

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the financial quarter ended 31 March 2026

	INDIVIDUAL QUARTER CURRENT QUARTER	COMPARATIVE QUARTER	CUMULATIVE QUARTER 3 months TO DATE	3 months TO DATE
	31/03/26 (Unaudited)	31/03/25 (Unaudited) (Restated)	31/03/26 (Unaudited)	31/03/25 (Unaudited) (Restated)
	RM'000	RM'000	RM'000	RM'000
Revenue	397,836	373,397	397,836	373,397
Cost of Sales	<u>(289,587)</u>	<u>(266,267)</u>	<u>(289,587)</u>	<u>(266,267)</u>
Gross Profit	108,249	107,130	108,249	107,130
Distribution Expenses	(51,720)	(49,970)	(51,720)	(49,970)
Administrative Expenses	(11,826)	(11,461)	(11,826)	(11,461)
Other Operating Expenses	(366)	(8,728)	(366)	(8,728)
Other gains/(losses) - net	(2,101)	(2,199)	(2,101)	(2,199)
Results from Operating Activities	<u>42,236</u>	<u>34,772</u>	<u>42,236</u>	<u>34,772</u>
Interest Income	172	100	172	100
Finance Costs	<u>(1,720)</u>	<u>(1,940)</u>	<u>(1,720)</u>	<u>(1,940)</u>
Profit Before Taxation	40,688	32,932	40,688	32,932
Income Tax Expenses	<u>(10,733)</u>	<u>(7,900)</u>	<u>(10,733)</u>	<u>(7,900)</u>
Profit After Taxation	29,955	25,032	29,955	25,032
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>29,955</u>	<u>25,032</u>	<u>29,955</u>	<u>25,032</u>
Profit Attributable to:				
Equity holders of the Company	29,955	25,032	29,955	25,032
Non-controlling interest	-	-	-	-
	<u>29,955</u>	<u>25,032</u>	<u>29,955</u>	<u>25,032</u>
EARNINGS PER SHARE				
- Basic earnings per share (sen) (Based on 64,000,000 ordinary shares)	<u>46.80</u>	<u>39.10</u>	<u>46.80</u>	<u>39.10</u>

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2025)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF FINANCIAL POSITION

For the financial quarter ended 31 March 2026

	AS AT 31/03/26 RM'000 (Unaudited)	AS AT 31/12/25 RM'000 (Audited)
ASSETS		
Property, plant and equipment	622,726	630,522
Right-of-use assets	5,283	1,348
Intangible assets	21,379	22,919
Other receivables	2,203	2,054
TOTAL NON-CURRENT ASSETS	651,591	656,843
Inventories	187,489	219,492
Trade and other receivables	137,169	109,187
Prepayments	3,845	1,803
Current tax receivable	3,389	6,352
Cash and cash equivalents	47,113	92,566
Derivatives financial assets	907	-
CURRENT ASSETS	379,912	429,400
TOTAL CURRENT ASSETS	379,912	429,400
TOTAL ASSETS	<u>1,031,503</u>	<u>1,086,243</u>
EQUITY		
Share capital	64,000	64,000
Retained profits	539,130	509,175
Attributable to equity holders of the Company	603,130	573,175
TOTAL EQUITY	603,130	573,175
LIABILITIES		
Lease Liabilities	2,979	242
Deferred tax liabilities	28,665	27,646
Borrowings	48,248	-
TOTAL NON-CURRENT LIABILITIES	79,892	27,888
Trade and other payables	340,577	381,922
Provision	4,127	4,114
Lease Liabilities	2,493	1,214
Derivatives financial liabilities	1,284	7,296
Borrowings	-	90,634
CURRENT LIABILITIES	348,481	485,180
TOTAL LIABILITIES	428,373	513,068
TOTAL EQUITY AND LIABILITIES	<u>1,031,503</u>	<u>1,086,243</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>9.42</u>	<u>8.96</u>

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2025)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF CHANGES IN EQUITYFor the financial quarter ended 31 March 2026
(The figures have not been audited)

	<u>Share Capital</u> RM'000	<u>Distributable Retained profits</u> RM'000	<u>Attributable to equity holders of the Company</u> RM'000	<u>Non- Controlling Interest</u> RM'000	<u>Total</u> RM'000
3 months ended 31 March 2026					
Balance at beginning of period	64,000	509,175	573,175	-	573,175
Movements during the period	-	29,955	29,955	-	29,955
Dividend payable	-	-	-	-	-
Dividends paid	-	-	-	-	-
Balance at end of period	<u>64,000</u>	<u>539,130</u>	<u>603,130</u>	<u>-</u>	<u>603,130</u>
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	<u>64,000</u>	<u>462,924</u>	<u>526,924</u>	<u>-</u>	<u>526,924</u>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2025)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF CASH FLOW

For the financial quarter ended 31 March 2026

	3 months TO DATE	3 months TO DATE
	31/03/26 (Unaudited) RM'000	31/03/25 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and other receivables	368,797	367,899
Cash paid to suppliers and employees	(360,899)	(359,412)
	<hr/>	<hr/>
Cash generated from operations	7,898	8,487
Income tax paid	(6,751)	(3,544)
Net cash generated from/(used in) operating activities	1,147	4,943
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(3,863)	(16,836)
Additions of intangible assets	(752)	(919)
Interest received	172	100
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	(4,443)	(17,655)
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of revolving credit	-	16,289
Interest paid for borrowings	(709)	(1,250)
Interest paid for licensed financial institutions	(914)	202
Payment of principal portion of lease liabilities	(538)	(671)
Increase/(Repayment) of borrowings	(39,996)	-
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	(42,157)	14,570
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	(45,453)	1,858
Cash and cash equivalents brought forward	92,566	47,796
	<hr/>	<hr/>
Cash and cash equivalents carried forward	47,113	49,654
	<hr/>	<hr/>
Cash and cash equivalents consist of:		
Cash and bank balances	47,113	49,654
	<hr/>	<hr/>
	<u>47,113</u>	<u>49,654</u>

(The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2025)

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 2025.

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 2025.

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 2025 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 seasonal festivities.

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

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. For an overview of the Company's borrowings refer to Note 20 of this document.

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 31/03/26 RM'000	Quarter ended 31/03/25 RM'000
Segment profit		
Revenue	397,836	373,397
Profit/(loss) After Taxation	29,955	25,032

8. Capital Commitments

	As at 31/03/26 RM'000	As at 31/03/25 RM'000
Property, plant and equipment		
Authorised but not contracted for	2,978	30,020
Contracted but not provided for	4,849	37,995

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 31/03/26 RM'000	Quarter ended 31/03/25 RM'000
Sales to related parties	1,275	277
Purchases from related parties	137,337	143,806
Know-how, Trademark License and Management Support fees	11,280	10,213
Interest payment to related parties	748	2,102
Shared services from related parties	6,063	6,319
Personnel cost recharge to/from 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
	31/03/26	31/03/25	%	31/03/26	31/03/25	%
Revenue	397,836	373,397	6.5%	397,836	373,397	6.5%
Operating Profit (exclude Accelerated Depreciation and one-offs)	42,236	43,072	-1.9%	42,236	43,072	-1.9%
Operating Profit	42,236	34,772	21.5%	42,236	34,772	21.5%
Profit Before Interest and Tax	40,516	32,832	23.4%	40,516	32,832	23.4%
Profit Before Taxation	40,688	32,932	23.6%	40,688	32,932	23.6%
Profit After Taxation	29,955	25,032	19.7%	29,955	25,032	19.7%
Attributable to Ordinary Equity Holders of the parent	29,955	25,032	19.7%	29,955	25,032	19.7%

*Q1 2026: No accelerated depreciation and transition-related one-off costs; Q1 2025: RM8.3 million (accelerated depreciation and transition-related one-off costs)

In the first quarter of 2026 DLMI reported RM397.8 million revenue, historically the highest revenue recognised in a single quarter, an increase of 6.5% compared to the same period last year. Growth in revenue was primarily driven by higher sales in our core Dutch Lady liquid milk range, strong momentum in the out-of-home channel, and the continued growth from new products launched in 2025. The strong sales performance demonstrates the resilience of our core portfolio, sustained momentum from product innovations and successful acquisitions of new accounts in the out-of-home channel. Market conditions remained supportive, boosted by a strong Ramadan Season and the Sumbangan Asas Rahmah (SARA) assistance provided by the Malaysian government in 2026.

Operating profit for the quarter landed at RM42.2 million, an increase of 21.5% compared to RM34.8million in Q1 2025. The profit improvement was driven by strong volume performance, the absence of one-off transition-related costs, lower commodity costs, positive exchange rate developments and revenue growth management initiatives, partially offset by inventory revaluation and investment in advertising and promotion to strengthen brand equity and support sales growth.

Profit Before Taxation amounted to RM40.7 million (+23.6%) for the quarter, compared to RM32.9 million in Q1 2025, following increased Operating profit. Profit After Taxation stood at RM30.0 million compared to RM25.0 million in the same quarter last year, an increase of 19.7%.

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

RM '000	Current Quarter	Preceding Quarter	Changes Q1 vs Q4
	31/03/26	31/12/25	%
Revenue	397,836	376,839	5.6%
Operating Profit (exclude Accelerated Depreciation and one-offs)	42,236	48,646	-13.2%
Operating Profit	42,236	46,654	-9.5%
Profit Before Interest and Tax	40,516	44,205	-8.3%
Profit Before Taxation	40,688	44,307	-8.2%
Profit After Taxation	29,955	22,800	31.4%
Attributable to Ordinary Equity Holders of the parent	29,955	22,800	31.4%

*Q1 2026: Nil on transition related one-off costs; Q4 2025: RM2.0 million (transition-related one-off costs)

DLMI reached a record high revenue of RM397.8 million in Q1 2026, growing 5.6% compared to Q4 2025. The revenue growth is mainly attributable to growing sales in our core liquid milk portfolio in both the retail and Out-of-Home channel, supported by continued growth of products launched in 2025 and stronger performance of the IFT portfolio compared to previous quarter.

Operating profit for Q1 2026 stood at RM42.2 million, a decrease of 9.5% compared to RM46.7 million in the preceding quarter. Growth in volume and revenue was offset by higher input costs, as well as increased investment in advertising and promotion to strengthen brand equity and support sales growth.

Profit Before Taxation for the quarter decreased by RM3.6 million from RM44.3 million to RM40.7 million (-8.2%) as a result of the above-mentioned drivers, whereas Profit After Taxation increased by RM7.2 million to RM30.0 million, following tax corrections taken in Q4 2025.

14. Business Prospects

A. 2026 Prospects

Malaysia's economy is projected to grow by 4.7% in the latest estimate of the International Monetary Fund (IMF). The upgrade reflects resilient domestic demand following Malaysia's strong 5.2% growth in 2025. Bank Negara Malaysia expects growth of 4%–5% this year, supported by domestic resilience and a diversified export base despite external headwinds linked to conflict in the Middle-East. This stable macroeconomic outlook provides a solid foundation for DLMI to advance innovation and pursue operational excellence through its strategic initiatives.

Although Macroeconomic projections are positive, the recent war in the Middle-East has significantly disrupted supply and demand balances, and puts upward pressure on the costs of energy, shipping and raw materials. The company has not faced any significant raw material shortages yet, but foresees input costs to significantly increase, especially in the second half of 2026. Dairy Raw Material (DRM) prices have been relatively stable in the first quarter of 2026, but are also expected to increase in the remainder of the year, exerting pressure on production costs and margins. In addition, ongoing inflation of fuel prices increase costs of energy, services and logistics. The strong Ringgit helps cushioning higher commodity costs. However, currency fluctuations remain a key operational risk.

Consumer demand for essential nutrition products is expected to remain resilient, yet increasing inflation and uncertainty caused by the blocking of the Strait of Hormuz, affects consumer confidence and spending power, which could have an impact on future demand for consumer goods. Government initiatives such as the Sumbangan Asas Rahmah (SARA) programme continue to support retail offtake among targeted consumer segments.

The company will continue its stringent management of raw material supply to ensure availability of its products to Malaysian consumers. It will respond to the imminent cost inflation with a double-down focus on cost management, will take necessary Revenue Growth Management initiatives where required and ensure it has a fit-for-purpose organisational structure to increase effectiveness, reduce the fixed cost base, and enhance its working capital position.

DLMI remains committed to its purpose of "Nourishing Our Planet and People in Every Stage of Life" and to strengthening its leadership in dairy nutrition. The Company will continue to invest in its brands, bring innovations to market that provide high quality dairy nutrition to Malaysian households, and develop the capabilities of its people who are fundamental to DLMI's long-term success.

DLMI has successfully completed the full transition of its production operations to the new IR4.0 manufacturing facility and Distribution Centre in Bandar Enstek. This development underscores DLMI's long-term commitment to operational excellence, supply chain resilience, and innovation in response to evolving consumer needs. The strategic capacity expansion enhances operational efficiency and opens opportunities to strengthen DLMI's position in the Malaysian dairy industry.

As of Q1 2026, following a repayment of USD10.1 million (RM42.4 million), the outstanding intercompany loan balance has reduced to USD12.0 million (RM48.2 million), reflecting strong cash generation and a lower dependence on borrowings, while maintaining adequate liquidity under the available facility.

Overall, DLMI's outlook for 2026 is cautiously optimistic, supported by the strength of its brands and the increasing recognition among Malaysians of the nutritional value of milk. The Company will continue to support local dairy farming, with the aim of improving both the quantity and quality of domestically 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 31/03/26 RM'000	Quarter ended 31/03/25 RM'000
Income tax for current period	9,714	7,950
Income tax for prior period	-	-
Deferred tax for current period	1,019	(51)
Penalty	-	1
Total taxation	<u>10,733</u>	<u>7,900</u>

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

18. Deferred Tax Liabilities/(Assets)

	As At 31/03/26 RM'000	As At 31/03/25 RM'000
At 1 January	27,646	(3,426)
Recognised in the statement of comprehensive income	<u>1,019</u>	<u>(51)</u>
At period end	<u>28,665</u>	<u>(3,477)</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 2026 is as follows:

	As at 31/03/26		As at 31/12/25	
	USD'000	RM'000	USD'000	RM'000
<u>Unsecured</u>				
Non-Current borrowings – group companies	12,000	48,248	22,100	90,634

The borrowings are secured through revolving intercompany credit facilities for business working capital purposes. As of Q1 2026, following a repayment of USD10.1 million (RM42.4 million), the outstanding intercompany loan balance is USD12.0 million (RM48.2 million). The intercompany revolving credit facility has been renewed until 31 March 2027 with a facility size of USD15.0 million, from USD35.0 previously.

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 & Swap exchange contracts	As At	As At
	31/03/26	31/03/25
	RM'000	RM'000
Derivatives held for trading at fair value through profit or loss for US Dollar		
Nominal Value	189,543	233,600
Assets	907	5,432
Liabilities	1,284	355

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 31/03/26	Quarter ended 31/03/25
Basic earnings per share		
Profit for the period (RM'000)	29,955	25,032
Weighted average number of ordinary shares in issue ('000)	64,000	64,000
Basic earnings per share (sen)	46.80	39.10

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 19 May 2026, the Company has declared a standard single-tier first interim dividend of RM0.30 per share amounting to RM19.2 million in respect of the financial year ending 31 December 2026.

All shareholders whose names appear on the Record of Depositors on 8 June 2026 shall be paid the above dividends on 16 June 2026.

A Depositor shall qualify for entitlement only in respect of:

- a) Securities transferred to the Depositor's Securities Account before 5.00pm on 8 June 2026, 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 31/03/26 RM'000	Year to-date 31/03/25 RM'000
Interest income	172	100
Finance costs		
- Interest expense	(913)	(853)
- Finance charge from lease	(25)	(40)
- Finance cost arising from borrowings	(781)	(1,048)
Depreciation of property, plant and equipment	(7,542)	(6,095)
Accelerated depreciation of property, plant and equipment	-	-
Depreciation of rights-of-use assets	(593)	(615)
Amortisation of intangible assets	(1,541)	(1,265)
Write (down)/back of inventories	(379)	(2,362)
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	6,921	(5,870)
Net foreign exchange gain/(loss)		
- Realised	(17,557)	4,264
- Unrealised	8,536	(573)

By Order of the Board
Katina Nurani Abd Rahim
Company Secretary
19th May 2026