

Quarterly rpt on consolidated results for the financial period ended 31/12/2013

DUTCH LADY MILK INDUSTRIES BERHAD

Financial Year End 31/12/2013
 Quarter 4
 Quarterly report for the financial period ended 31/12/2013
 The figures have not been audited
Attachments

[BMSB-Dec13.pdf](#)
 290 KB

- Default Currency
- Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
31/12/2013

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2013 \$\$'000	31/12/2012 \$\$'000	31/12/2013 \$\$'000	31/12/2012 \$\$'000
1 Revenue	262,953	225,786	982,686	882,179
2 Profit/(loss) before tax	43,612	44,739	186,674	165,801
3 Profit/(loss) for the period	32,400	33,825	138,264	123,380
4 Profit/(loss) attributable to ordinary equity holders of the parent	32,400	33,825	138,264	123,380
5 Basic earnings/(loss) per share (Subunit)	50.60	52.90	216.00	192.80
6 Proposed/Declared dividend per share (Subunit)	130.00	130.00	260.00	260.00
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)	AS AT END OF CURRENT QUARTER	2.9400	AS AT PRECEDING FINANCIAL YEAR END	3.3800

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
 Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name DUTCH LADY MILK INDUSTRIES BERHAD
 Stock Name DLADY
 Date Announced 25 Feb 2014
 Category Financial Results
 Reference No DB-140221-55795

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

Quarterly report on results for the financial quarter ended 31 December 2013

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER CURRENT QUARTER ENDED (Unaudited) 31/12/13 RM'000	COMPARATIVE QUARTER ENDED (Unaudited) 31/12/12 RM'000	CUMULATIVE QUARTER 12 month CUMULATIVE TO DATE (Unaudited) 31/12/13 RM'000	12 month CUMULATIVE TO DATE (Audited) 31/12/12 RM'000
Revenue	262,953	225,786	982,686	882,179
Cost of Sales	<u>(163,774)</u>	<u>(125,829)</u>	<u>(608,738)</u>	<u>(535,475)</u>
Gross Profit	99,179	99,957	373,948	346,704
Other Income/(Expense)	(23)	114	765	864
Distribution Expenses	(36,289)	(37,021)	(121,475)	(120,676)
Administrative Expenses	(7,037)	(8,648)	(25,254)	(27,472)
Other Operating Expenses	<u>(12,401)</u>	<u>(10,723)</u>	<u>(43,782)</u>	<u>(36,813)</u>
Results from Operating Activities	43,429	43,679	184,202	162,607
Finance Costs	(879)	(734)	(3,316)	(2,862)
Interest Income	1,062	1,794	5,788	6,056
Profit Before Taxation	<u>43,612</u>	<u>44,739</u>	<u>186,674</u>	<u>165,801</u>
Income Tax Expenses	(11,212)	(10,914)	(48,410)	(42,421)
Profit After Taxation	32,400	33,825	138,264	123,380
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the period	<u>32,400</u>	<u>33,825</u>	<u>138,264</u>	<u>123,380</u>
Profit Attributable to:				
Equity holders of the Company	32,400	33,825	138,264	123,380
Non-controlling interest	-	-	-	-
	<u>32,400</u>	<u>33,825</u>	<u>138,264</u>	<u>123,380</u>
EARNINGS PER SHARE				
- Basic earnings per share (sen) (Based on 64,000,000 ordinary shares)	<u>50.60</u>	<u>52.90</u>	<u>216.00</u>	<u>192.80</u>

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

Quarterly report on results for the financial quarter ended 31 December 2013

CONDENSED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 31/12/13 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/12 (Audited)
	RM'000	RM'000
ASSETS		
Property, plant and equipment	77,176	73,073
Intangible assets	1,557	1,191
TOTAL NON-CURRENT ASSETS	78,733	74,264
Inventories	113,208	86,781
Trade and other receivables	35,482	36,865
Prepayments	583	709
Derivatives financial assets	185	-
Cash and cash equivalents	187,641	204,844
	337,099	329,199
Assets classified as held for sale	629	-
TOTAL CURRENT ASSETS	337,728	329,199
TOTAL ASSETS	416,461	403,463
EQUITY		
Share capital	64,000	64,000
Retained profits	123,998	152,134
Attributable to equity holders of the Company	187,998	216,134
Non-controlling interest	-	-
TOTAL EQUITY	187,998	216,134
LIABILITIES		
Deferred tax liabilities	5,695	4,854
TOTAL NON-CURRENT LIABILITIES	5,695	4,854
Trade and other payables	206,785	167,227
Provision	173	168
Derivatives financial liabilities	108	-
Current tax liabilities	15,702	15,080
CURRENT LIABILITIES	222,768	182,475
TOTAL LIABILITIES	228,463	187,329
TOTAL EQUITY AND LIABILITIES	416,461	403,463
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.94	3.38

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

Quarterly report on results for the financial quarter ended 31 December 2013

CONDENSED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2013

	Share Capital RM'000	Distributable Retained profits RM'000	Attributable to equity holders of the Company RM'000	Non- Controlling Interest RM'000	Total RM'000
<u>(Unaudited)</u> 12 month ended 31 December 2013					
Balance at beginning of period	64,000	152,134	216,134	-	216,134
Movements during the period	-	138,264	138,264	-	138,264
Dividends paid	-	(166,400)	(166,400)	-	(166,400)
Balance at end of period	<u>64,000</u>	<u>123,998</u>	<u>187,998</u>	<u>-</u>	<u>187,998</u>
<u>(Audited)</u> 12 month ended 31 December 2012					
Balance at beginning of period	64,000	195,154	259,154	-	259,154
Movements during the period	-	123,380	123,380	-	123,380
Dividends paid	-	(166,400)	(166,400)	-	(166,400)
Balance at end of period	<u>64,000</u>	<u>152,134</u>	<u>216,134</u>	<u>-</u>	<u>216,134</u>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

Quarterly report on results for the financial quarter ended 31 December 2013

CONDENSED STATEMENT OF CASH FLOW
For the period ended 31 December 2013

	12 months ended 31/12/13 RM'000 (Unaudited)	12 months ended 31/12/12 RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and other receivables	985,207	904,318
Cash paid to suppliers and employees	(777,399)	(680,227)
Cash generated from operations	207,808	224,091
Income tax paid	(46,947)	(39,640)
Net cash generated from operating activities	160,861	184,451
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(13,547)	(9,281)
Additions of intangible assets	(758)	(427)
Proceeds from disposal of property, plant and equipment	169	164
Interest received	5,788	6,056
Net cash used in investing activities	(8,348)	(3,488)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(3,316)	(2,862)
Dividends paid	(166,400)	(166,400)
Net cash used in financing activities	(169,716)	(169,262)
Net (decrease) / increase in cash and cash equivalents	(17,203)	11,701
Cash and cash equivalents brought forward	204,844	193,143
Cash and cash equivalents carried forward	187,641	204,844
Cash and cash equivalents consist of:		
Cash and bank balances	9,641	17,344
Deposits placed with licensed banks	178,000	187,500
	187,641	204,844

(The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)

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 2012.

These are the Company's interim financial statements for part of the period covered by the Company's first MFRS framework annual financial statements and MFRS 1, 'First-time Adoption of Malaysian Financial Reporting Standards' had been applied.

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 2012 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.

12. Contingent Liabilities

The existing operating lease obligations by the Company amounting to RM12.4 million.

13. Related Party Transactions

The following are significant related party transactions:-

	Quarter ended 31/12/13 RM'000	12 Month Year-to-date 31/12/13 RM'000
Sales to related parties	5,875	21,210
Purchases from related parties	35,513	136,922
Know-how, Trademark License and Management Support fees	7,721	31,150
Shared services from related parties	1,146	5,469

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

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

- A. Revenue in the current quarter increased by 16.5% compared to the preceding year's corresponding quarter mainly due to strong sales in the Company's powder products also contributed by the relaunch of Friso range which is fully imported from Netherlands. Profit before taxation for the current quarter was RM1.1 million lower compared to last year same quarter at RM43.6 million attributed to the increase of dairy raw materials prices coupled with weakening ringgit Malaysia for the quarter.
- B. Revenue for full year 2013 grew by 11.4% compared to corresponding period in 2012. The growth was contributed by strong sales in the Company's powder and liquid products. Profit before tax increased by 12.6% mainly contributed by the higher revenue and favourable sales mix.

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

The Company's revenue in the current quarter was 0.3% lower compared to the preceding quarter mainly contributed by lower sales. The profit before taxation for the current quarter was lower by RM 13.5 million mainly due to the lower revenue and higher cost of sales during the quarter as aforesaid.

23. Material Litigation

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

24. Financial Instruments

Derivatives

As at 31 December 2013, the foreign exchange contracts which have been entered into by the Company are as follows:

Forward exchange contracts	Nominal Value (RM'000)	Assets (RM'000)	Liabilities (RM'000)
Derivatives held for trading at fair value through profit or loss for US Dollar	29,396	185	108

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.

There are no comparative figures in 2012.

25. Proposed Dividend

The Company did not propose any dividends for the current quarter.

26. Retained Profits

The breakdown of the retained profits of the Company as at 31 December 2013, 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 31/12/13 RM'000	Year to-date 31/12/12 RM'000
Total retained profits:		
- Realised profit	129,867	157,018
- Unrealised loss	(5,869)	(4,884)
Total retained profits as per statement of financial position	<u>123,998</u>	<u>152,134</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.

29. Comparative figures

Certain comparative figures have been re-presented to reflect the reclassification of certain expenses from Other Operating Expenses to Cost of Sales to be consistent with the audited financial statements.

	Comparative Quarter ended 31/12/12		12 month Cumulative to-Date	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Statement of profit or loss and other comprehensive income				
Cost of Sales	(125,829)	(124,971)	(535,475)	(534,617)
Other Operating Expenses	<u>(10,723)</u>	<u>(11,581)</u>	<u>(36,813)</u>	<u>(37,671)</u>

Certain comparative figures have been re-presented to reflect the reclassification of certain trade receivables to trade payables.

	12 month Cumulative to-Date	
	As restated RM'000	As previously stated RM'000
Statement of financial position		
Trade and other receivables	36,865	16,176
Trade and other payables	<u>167,227</u>	<u>146,538</u>

The reclassification has no financial impact to the comprehensive income of the Company for the preceding year's corresponding quarter.

By Order of the Board
Izreen Fara Binti Ismail
Company Secretary
25 February 2014