

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the financial period ended 31 December 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER	COMPARATIVE QUARTER	12 months TO DATE	12 months TO DATE
	31/12/14 RM'000 (Unaudited)	(restated) 31/12/13 RM'000 (Unaudited)	31/12/14 RM'000 (Unaudited)	(restated) 31/12/13 RM'000 (Audited)
Revenue	263,842	260,340	1,000,244	980,073
Cost of Sales	<u>(172,269)</u>	<u>(157,592)</u>	<u>(671,677)</u>	<u>(602,556)</u>
Gross Profit	91,573	102,748	328,567	377,517
Other Income/(Expense)	5,644	(23)	7,193	765
Distribution Expenses	(34,770)	(39,858)	(121,628)	(125,044)
Administrative Expenses	(5,864)	(7,037)	(25,067)	(25,254)
Other Operating Expenses	<u>(10,740)</u>	<u>(12,401)</u>	<u>(40,876)</u>	<u>(43,782)</u>
Results from Operating Activities	45,843	43,429	148,189	184,202
Finance Costs	(1,000)	(879)	(3,550)	(3,316)
Interest Income	<u>1,028</u>	<u>1,062</u>	<u>3,784</u>	<u>5,788</u>
Profit Before Taxation	45,871	43,612	148,423	186,674
Income Tax Expenses	<u>(11,919)</u>	<u>(11,212)</u>	<u>(38,582)</u>	<u>(48,410)</u>
Profit After Taxation	33,952	32,400	109,841	138,264
Other Comprehensive Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>33,952</u>	<u>32,400</u>	<u>109,841</u>	<u>138,264</u>
Profit Attributable to:				
Equity holders of the Company	33,952	32,400	109,841	138,264
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>33,952</u>	<u>32,400</u>	<u>109,841</u>	<u>138,264</u>
EARNINGS PER SHARE				
- Basic earnings per share (sen) (Based on 64,000,000 ordinary shares)	<u>53.05</u>	<u>50.60</u>	<u>171.60</u>	<u>216.00</u>

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF FINANCIAL POSITION

As At 31 December 2014

	AS AT 31/12/14 RM'000 (Unaudited)	AS AT 31/12/13 RM'000 (Audited)
ASSETS		
Property, plant and equipment	82,811	77,176
Intangible assets	1,759	1,557
TOTAL NON-CURRENT ASSETS	84,570	78,733
Inventories	92,545	113,208
Trade and other receivables	37,346	35,482
Prepayments	1,229	583
Derivatives financial assets	5,548	185
Cash and cash equivalents	124,269	187,641
TOTAL CURRENT ASSETS	260,937	337,099
Assets classified as held for sale	-	629
TOTAL CURRENT ASSETS	260,937	337,728
TOTAL ASSETS	<u>345,507</u>	<u>416,461</u>
EQUITY		
Share capital	64,000	64,000
Retained profits	93,039	123,998
Attributable to equity holders of the Company	157,039	187,998
Non-controlling interest	-	-
TOTAL EQUITY	157,039	187,998
LIABILITIES		
Deferred tax liabilities	6,704	5,695
TOTAL NON-CURRENT LIABILITIES	6,704	5,695
Trade and other payables	176,496	206,785
Provision	229	173
Derivatives financial liabilities	19	108
Current tax liabilities	5,020	15,702
CURRENT LIABILITIES	181,764	222,768
TOTAL LIABILITIES	188,468	228,463
TOTAL EQUITY AND LIABILITIES	<u>345,507</u>	<u>416,461</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>2.45</u>	<u>2.94</u>

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF CHANGES IN EQUITY**For the financial period ended 31 December 2014**

	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
(Unaudited) 12 months ended 31 December 2014					
Balance at beginning of period	64,000	123,998	187,998	-	187,998
Movements during the period	-	109,841	109,841	-	109,841
Dividends paid	-	(140,800)	(140,800)	-	(140,800)
Balance at end of period	64,000	93,039	157,039	-	157,039
(Audited) 12 months 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	64,000	123,998	187,998	-	187,998

(The Condensed Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF CASH FLOW

For the financial period ended 31 December 2014

	12 months TO DATE	12 months TO DATE
	31/12/14 RM'000 (Unaudited)	31/12/13 RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and other receivables	1,004,990	985,207
Cash paid to suppliers and employees	(866,732)	(777,399)
	<hr/>	<hr/>
Cash generated from operations	138,258	207,808
Income tax paid	(48,255)	(46,947)
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Net cash generated from operating activities	90,003	160,861
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(13,710)	(13,547)
Additions of intangible assets	(595)	(758)
Proceeds from disposal of property, plant and equipment	11	169
Proceeds from disposal of asset classified as held for sale	1,485	-
Interest received	3,784	5,788
	<hr/>	<hr/>
Net cash used in investing activities	(9,025)	(8,348)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(3,550)	(3,316)
Dividends paid	(140,800)	(166,400)
	<hr/>	<hr/>
Net cash used in financing activities	(144,350)	(169,716)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(63,372)	(17,203)
Cash and cash equivalents brought forward	187,641	204,844
	<hr/>	<hr/>
Cash and cash equivalents carried forward	124,269	187,641
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Cash and cash equivalents consist of:		
Cash and bank balances	10,269	9,641
Deposits placed with licensed banks	114,000	178,000
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	124,269	187,641
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(The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)

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 2013.

The Company has adopted and applied MFRS 1 – 'First-time Adoption of Malaysian Financial Reporting Standards'.

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 2013 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 31/12/14 RM'000	Quarter ended 31/12/13 RM'000	Year to-date 31/12/14 RM'000	Year to-date 31/12/13 RM'000
In respect of the financial year ending 31 December 2014				
Single tier first interim dividend paid: - 50.00 sen (2013: 50.00 sen) per RM 1.00 ordinary share	-	-	32,000	32,000
Single tier first special interim dividend paid: - 60.00 sen (2013: 80.00 sen) per RM 1.00 ordinary share	-	-	38,400	51,200
Single tier second interim dividend paid: - 50.00 sen (2013: 50.00 sen) per RM 1.00 ordinary share	32,000	32,000	32,000	32,000
Single tier second special interim dividend paid: - 60.00 sen (2013: 80.00 sen) per RM 1.00 ordinary share	38,400	51,200	38,400	51,200
	70,400	83,200	140,800	166,400
Net dividend per share (sen)	110.00	130.00	220.00	260.00

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 31/12/14 RM'000	Quarter ended 31/12/13 RM'000	Quarter ended 31/12/13 RM'000 (restated)
Segment profit			
Revenue	263,842	262,953	260,340
Profit After Taxation	33,952	32,400	32,400

10. Subsequent Events

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

11. Changes in Composition of the Company

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

12. Operating Lease

The existing operating lease obligations by the Company amounting to RM16.1 million.

13. Related Party Transactions

The following are significant related party transactions: -

	Quarter ended 31/12/14 RM'000	Quarter ended 31/12/13 RM'000
Sales to related parties	4,944	5,875
Purchases from related parties	86,398	35,513
Know-how, Trademark License and Management Support fees	6,062	7,721
Shared services from related parties	2,839	1,146

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 1.3% compared to the preceding year's corresponding quarter mainly due to progression in the Company's powder products. Profit before taxation for the current quarter was RM2.3 million higher compared to last year same quarter at RM43.4 million due to higher revenue.
- B. Revenue for full year 2014 grew by 2.1% compared to corresponding period in 2013. The growth was contributed by the newly launched products (2013) and upward price adjustment on existing products during the year. Profit before tax had decreased by 20.5% attributed to higher dairy based commodity prices and weakening of the Malaysian Ringgit.

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

The Company's revenue in the current quarter was 9.7% higher compared to the preceding quarter mainly contributed by higher sales volume. The profit before taxation for the current quarter had increased by RM 7.3 million mainly due to cost management and favourable movement in exchange rate hedging.

16. 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 by innovating and renovating the product portfolio as well as enhancing higher productivity.

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

Not applicable.

18. Profit Forecast

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

19. Taxation

Taxation is made up as follows: -

	Quarter ended 31/12/14 RM'000	12 Month Year-to-date 31/12/14 RM'000
Income tax for current period	11,097	37,573
Deferred tax for current period	822	1,009
Total taxation	<u>11,919</u>	<u>38,582</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.

20. Deferred Tax Liabilities

	Quarter ended 31/12/14 RM'000	As at 31/12/13 RM'000
At 1 January	5,695	4,854
Recognised in the statement of comprehensive income	<u>1,009</u>	<u>841</u>
At period end	<u>6,704</u>	<u>5,695</u>

21. Corporate Proposals

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

22. Company Borrowings

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

23. Material Litigation

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

24. Financial Instruments

Derivatives

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

Forward exchange contracts	Quarter ended 31/12/14 RM'000	As at 31/12/13 RM'000
Derivatives held for trading at fair value through profit or loss for US Dollar		
Nominal Value	92,783	29,396
Assets	5,548	185
Liabilities	19	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.

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 2014, 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 31/12/14 RM'000	Year to-date 31/12/13 RM'000
Total retained profits:		
- Realised profit	94,384	129,867
- Unrealised loss	<u>(1,345)</u>	<u>(5,869)</u>
Total retained profits as per statement of financial position	<u>93,039</u>	<u>123,998</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.

27. Earnings Per Share

	Current Quarter ended 31/12/14	Comparative Quarter ended 31/12/13	12 month Cumulative to-Date 31/12/14	12 month Cumulative to-Date 31/12/13
Basic earnings per share				
Profit for the period (RM'000)	33,952	32,400	109,841	138,264
Weighted average number of ordinary shares in issue ('000)	64,000	64,000	64,000	64,000
Basic earnings per share (sen)	53.05	50.60	171.60	216.00

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.

28. Notes to the Condensed Statement of Comprehensive Income

	Year to- date 31/12/14 RM'000	Year to- date 31/12/13 RM'000
Interest income	3,784	5,788
Finance costs	(3,550)	(3,316)
Depreciation of property, plant and equipment	(8,071)	(8,403)
Amortisation of intangible assets	(400)	(423)
Impairment loss reversed on intangible assets	7	31
Write back/(down) of inventories	434	(1,387)
Gain/(Loss) on disposal of property, plant and equipment	11	(243)
Property, plant and equipment written off	(4)	-
Gain on disposal of assets classified as held for sale	856	-
Net gain on derivatives	(5,452)	(77)
Net foreign exchange loss		
- Realised	(1,769)	(2,633)
- Unrealised	(170)	(174)

29. Comparative figures

During the year, certain expenses within the lines of revenue, cost of sales and distribution expenses in the statement of profit or loss and other comprehensive income were reclassified for presentation purposes. Accordingly, the comparative figures have been reclassified to conform with the current year's presentation.

	Comparative Quarter ended 31/12/13		12 month to-Date 31/12/13	
	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				
Revenue	260,340	262,953	980,073	982,686
Cost of Sales	(157,592)	(163,774)	(602,556)	(608,738)
Distribution Expenses	(39,858)	(36,289)	(125,044)	(121,475)

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