January	6,704	5,695
Recognised in the statement of comprehensive income	(199)	1,009
At period end	<u>6,505</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	As At 30/06/15 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	89,158	92,783
Assets	1,688	5,548
Liabilities	-	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

The Company did not propose any dividend in the current quarter.

## 27. Retained Profits

The breakdown of the retained profits of the Company as at 30 June 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 30/06/15 RM'000	Year to-date 31/12/14 RM'000
Total retained profits:		
- Realised profit	94,396	94,384
- Unrealised loss	(5,953)	(1,345)
Total retained profits as per statement of financial position	<u>88,443</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

	Current Quarter ended 30/06/15	Comparative Quarter ended 30/06/14	6 month Cumulative to-Date 30/06/15	6 month Cumulative to-Date 30/06/14
<b>Basic earnings per share</b>				
Profit for the period (RM'000)	48,776	24,274	65,804	47,340
Weighted average number of ordinary shares in issue ('000)	64,000	64,000	64,000	64,000
Basic earnings per share (sen)	76.20	37.95	102.80	73.95

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 30/06/15 RM'000	Year to- date 30/06/14 RM'000
Interest income	1,519	1,902
Finance costs	(1,772)	(1,653)
Depreciation of property, plant and equipment	(4,610)	(4,017)
Amortisation of intangible assets	(209)	(189)
Impairment loss reversed on Intangible assets	-	8
Write down of inventories	(1,332)	(675)
Gain on disposal of property, plant and equipment	3	865
Gain on disposal of assets classified as held for sale	-	-
Property, plant and equipment written off	-	-
Net loss on derivatives	(3,841)	(1,153)
Net foreign exchange gain/(loss)		
- Realised	6,789	(145)
- Unrealised	(1,136)	318

By Order of the Board  
Izreen Fara Binti Ismail  
Company Secretary  
24 Aug 2015