

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the financial quarter ended 30 September 2025

	INDIVIDUAL QUARTER CURRENT QUARTER	COMPARATIVE QUARTER	CUMULATIVE QUARTER 9 months TO DATE	9 months TO DATE
	30/09/25 (Unaudited) RM'000	30/09/24 (Unaudited) RM'000	30/09/25 (Unaudited) RM'000	30/09/24 (Unaudited) RM'000
Revenue	374,515	355,452	1,123,518	1,079,097
Cost of Sales	<u>(245,570)</u>	<u>(235,881)</u>	<u>(726,593)</u>	<u>(716,134)</u>
Gross Profit	128,945	119,571	396,925	362,963
Other Income	-	2,720	-	2,720
Distribution Expenses	(51,246)	(46,156)	(155,834)	(146,606)
Administrative Expenses	(10,130)	(10,269)	(33,796)	(29,275)
Other Operating Expenses	<u>(28,198)</u>	<u>(44,036)</u>	<u>(99,212)</u>	<u>(101,259)</u>
Results from Operating Activities	39,371	21,830	108,083	88,543
Interest Income	69	113	255	246
Finance Costs	<u>(1,987)</u>	<u>(2,644)</u>	<u>(5,977)</u>	<u>(5,205)</u>
Profit Before Taxation	37,453	19,299	102,361	83,584
Income Tax Expenses	<u>(5,398)</u>	<u>(2,078)</u>	<u>(21,878)</u>	<u>(17,668)</u>
Profit After Taxation	32,055	17,221	80,483	65,916
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>32,055</u>	<u>17,221</u>	<u>80,483</u>	<u>65,916</u>
Profit Attributable to:				
Equity holders of the Company	32,055	17,221	80,483	65,916
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>32,055</u>	<u>17,221</u>	<u>80,483</u>	<u>65,916</u>
EARNINGS PER SHARE				
- Basic earnings per share (sen)	50.10	26.90	125.80	103.00
(Based on 64,000,000 ordinary shares)	<u><u>50.10</u></u>	<u><u>26.90</u></u>	<u><u>125.80</u></u>	<u><u>103.00</u></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 30 September 2025

	AS AT 30/09/25 RM'000 (Unaudited)	AS AT 31/12/24 RM'000 (Audited)
ASSETS		
Property, plant and equipment	626,736	620,135
Right-of-use assets	1,952	3,782
Intangible assets	23,586	25,032
Other receivables	2,215	2,029
Deferred tax assets	-	3,426
TOTAL NON-CURRENT ASSETS	654,489	654,404
Inventories	221,275	236,756
Trade and other receivables	136,653	122,682
Prepayments	2,686	1,147
Current tax receivable	-	-
Cash and cash equivalents	38,608	47,796
Derivatives financial assets	131	10,947
CURRENT ASSETS	399,353	419,328
Assets classified as held for sale	-	-
TOTAL CURRENT ASSETS	399,353	419,328
TOTAL ASSETS	<u>1,053,842</u>	<u>1,073,732</u>
EQUITY		
Share capital	64,000	64,000
Retained profits	502,375	437,892
Attributable to equity holders of the Company	566,375	501,892
Non-controlling interest	-	-
TOTAL EQUITY	566,375	501,892
LIABILITIES		
Lease Liabilities	480	1,456
Deferred tax liabilities	1,056	-
Provision	-	-
Borrowings	-	70,205
TOTAL NON-CURRENT LIABILITIES	1,536	71,661
Trade and other payables	381,891	488,158
Provision	1,612	2,185
Current tax liabilities	6,348	6,239
Bank overdraft	-	-
Lease Liabilities	1,615	2,538
Derivatives financial liabilities	279	-
Borrowings	94,186	1,059
CURRENT LIABILITIES	485,931	500,179
TOTAL LIABILITIES	487,467	571,840
TOTAL EQUITY AND LIABILITIES	<u>1,053,842</u>	<u>1,073,732</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>8.85</u>	<u>7.84</u>

(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 30 September 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
9 months ended 30 June 2025					
Balance at beginning of period	64,000	437,892	501,892	-	501,892
Movements during the period	-	80,483	80,483	-	80,483
Dividend payable	-	-	-	-	-
Dividends paid	-	(16,000)	(16,000)	-	(16,000)
Balance at end of period	64,000	502,375	566,375	-	566,375
9 months ended 30 June 2024					
Balance at beginning of period	64,000	373,245	437,245	-	437,245
Movements during the period	-	65,916	65,916	-	65,916
Dividend payable	-	-	-	-	-
Dividends paid	-	(16,000)	(16,000)	-	(16,000)
Balance at end of period	64,000	423,161	487,161	-	487,161

(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 30 September 2025

	9 months TO DATE	9 months TO DATE
	30/09/25 (Unaudited) RM'000	30/09/24 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and other receivables	1,120,177	1,054,430
Cash paid to suppliers and employees	(1,038,442)	(1,007,337)
Cash generated from operations	81,735	47,093
Income tax paid	(14,237)	(17,397)
Penalty paid	-	-
Net cash generated from/(used in) operating activities	67,498	29,696
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(75,919)	(98,996)
Additions of intangible assets	(3,183)	(3,390)
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	255	246
Net cash generated from/(used in) investing activities	(78,847)	(102,140)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings raised	-	-
Finance costs paid	(1,118)	-
Interest paid	(3,656)	(4,972)
Dividends paid	(16,000)	(16,000)
Payment of principal portion of lease liabilities	(1,998)	(6,568)
Increase/(Repayment) of borrowings	24,933	72,974
Net cash generated from/(used in) financing activities	2,161	45,434
Net increase/(decrease) in cash and cash equivalents	(9,188)	(27,010)
Cash and cash equivalents brought forward	47,796	66,152
Cash and cash equivalents carried forward	38,608	39,142
Cash and cash equivalents consist of:		
Cash and bank balances	38,608	39,142
Bank overdraft	-	-
Deposits placed with licensed banks	-	-
	38,608	39,142

(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 re-assessed 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 30/09/25 RM'000	Quarter ended 30/09/24 RM'000
Segment profit		
Revenue	374,515	355,452
Profit/(loss) After Taxation	32,055	17,221

8. Capital Commitments

	As at 30/09/25 RM'000	As at 30/09/24 RM'000
Property, plant and equipment		
Authorised but not contracted for	26,594	38,395
Contracted but not provided for	19,754	92,243

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 30/09/25 RM'000	Quarter ended 30/09/24 RM'000
Sales to related parties	320	573
Purchases from related parties	165,806	173,398
Know-how, Trademark License and Management Support fees	10,926	9,429
Interest payment to related parties	-	1,129
Shared services from related parties	6,841	4,991
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	Comparative	Changes	9 months	9 months	Changes
	Quarter	Quarter	TY vs LY	To Date	To Date	TY vs LY
	30/09/25	30/09/24	%	30/09/25	30/09/24	%
Revenue	374,515	355,452	5.4%	1,123,518	1,079,097	4.1%
Operating Profit (exclude Accelerated Depreciation and one-offs)	41,025	35,042	17.1%	123,663	126,113	-1.9%
Operating Profit	39,371	21,830	80.4%	108,083	88,543	22.1%
Profit Before Interest and Tax	37,384	19,186	94.9%	102,106	83,338	22.5%
Profit Before Taxation	37,453	19,299	94.1%	102,361	83,584	22.5%
Profit After Taxation	32,055	17,221	86.1%	80,483	65,916	22.1%
Attributable to Ordinary Equity Holders of the parent	32,055	17,221	86.1%	80,483	65,916	22.1%

*Q3 2025: RM1.7 million (transition-related one-off costs); Q3 2024: RM13.2 million (accelerated depreciation and transition-related one-off costs)

In the third quarter of 2025, DLMI reported RM374.5 million revenue, an increase of 5.4% compared to the same period last year. In the first nine months of the year 4.1% Revenue growth was realised. The growth in Q3 was primarily driven by strong sales in the core Dutch Lady liquid milk range, continued momentum in the professional channel, and increasing contributions from newly launched products. The strong sales performance showcases the continued strength of our core portfolio and the success of recent product launches. In addition, the market showed a positive trend, boosted by the one-off Sumbangan Asas Rahmah (Sara) assistance for Malaysian citizens as of 31 August.

Operating profit for the quarter landed at RM39.4 million, an increase of 80.4% compared to RM21.8 million in Q3 2024. The reported operating profit includes RM1.7 million in one-off costs related to the Enstek transition, a significant reduction from RM13.2 million in Q3 2024. Following the successful transition to the new manufacturing facility in Enstek, DLMI stopped operations at the Petaling Jaya factory in October 2024. Accordingly, accelerated depreciation expenses were no longer incurred. In 2025, transition-related costs continued to be incurred during the production ramp-up at the new Enstek facility, as well as from the construction and commissioning of the new Distribution Centre in Bandar Enstek, which was inaugurated in May 2025 and became fully operational in July.

On a like-for-like basis, operating profit excluding one-offs and accelerated depreciation amounted to RM41.0 million in Q3 2025 compared to RM35.0 million in Q3 2024 (+17.1%). The profit improvement was driven by higher revenue, and boosted by favourable exchange rate movements, while the company increased investments in advertising and promotion to further strengthen its brand equity and sales.

Profit Before Taxation amounted to RM37.5 million (+94.1%) for the quarter, compared to RM19.3 million in Q3 2024, following the increased operating profit. Profit After Taxation stood at RM32.1 million compared to RM17.2 million in the same quarter last year, an increase of 86.1%.

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

RM '000	Current Quarter	Preceding Quarter	Changes Q3 vs Q2
	30/09/25	30/06/25	%
Revenue	374,515	375,606	-0.3%
Operating Profit (exclude Accelerated Depreciation and one-offs)	41,025	39,566	3.7%
Operating Profit	39,371	33,940	16.0%
Profit Before Interest and Tax	37,384	31,890	17.2%
Profit Before Taxation	37,453	31,976	17.1%
Profit After Taxation	32,055	23,396	37.0%
Attributable to Ordinary Equity Holders of the parent	32,055	23,396	37.0%

*Q3 2025: RM1.7 million (transition related one-off costs); Q2 2025: RM5.6 million (transition-related one-off costs)

DLMI recorded revenue of RM374.5 million in Q3 2025, almost equal to Q2 2025. Although sales volume increased with strong performance in our core liquid milk products as well as recently introduced products, the mix of products sold was slightly unfavorable with lower sales in the IFT segment.

Operating profit for Q3 2025 stood at RM39.4 million, an increase of 16.0% compared to RM33.9 million in the preceding quarter. The reported operating profit includes one-off costs of RM1.7 million in Q3 2025, compared to RM5.6 million in Q2 2025. In 2025, these one-off costs were incurred during the production ramp-up at the new facility and related to the construction and commissioning of the new Distribution Centre in Bandar Enstek, which was inaugurated in May 2025 and became fully operational in July.

Excluding one-off transition-related costs, adjusted operating profit was RM41.0 million, up by 3.7% from RM39.6 million in Q2 2025. The increase was mainly driven by strong volume performance in liquid Milk, lower dairy raw material costs and favorable currency developments.

Profit Before Taxation for the quarter increased by RM5.5 million from RM32.0 million to RM37.5 million (+17.1%) as a result of the above-mentioned drivers, whereas Profit After Taxation increased by RM8.7 million to RM32.1 million.

14. Business Prospects

A. 2025 Prospects

In the remainder of 2025 global uncertainties remain, while geopolitical developments are volatile. While commodity and dairy raw material (DRM) prices have softened slightly compared to earlier in the year, they remain at elevated levels. Combined with regulatory changes, these factors are expected to continue putting pressure on cost structures and supply chains. Although the products sold by DLMI are not impacted by recent Sales and Services Tax (SST) increases, increased and extended scope on services cause increased costs. These factors are expected to add pressure on input costs and margins in the coming months. However, the strengthening of the Malaysian Ringgit against the USD has helped to partially offset some of the cost impact. In addition, the launch of the Sumbangan Asas Rahmah (Sara) assistance program has positively boosted retail offtake. DLMI remains focused on enhancing operational efficiency, optimising its product portfolio, and executing selective pricing and cost management strategies to navigate these challenges and sustain long-term growth.

DLMI will stay committed to its purpose of 'Nourishing Our Planet and People in Every Stage of Life' and will continue to invest behind its brands and people to drive penetration of milk among Malaysian households and remain an employer of choice.

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 shifted to the new Distribution Centre in Enstek, which was inaugurated on 30 May 2025 and is fully operational since July 2025. This final phase of infrastructure development reinforces DLMI's long-term commitment to operational excellence, supply chain sustainability, and readiness to innovate in response to evolving consumer needs. The 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.

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 pressure, and optimise its working capital position.

DLMI has employed 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 Q3 2025, DLMI has cumulatively drawn down USD22.1 million (RM92.6 million) from the available USD35 million (RM146.7 million) intercompany loan facility to support 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 30/09/25 RM'000	Quarter ended 30/09/24 RM'000
Income tax for current period	14,909	(4,981)
Income tax for prior period	(4,342)	-
Deferred tax for current period	(5,180)	7,059
Penalty	11	-
Total taxation	<u>5,398</u>	<u>2,078</u>

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

18. Deferred Tax Liabilities/(Assets)

	As At 30/09/25 RM'000	As At 30/09/24 RM'000
At 1 January	(3,426)	(2,220)
Recognised in the statement of comprehensive income	<u>4,482</u>	<u>6,314</u>
At period end	<u>1,056</u>	<u>4,094</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 30 September 2025 is as follows:

	As at 30/09/25		As at 30/09/24	
	USD'000	RM'000	USD'000	RM'000
<u>Unsecured</u>				
Current borrowings – group companies	22,100	92,553	15,600	72,974

The borrowings are secured through revolving intercompany credit facilities for business working capital purposes. As of Q3 2025, the Company has drawn down USD22.1 million (RM92.6 million) from the intercompany loan facility, leaving a balance of USD12.9 million (RM54.1million) as at Q3 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 30/09/25 RM'000	As At 30/09/24 RM'000
Derivatives held for trading at fair value through profit or loss for US Dollar		
Nominal Value	256,628	221,033
Assets	131	354
Liabilities	279	10,018

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 30/09/25	Quarter ended 30/09/24
Basic earnings per share		
Profit for the period (RM'000)	32,055	17,221
Weighted average number of ordinary shares in issue ('000)	64,000	64,000
Basic earnings per share (sen)	50.10	26.90

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 13 November 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 13 November 2025 shall be paid the above dividends on 10 December 2025.

A Depositor shall qualify for entitlement only in respect of:

- a) Securities transferred to the Depositor's Securities Account before 5.00pm on 13 November 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 30/09/25 RM'000	Year to-date 30/09/24 RM'000
Interest income	255	246
Finance costs		
- Interest expense	(2,661)	(3,118)
- Finance charge from lease	(100)	(233)
- Finance cost arising from borrowings	(3,217)	-
Depreciation of property, plant and equipment	(19,316)	(7,914)
Accelerated depreciation of property, plant and equipment	-	(6,991)
Depreciation of rights-of-use assets	(1,830)	(4,075)
Amortisation of intangible assets	(4,009)	(223)
Write (down)/back of inventories	(205)	(3,715)
Gain/(Loss) on disposal of property, plant & equipment	-	-
Gain/(Loss) on written off of property, plant & equipment	-	2,720
Impairment of property, plant & equipment	-	-
Net gain/(loss) on derivatives	(11,095)	(7,014)
Net foreign exchange gain/(loss)		
- Realised	(1,251)	(11,530)
- Unrealised	4,793	9,311

By Order of the Board
Katina Nurani Abd Rahim
Company Secretary
13th Nov 2025