

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the financial quarter ended 31 March 2025

	INDIVIDUAL QUARTER CURRENT QUARTER	COMPARATIVE QUARTER	CUMULATIVE QUARTER 3 months TO DATE	CUMULATIVE QUARTER 3 months TO DATE
	31/03/25 (Unaudited) RM'000	31/03/24 (Unaudited) RM'000	31/03/25 (Unaudited) RM'000	31/03/24 (Unaudited) RM'000
Revenue	373,397	362,773	373,397	362,773
Cost of Sales	<u>(241,624)</u>	<u>(236,092)</u>	<u>(241,624)</u>	<u>(236,092)</u>
Gross Profit	131,773	126,681	131,773	126,681
Other Income	-	-	-	-
Distribution Expenses	(49,392)	(50,964)	(49,392)	(50,964)
Administrative Expenses	(11,824)	(9,976)	(11,824)	(9,976)
Other Operating Expenses	<u>(35,785)</u>	<u>(29,484)</u>	<u>(35,785)</u>	<u>(29,484)</u>
Results from Operating Activities	34,772	36,257	34,772	36,257
Interest Income	100	62	100	62
Finance Costs	<u>(1,940)</u>	<u>(1,078)</u>	<u>(1,940)</u>	<u>(1,078)</u>
Profit Before Taxation	32,932	35,241	32,932	35,241
Income Tax Expenses	<u>(7,900)</u>	<u>(8,583)</u>	<u>(7,900)</u>	<u>(8,583)</u>
Profit After Taxation	25,032	26,658	25,032	26,658
Other Comprehensive Income	-	-	-	-
Changes in fair value of cash flow hedge				
Deferred tax on fair value of cash flow hedge				
Profit for the period/Total comprehensive income for the period	<u>25,032</u>	<u>26,658</u>	<u>25,032</u>	<u>26,658</u>
Profit Attributable to:				
Equity holders of the Company	25,032	26,658	25,032	26,658
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>25,032</u>	<u>26,658</u>	<u>25,032</u>	<u>26,658</u>
EARNINGS PER SHARE				
- Basic earnings per share (sen) (Based on 64,000,000 ordinary shares)	<u>39.10</u>	<u>41.70</u>	<u>39.10</u>	<u>41.70</u>

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2024)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF FINANCIAL POSITION

For the financial quarter ended 31 March 2025

	AS AT 31/03/25 RM'000 (Unaudited)	AS AT 31/12/24 RM'000 (Audited)
ASSETS		
Property, plant and equipment	630,589	620,135
Right-of-use assets	3,167	3,782
Intangible assets	25,046	25,032
Other receivables	3,715	2,029
Deferred tax assets	3,477	3,426
TOTAL NON-CURRENT ASSETS	665,994	654,404
Inventories	239,044	236,756
Trade and other receivables	132,009	122,682
Prepayments	1,568	1,147
Current tax receivable	-	-
Cash and cash equivalents	49,654	47,796
Derivatives financial assets	5,432	10,947
CURRENT ASSETS	427,707	419,328
Assets classified as held for sale	-	-
TOTAL CURRENT ASSETS	427,707	419,328
TOTAL ASSETS	1,093,701	1,073,732
EQUITY		
Share capital	64,000	64,000
Retained profits	462,924	437,892
Attributable to equity holders of the Company	526,924	501,892
Non-controlling interest	-	-
TOTAL EQUITY	526,924	501,892
LIABILITIES		
Lease Liabilities	949	1,456
Deferred tax liabilities	-	-
Provision	-	-
Borrowings	89,273	70,205
TOTAL NON-CURRENT LIABILITIES	90,222	71,661
Trade and other payables	463,668	488,158
Provision	1,670	2,185
Current tax liabilities	7,596	6,239
Bank overdraft	-	-
Lease Liabilities	2,414	2,538
Derivatives financial liabilities	355	-
Borrowings	852	1,059
CURRENT LIABILITIES	476,555	500,179
TOTAL LIABILITIES	566,777	571,840
TOTAL EQUITY AND LIABILITIES	1,093,701	1,073,732
Net assets per share attributable to ordinary equity holders of the Company (RM)	8.23	7.84

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2024)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the financial quarter ended 31 March 2025
(The figures have not been audited)

	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
3 months ended 31 March 2025					
Balance at beginning of period	64,000	437,892	501,892	-	501,892
Movements during the period	-	25,032	25,032	-	25,032
Dividend payable	-	-	-	-	-
Dividends paid	-	-	-	-	-
Balance at end of period	64,000	462,924	526,924	-	526,924
3 months ended 31 March 2024					
Balance at beginning of period	64,000	373,245	437,245	-	437,245
Movements during the period	-	26,659	26,659	-	26,659
Dividend payable	-	-	-	-	-
Dividends paid	-	-	-	-	-
Balance at end of period	64,000	399,904	463,904	-	463,904

(The Condensed Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2024)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF CASH FLOW

For the financial quarter ended 31 March 2025

	3 months TO DATE 31/03/25 (Unaudited) RM'000	3 months TO DATE 31/03/24 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and other receivables	367,899	328,662
Cash paid to suppliers and employees	(359,412)	(313,113)
Cash generated from operations	8,487	15,549
Income tax paid	(3,544)	(2,813)
Penalty paid	-	-
Net cash generated from/(used in) operating activities	4,943	12,736
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(16,836)	(26,795)
Additions of intangible assets	(919)	(807)
Assets classified as held for sale	-	-
Proceeds from disposal of property, plant and equipment	-	-
Proceeds from disposal of asset classified as held for sale	-	-
Interest received	100	62
Net cash generated from/(used in) investing activities	(17,655)	(27,540)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings raised	16,289	-
Finance costs paid	(1,250)	-
Interest paid	202	(980)
Dividends paid	-	-
Payment of principal portion of lease liabilities	(671)	(2,206)
Increase/(Repayment) of borrowings	-	-
Net cash generated from/(used in) financing activities	14,570	(3,186)
Net increase/(decrease) in cash and cash equivalents	1,858	(17,990)
Cash and cash equivalents brought forward	47,796	66,152
Cash and cash equivalents carried forward	49,654	48,162
Cash and cash equivalents consist of:		
Cash and bank balances	49,654	48,162
Bank overdraft	-	-
Deposits placed with licensed banks	-	-
	49,654	48,162

(The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2024)

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 2024.

The accounting policies and methods of computation are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2024.

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 2024 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 affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

5. Changes in Estimates

Pursuant to the Company's announced investment in our future manufacturing activities, DLMI has identified assets in its Petaling Jaya factory that will not be transitioned to the new site. In light of this, DLMI has implemented accelerated depreciation for the mentioned assets at the start of 2021 financial year, continuing into 2022, 2023 and 2024.

During the financial year 2024, the Company has revised the useful lives of its assets. Effective 1 September 2024, the revised useful lives apply to new assets acquired as part of the transition to the new facility in Bandar Baru Enstek. Furthermore, the Company has reassessed the useful lives of plant and machinery as well as furniture and equipment in its existing facilities to align with their estimated economic useful lives, taking into account their transferability to the new facility.

The estimated useful lives for the current and comparative periods are as follows:

Description	Effective 1/9/2024	2023
Buildings	10 – 30 years	10 – 25 years
Plant and machinery	5 – 33 years	5 – 33 years
Furniture and equipment	5 – 15 years	5 – 10 years
Motor vehicles	5 years	5 years

Assuming that the assets are held until the end of their estimated useful lives, depreciation in the future years in relation to these assets will be decreased by the following amounts:

Year ending 31 December:	RM'000
2025	1,586
2026	1,586
2027	1,557
2028	<u>1,525</u>

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted as appropriate.

Other than the aforementioned, there were no other 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.

6. 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.

7. 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 reviews internal management reports at least on a quarterly basis.

	Quarter ended 31/03/25 RM'000	Quarter ended 31/03/24 RM'000
Segment profit		
Revenue	373,397	362,773
Profit/(loss) After Taxation	25,032	26,658

8. Capital Commitments

	As at 31/03/25 RM'000	As at 31/03/24 RM'000
Property, plant and equipment		
Authorised but not contracted for	30,020	121,090
Contracted but not provided for	37,995	72,551

9. Subsequent Events

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

10. Changes in Composition of the Company

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

11. Related Party Transactions

The following are significant related party transactions: -

	Quarter ended 31/03/25 RM'000	Quarter ended 31/03/24 RM'000
Sales to related parties	277	429
Purchases from related parties	143,806	134,763
Know-how, Trademark License and Management Support fees	10,213	10,004
Interest payment to related parties	2,102	-
Shared services from related parties	6,319	5,296
Advance payment to related parties	-	-

These transactions have been entered into in the normal course of business and have been established at arm's length.

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

RM '000	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Quarter	Comparative Quarter	Changes TY vs LY	3 months To Date	3 months To Date	Changes TY vs LY
	31/03/25	31/03/24	%	31/03/25	31/03/24	%
Revenue	373,397	362,773	2.9%	373,397	362,773	2.9%
Operating Profit (exclude cost related to one-offs)	43,072	45,887	-6.1%	43,072	45,887	-6.1%
Operating Profit	34,772	36,257	-4.1%	34,772	36,257	-4.1%
Profit Before Interest and Tax	32,832	35,180	-6.7%	32,832	35,180	-6.7%
Profit Before Taxation	32,932	35,241	-6.6%	32,932	35,241	-6.6%
Profit After Taxation	25,032	26,658	-6.1%	25,032	26,658	-6.1%
Attributable to Ordinary Equity Holders of the parent	25,032	26,658	-6.1%	25,032	26,658	-6.1%

* Q1 2025: RM8.3 million (transition-related one-off costs); Q1 2024: RM9.6 million (accelerated depreciation and transition-related one-off costs)

In the first quarter of 2025, DLMI reported revenue of RM373.4 million, an increase of 2.9% compared to the same period last year. Growth in revenue was primarily driven by higher sales in our core range of liquid milk products, IFT products, strong momentum in our professional range, as well as growing revenue from newly launched innovations. As part of the transition to the new manufacturing facility in Enstek, DLMI discontinued the production and distribution of some of our non-core Dutch Lady products in Q3 2024, which partly offset the growth in the core range compared to the same quarter last year. While innovating our portfolio, we remain committed to working closely with our business partners to deliver high-quality, sustainable, and Halal dairy nutrition in line with our purpose of Nourishing Our Planet and People in Every Stage of Life.

Operating profit for the quarter landed at RM34.8 million, a decrease of 4.1% compared to RM36.3 million in Q1 2024. The reported operating profit includes RM8.3 million in one-off costs largely related to the new distribution centre transition, down from RM9.6 million in Q1 2024. Following the successful transition to the new manufacturing facility in Enstek, DLMI stopped operations at the Petaling Jaya factory at the end of 2024. Accordingly, accelerated depreciation expenses were no longer incurred. However, other transition costs remained with the ramp-up of production at the new facility and the ongoing construction of the dedicated Distribution Centre at Bandar Enstek.

On a like-for-like basis, operating profit excluding one-offs and accelerated depreciation amounted to RM43.1 million in Q1 2025 compared to RM45.9 million in Q1 2024, reflecting a 6.1% decrease. Positive volume and revenue development were offset by higher dairy and other raw material prices, as well as a negative revaluation of currency hedges in Q1 2025 as the Malaysian Ringgit strengthened against the USD.

Profit Before Taxation amounted to RM32.9 million for the quarter, compared to RM35.2 million in Q1 2024, mainly impacted by the lower operating profit. Profit After Taxation stood at RM25.0 million compared to RM26.7 million in the same quarter last year, a decline of 6.1%.

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

RM '000	Current Quarter	Preceding Quarter	Changes Q1 vs Q4
	31/03/25	31/12/24	%
Revenue	373,397	365,974	2.0%
Operating Profit (exclude cost related to one-offs)	43,072	44,261	-2.7%
Operating Profit	34,772	42,851	-18.9%
Profit Before Interest and Tax	32,832	41,340	-20.6%
Profit Before Taxation	32,932	41,460	-20.6%
Profit After Taxation	25,032	30,730	-18.5%
Attributable to Ordinary Equity Holders of the parent	25,032	30,730	-18.5%

* Q1 2025: RM8.3 million (transition related one-off costs); Q4 2024: RM1.4 million (accelerated depreciation and transition-related one-off costs)

DLMI recorded revenue of RM373.4 million in Q1 2025, growing 2.0% compared to Q4 2024 when revenue reached RM366.0 million. The revenue growth is mainly attributable to growing sales in our liquid milk portfolio, including new launches, as well as IFT products. DLMI remains steadfast and committed in ensuring that we provide the best nutrition offerings and the right portfolio to our business partners to achieve profitable growth and maintain a sustainable business.

Operating profit for Q1 2025 stood at RM34.8 million, a decline of 18.9% compared to RM42.9 million in the preceding quarter. In line with the announced investment in our future manufacturing activities, DLMI applied accelerated depreciation of its assets in the Petaling Jaya factory that could not be transitioned to the new site. The accelerated depreciation ceased in 2024. However, certain transition-related costs continued, specifically in relation to the production ramp-up at the new production facility and the construction of the new Distribution Centre in Enstek, which is currently underway and expected to be completed in Q2 2025. The reported operating profit includes one-off costs of RM8.3 million in Q1 2025, compared to RM1.4 million in Q4 2024.

Excluding one-off transition-related costs, adjusted operating profit was RM43.1 million, down 2.7% from RM44.3 million in Q4 2024. Increased volume and revenue was offset by higher costs of production and investments in marketing expenditures to support future growth. In addition, the result from currency hedge revaluations, which had a strongly positive contribution to the results in the previous quarter, had a slightly negative impact this quarter.

Profit Before Taxation for the quarter decreased by RM8.6 million from RM41.5 million to RM32.9 million (-20.6%) as a result of the above-mentioned drivers, whereas Profit After Taxation decreased by RM5.7 million to RM25.0 million.

14. Business Prospects

A. 2025 Prospects

As we progress through 2025, the operating environment in Malaysia remains challenging, shaped by persistent global and domestic uncertainties. These include evolving geopolitical developments, continued foreign exchange volatility, rising commodity and dairy raw material (DRM) prices, and regulatory updates that may impact cost structures and supply chains. The Malaysian Ringgit has experienced both sharp appreciation and ongoing instability, compounding uncertainties on import costs. Combined, these factors are expected to drive higher input costs and margin pressures throughout the year.

DLMI will stay focused on its purpose of 'Nourishing Our Planet and People in Every Stage of Life'. These investments will drive long term engagement with DLMI as an employer of choice and continue to increase penetration of milk.

In late 2024, DLMI successfully completed the full transition of its production operations to the new IR4.0 manufacturing facility in Bandar Enstek, marking the end of manufacturing activities at the legacy Petaling Jaya site, which has since been handed over to the new owner. In 2025, the focus has shifted to the construction of the new Distribution Centre in Enstek, which remains underway and is expected to be operational by mid-year. This final phase of infrastructure development reinforces DLMI's long-term commitment to operational excellence, supply chain resilience, and readiness to innovate in response to evolving consumer needs. This strategic expansion is a pivotal move that not only facilitates DLMI's continued growth it also opens up new opportunities to solidify our position as the leader in the Malaysian Dairy Industry with innovations aligned to changing consumer preferences, such as the Dutch Lady Sip & Seal Packs.

DLMI will continue to focus on optimizing costs and cashflow and is implementing a fit-for-purpose organization to increase effectiveness, lower its fixed cost base to battle the current inflationary and exchange rate headwinds, and secure internal financing for building and transitioning to the new manufacturing and distribution facility.

DLMI is employing cash generated from its operations and working capital to fund the Property, Plant & Equipment (PPE) investments into the new production and distribution facility at Bandar Enstek. In the event of a shortfall in working capital, the Company has sufficient committed undrawn overdraft facilities and an inter-company credit facility that can be utilised. As of Q1 2025, DLMI has cumulatively drawn down USD20.1 million (RM89.3 million) from the available USD35 million (RM157.5 million) intercompany loan facility to support ongoing capital investments, including the completion of the new Distribution Centre and enhancements to the Bandar Enstek manufacturing site.

The outlook for DLMI remains cautiously optimistic due to the strength of our brands, and the increasing need for and recognition of the goodness and nutritional value of milk amongst Malaysians. The Company will continue to support local dairy farmers, aiming to enhance both the quantity and quality of locally produced fresh milk.

- B. Progress and steps to achieve financial estimate, forecast, projection and internal targets previously announced.**
Not applicable.

15. Statement of the Board of Directors' Opinion on Achievability of Financial Estimate, Forecast, Projection and Internal Targets Previously Announced

Not applicable.

16. Financial Estimate, Forecast or Projection / Profit Guarantee

There was no financial estimate, forecast or projection and profit guarantee issued by the Company.

17. Taxation

Taxation is made up as follows: -

	Quarter ended 31/03/25 RM'000	Quarter ended 31/03/24 RM'000
Income tax for current period	7,950	9,880
Income tax for prior period	-	97
Deferred tax for current period	(51)	(1,394)
Penalty	1	-
Total taxation	<u>7,900</u>	<u>8,583</u>

The effective tax rate for the current quarter is in line with the statutory tax rate.

18. Deferred Tax Liabilities/(Assets)

	As At 31/03/25 RM'000	As At 31/03/24 RM'000
At 1 January	(3,426)	(2,220)
Recognised in the statement of comprehensive income	(51)	(1,394)
At period end	<u>(3,477)</u>	<u>(3,614)</u>

19. Corporate Proposals

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

20. **Borrowings**

The breakdown of the borrowings as at 31 March 2025 is as follows:

	As at 31/03/25		As at 31/03/24	
	USD'000	RM'000	USD'000	RM'000
<u>Unsecured</u>				
Non-current borrowings – group companies	20,100	89,273	-	-

The borrowings are secured through revolving intercompany credit facilities for business working capital purposes. As of Q1 2025, the Company has drawn down USD20.1 million (RM89.3 million) from the intercompany loan facility, leaving a balance of USD14.9 million (RM68.2million) as at Q1 2025.

21. **Material Litigation**

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

22. **Financial Instruments**

Derivatives

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

Forward exchange contracts	As At 31/03/25 RM'000	As At 31/03/24 RM'000
Derivatives held for trading at fair value through profit or loss for US Dollar		
Nominal Value	233,600	194,294
Assets	5,432	1,094
Liabilities	355	383

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.

23. **Earnings Per Share**

	Quarter ended 31/03/25	Quarter ended 31/03/24
Basic earnings per share		
Profit for the period (RM'000)	25,032	26,658
Weighted average number of ordinary shares in issue ('000)	64,000	64,000
Basic earnings per share (sen)	39.10	41.70

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

24. **Proposed Dividend**

On 22 May 2025, the Company has declared a standard single-tier first interim dividend of RM0.25 per share amounting to RM16 million in respect of the financial year ending 31 December 2025.

All shareholders whose names appear on the Record of Depositors on 10 June 2025 shall be paid the above dividends on 17 June 2025.

A Depositor shall qualify for entitlement only in respect of:

- a) Securities transferred to the Depositor's Securities Account before 5.00pm on 10 June 2025, in respect of ordinary transfers; and
- b) Securities bought on Bursa Malaysia Securities Berhad.

25. Notes to the Condensed Statement of Comprehensive Income

	Year to-date 31/03/25 RM'000	Year to-date 31/03/24 RM'000
Interest income	100	62
Finance costs		
- Interest expense	(853)	(981)
- Finance charge from lease	(40)	(98)
- Finance cost arising from borrowings	(1,048)	-
Depreciation of property, plant and equipment	(6,095)	(2,953)
Accelerated depreciation of property, plant and equipment	-	(2,475)
Depreciation of rights-of-use assets	(615)	(1,377)
Amortisation of intangible assets	(1,265)	(73)
Write (down)/back of inventories	(2,362)	(871)
Gain/(Loss) on disposal of property, plant & equipment	-	-
Gain/(Loss) on written off of property, plant & equipment	-	-
Impairment of property, plant & equipment	-	-
Net gain/(loss) on derivatives	(5,870)	2,511
Net foreign exchange gain/(loss)		
- Realised	4,264	551
- Unrealised	(573)	(50)

By Order of the Board
Katina Nurani Abd Rahim
Company Secretary
22nd May 2025