DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the financial quarter ended 30 June 2026

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER	COMPARATIVE QUARTER	6 months TO DATE	6 months TO DATE
	30/06/26 (Unaudited)	30/06/25 (Unaudited) (Restated)	30/06/26 (Unaudited)	30/06/25 (Unaudited) (Restated)
	RM'000	RM'000	RM'000	RM'000
Revenue	386,553	375,606	784,389	749,003
Cost of Sales	(272,299)	(263,229)	(561,886)	(529,495)
Gross Profit	114,254	112,377	222,503	219,508
Distribution Expenses	(51,410)	(55,590)	(103,130)	(105,560)
Administrative Expenses	(12,222)	(11,671)	(24,049)	(23,131)
Other Operating Expenses	(420)	(5,970)	(787)	(14,699)
Other gains/(losses) - net	1,924	(5,206)	(177)	(7,405)
Results from Operating Activities	52,126	33,940	94,360	68,713
Interest Income	198	86	371	186
Finance Costs	(1,476)	(2,050)	(3,196)	(3,990)
Profit Before Taxation	50,848	31,976	91,535	64,909
Income Tax Expenses	(12,673)	(8,580)	(23,406)	(16,480)
Profit After Taxation	38,175	23,396	68,129	48,429
Profit for the period/Total comprehensive income for the period	38,175	23,396	68,129	48,429
Profit Attributable to:				
Equity holders of the Company	38,175	23,396	68,129	48,429
Non-controlling interest	-	-	-	-
	38,175	23,396	68,129	48,429
EARNINGS PER SHARE				
- Basic earnings per share (sen) (Based on 64,000,000 ordinary shares)	59.65	36.56	106.45	75.67

(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 30 June 2026

	AS AT 30/06/26 RM'000 (Unaudited)	AS AT 31/12/25 RM'000 (Audited)
ASSETS		
Property, plant and equipment	617,334	630,522
Right-of-use assets	4,685	1,348
Intangible assets	19,995	22,919
Other receivables	2,203	2,054
TOTAL NON-CURRENT ASSETS	644,217	656,843
Inventories	201,410	219,492
Trade and other receivables	141,946	109,187
Prepayments	1,801	1,803
Current tax receivable	2,670	6,352
Cash and cash equivalents	58,969	92,566
Derivatives financial assets	3,057	-
CURRENT ASSETS	409,853	429,400
TOTAL CURRENT ASSETS	409,853	429,400
TOTAL ASSETS	**1,054,070**	**1,086,243**
EQUITY		
Share capital	64,000	64,000
Retained profits	558,104	509,175
Attributable to equity holders of the Company	622,104	573,175
TOTAL EQUITY	622,104	573,175
LIABILITIES		
Lease Liabilities	2,585	242
Deferred tax liabilities	35,307	27,646
TOTAL NON-CURRENT LIABILITIES	37,892	27,888
Trade and other payables	361,386	381,922
Provision	1,694	4,114
Lease Liabilities	2,273	1,214
Derivatives financial liabilities	172	7,296
Borrowings	28,549	90,634
CURRENT LIABILITIES	394,074	485,180
TOTAL LIABILITIES	431,966	513,068
TOTAL EQUITY AND LIABILITIES	**1,054,070**	**1,086,243**
Net assets per share attributable to ordinary equity holders of the Company (RM)	9.72	8.96

(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 EQUITY

For the financial quarter ended 30 June 2026
(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
6 months ended 30 June 2026					
Balance at beginning of period	64,000	509,175	573,175	-	573,175
Movements during the period	-	68,129	68,129	-	68,129
Dividend payable	-	-	-	-	-
Dividends paid	-	(19,200)	(19,200)	-	(19,200)
Balance at end of period	64,000	558,104	622,104	-	622,104
6 months ended 30 June 2025					
Balance at beginning of period	64,000	437,892	501,892	-	501,892
Movements during the period	-	48,428	48,428	-	48,428
Dividend payable	-	-	-	-	-
Dividends paid	-	(16,000)	(16,000)	-	(16,000)
Balance at end of period	64,000	470,320	534,320	-	534,320

(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 30 June 2026

	6 months TO DATE 30/06/26 (Unaudited) RM'000	**6 months TO DATE 30/06/25 (Unaudited) RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers and other receivables	748,423	753,745
Cash paid to suppliers and employees	(677,475)	(707,543)
Cash generated from operations	70,948	46,202
Income tax paid	(12,063)	(8,914)
Net cash generated from/(used in) operating activities	58,885	37,288
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(7,848)	(40,247)
Additions of intangible assets	(1,087)	(1,413)
Interest received	371	186
Net cash generated from/(used in) investing activities	(8,564)	(41,474)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of revolving credit	-	24,933
Interest paid for borrowings	(1,232)	(1,233)
Interest paid for licensed financial institutions	(1,810)	(1,696)
Dividends paid	(19,200)	(16,000)
Payment of principal portion of lease liabilities	(1,196)	(1,339)
Increase/(Repayment) of borrowings	(60,480)	-
Net cash generated from/(used in) financing activities	(83,918)	4,665
Net increase/(decrease) in cash and cash equivalents	(33,597)	479
Cash and cash equivalents brought forward	92,566	47,796
Cash and cash equivalents carried forward	58,969	48,275
Cash and cash equivalents consist of:		
Cash and bank balances	58,969	48,275
	58,969	48,275

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

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 30/06/26 RM'000	Quarter ended 30/06/25 RM'000
Segment profit		
Revenue	386,553	375,606
Profit/(loss) After Taxation	38,175	23,396

8. Capital Commitments

	As at 30/06/26 RM'000	As at 30/06/25 RM'000
Property, plant and equipment		
Authorised but not contracted for	4,326	27,040
Contracted but not provided for	4,583	20,750

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 30/06/26 RM'000	Quarter ended 30/06/25 RM'000
Sales to related parties	1,476	362
Purchases from related parties	135,862	133,890
Know-how, Trademark License and Management Support fees	10,970	10,706
Interest payment to related parties	529	119
Shared services from related parties	6,984	6,885
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 30/06/26	Comparative Quarter 30/06/25	Changes TY vs LY %	6 months To Date 30/06/26	6 months To Date 30/06/25	Changes TY vs LY %
Revenue	386,553	375,606	2.9%	784,389	749,003	4.7%
Operating Profit (exclude Accelerated Depreciation and one-offs)	52,126	39,566	31.7%	94,360	82,639	14.2%
Operating Profit	52,126	33,940	53.6%	94,360	68,713	37.3%
Profit Before Interest and Tax	50,650	31,890	58.8%	91,164	64,723	40.9%
Profit Before Taxation	50,848	31,976	59.0%	91,535	64,909	41.0%
Profit After Taxation	38,175	23,396	63.2%	68,129	48,429	40.7%
Attributable to Ordinary Equity Holders of the parent	38,175	23,396	63.2%	68,129	48,429	40.7%

*Transition related one-off costs in Q2 2026: Nil, Q2 2025: RM5.6 million. YTD Q2 2026: Nil, YTD Q2 2025: RM13.9 million.

In the second quarter of 2026, DLMI recorded revenue of RM386.6 million, an increase of 2.9% compared to RM375.6 million in Q2 2025. Growth in revenue was primarily driven by higher sales in our core Dutch Lady liquid milk range, which was relaunched with a new pack identity in Q2, strong momentum in the out-of-home channel, as well as positive contribution from innovations, particularly Dutch Lady Omega 3*6 and the newly launched Dutch Lady Tealive range. 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.

Operating profit for the quarter landed at RM52.1 million, an increase of 53.6% compared to RM33.9 million in Q2 2025. The increased profitability was primarily driven by higher revenue, positive exchange rate effects and the absence of transition related one-off costs incurred last year.

Profit Before Taxation amounted to RM50.8 million (+59.0%) for the quarter, compared to RM32.0 million in Q2 2025, following increased operating profit. Profit After Taxation stood at RM38.2 million compared to RM23.4 million in the same quarter last year, an increase of 63.2%.

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

RM '000	Current Quarter 30/06/26	Preceding Quarter 31/03/26	Changes Q2 vs Q1 %
Revenue	386,553	397,836	-2.8%
Operating Profit (exclude Accelerated Depreciation and one-offs)	52,126	42,236	23.4%
Operating Profit	52,126	42,236	23.4%
Profit Before Interest and Tax	50,650	40,516	25.0%
Profit Before Taxation	50,848	40,688	25.0%
Profit After Taxation	38,175	29,955	27.4%
Attributable to Ordinary Equity Holders of the parent	38,175	29,955	27.4%

DLMI recorded revenue of RM386.6 million in Q2 2026, a decrease of 2.8% compared to Q1 2026. The lower revenue was mainly attributable to reduced sales volume following the strong festive-driven demand and SARA programme support in the preceding quarter. This was partially offset by favourable product mix and continued growth in the out-of-home channel, supported by the acquisition of new customer accounts.

Operating profit for Q2 2026 stood at RM52.1 million, an increase of 23.4% compared to RM42.2 million in the preceding quarter. The increase was mainly driven by favourable foreign exchange movements, lower cost of goods sold, and favourable product mix.

Profit Before Taxation for the quarter increased by RM10.2 million (+25.0%) from RM40.7 million to RM50.8 million as a result of the above-mentioned drivers, whereas Profit After Taxation increased by RM8.2 million (+27.4%) to RM38.2 million.

14. **Business Prospects**

A. 2026 Prospects

Malaysia's economy continues to demonstrate resilience, supported by healthy domestic demand, investment activity and a stable labour market. Bank Negara Malaysia expects GDP growth to be on the upper end of its 4% to 5% outlook in 2026, underpinned by domestic consumption and a diversified export base despite ongoing global economic uncertainties. This supportive macroeconomic environment provides a solid foundation for DLMI to advance innovation, strengthen operational excellence and deliver sustainable growth.

While the overall economic outlook remains positive, the operating environment continues to be influenced by global geopolitical uncertainties, commodity price volatility and inflationary pressures. Dairy Raw Material (DRM) prices remained relatively stable during the first half of 2026. However, cost pressures across energy, logistics and raw materials continue to be closely monitored. The strong Ringgit during the period has partially mitigated imported cost inflation, although foreign exchange volatility remains a key operational consideration.

Consumer demand for essential nutrition products remains resilient. Nevertheless, inflationary pressures and evolving consumer spending priorities continue to influence purchasing behaviour across categories. Government support measures, including the Sumbangan Asas Rahmah (SARA) programme, continue to support household spending among targeted consumer segments and contribute positively to retail demand.

The company will maintain 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 keep investing 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 Q2 2026, following a repayment of USD15.1 million, the outstanding intercompany loan balance has reduced to USD7.0 million (RM28.5 million), reflecting strong cash generation, significantly lower capex expenditures and a reduced dependence on borrowings, while maintaining adequate liquidity.

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 farmers, 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 30/06/26 RM'000	Quarter ended 30/06/25 RM'000
Income tax for current period	6,031	(1,191)
Income tax for prior period	-	-
Deferred tax for current period	6,642	9,713
Penalty	-	58
Total taxation	12,673	8,580

	As At 30/06/26 RM'000	As At 30/06/26 RM'000
Income tax for current period	15,745	6,759
Income tax for prior period	-	-
Deferred tax for current period	7,661	9,662
Penalty	-	59
Total taxation	23,406	16,480

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

18. Deferred Tax Liabilities/(Assets)

	As At 30/06/26 RM'000	As At 30/06/25 RM'000
At 1 January	27,646	(3,426)
Recognised in the statement of comprehensive income	7,661	9,662
At period end	35,307	6,236

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 June 2026 is as follows:

	As at 30/06/26		As at 31/12/25	
	USD'000	RM'000	USD'000	RM'000
Unsecured				
Current borrowings – group companies	7,000	28,549	22,100	90,634

The borrowings are secured through revolving intercompany credit facilities for business working capital purposes. As of Q2 2026, following a total repayment of USD15.1 million, the outstanding intercompany loan balance is USD7.0 million (RM28.5 million). The intercompany loan facility has been renewed until 31 March 2027 at USD15.0 million, representing a reduction of USD20.0 million from the previous USD35.0 million facility.

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 30/06/26 RM'000	As At 30/06/25 RM'000
Derivatives held for trading at fair value through profit or loss for US Dollar		
Nominal Value	144,763	261,682
Assets	3,057	1,059
Liabilities	172	6,762

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 30/06/26	Quarter ended 30/06/25
Basic earnings per share		
Profit for the period (RM'000)	38,175	23,396
Weighted average number of ordinary shares in issue ('000)	64,000	64,000
Basic earnings per share (sen)	59.65	36.56

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. Notes to the Condensed Statement of Comprehensive Income

	Year to-date 30/06/26 RM'000	Year to-date 30/06/25 RM'000
Interest income	371	186
Finance costs		
- Interest expense	(1,810)	(1,749)
- Finance charge from lease	(70)	(73)
- Finance cost arising from borrowings	(1,316)	(2,169)
Depreciation of property, plant and equipment	(15,074)	(12,224)
Depreciation of rights-of-use assets	(1,191)	(1,227)
Amortisation of intangible assets	(3,071)	(2,584)
Write (down)/back of inventories	1,668	111
Net gain/(loss) on derivatives	10,182	(16,651)
Net foreign exchange gain/(loss)		
- Realised	(16,365)	3,573
- Unrealised	5,800	5,693

By Order of the Board
Katina Nurani Abd Rahim
Company Secretary
18th August 2026