

**KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]**

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2023  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

	Note	Individual Quarter		Cumulative Quarter	
		Current Quarter Ended 31-03-23 RM'000	Corresponding Quarter Ended 31-03-22 RM'000	9 Months Cumulative To Date 31-03-23 RM'000	9 Months Cumulative To Date 31-03-22 RM'000
Revenue		59,396	55,244	186,399	159,150
Operating expenses		(42,543)	(39,002)	(136,020)	(115,457)
Other operating income		897	973	2,383	2,613
Profit from operations		17,750	17,215	52,762	46,306
Finance cost		(67)	(120)	(174)	(380)
Profit before tax		17,683	17,095	52,588	45,926
Tax expense	(B6)	(188)	(58)	(442)	(67)
Profit after tax, representing total comprehensive income for the period		<u>17,495</u>	<u>17,037</u>	<u>52,146</u>	<u>45,859</u>
Earnings per share (sen)					
(a) Basic	(B12)	11.82	11.51	35.23	30.99
(b) Diluted	(B12)	11.82	11.51	35.23	30.98

**(The Condensed Consolidated Statement of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report)**

**KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]**

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2023  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		Unaudited As at 31-03-23	Audited As at 30-06-22
	Note	RM '000	RM '000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		116,536	99,154
Investment properties		1,319	1,338
Right-of-use assets		10,195	11,054
Deferred tax assets		6,970	6,970
		135,020	118,516
<b>Current Assets</b>			
Inventories		56,213	45,699
Trade receivables		36,851	35,124
Other receivables, deposits and prepayments		4,096	9,852
Tax recoverable		-	246
Short term investment		945	945
Fixed deposit with licensed bank		69,628	65,500
Cash and bank balances		5,489	23,271
		173,222	180,637
<b>TOTAL ASSETS</b>		308,242	299,153
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		84,841	84,766
Share option reserve		81	99
Retained earnings		172,942	159,275
		257,864	244,140
<b>Non-Current Liabilities</b>			
Lease liabilities		82	82
Deferred Income		897	1,118
		979	1,200
<b>Current Liabilities</b>			
Trade payables		18,925	18,553
Other payables and accruals		29,026	27,609
Derivative liabilities		-	15
Lease liabilities		244	965
Current tax liabilities		82	-
Short term borrowings	( B8 )	1,122	6,671
		49,399	53,813
<b>Total Liabilities</b>		50,378	55,013
<b>TOTAL EQUITY AND LIABILITIES</b>		308,242	299,153
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	( B13 )	1.74	1.65

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report)

**KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2023

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>9 Months Ended 31-03-23 RM '000</b>	<b>9 Months Ended 31-03-22 RM '000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	52,588	45,926
Adjustment for:		
Property, plant and equipment written off	36	1
Impairment loss on trade receivables	336	-
Reversal of impairment loss on trade receivables	-	(603)
Depreciation of property, plant and equipment and investment properties	10,142	10,157
Depreciation of right-of-use assets	859	864
Fair value gain on derivatives financial instrument	(15)	(3)
Unrealised loss on foreign exchange	637	127
Inventories written down	1,692	593
Amortisation of deferred income	(221)	(221)
Loss on disposal of property, plant and equipment	-	4
Interest expense	174	380
Interest income	(1,867)	(807)
Operating profit before working capital changes	<u>64,361</u>	<u>56,418</u>
Increase in inventories	(12,206)	(10,750)
Decrease / (Increase) in receivables	2,735	(11,275)
Increase in payables	1,789	3,493
Cash generated from operations	<u>56,679</u>	<u>37,886</u>
Tax paid	(114)	(290)
Net cash from operating activities	<u>56,565</u>	<u>37,596</u>
<b>Cash Flows For Investing Activities</b>		
Interest received	1,867	807
Purchase of property, plant and equipment	(26,680)	(1,665)
Proceeds from disposal of property, plant and equipment	-	3
Net cash for investing activities	<u>(24,813)</u>	<u>(855)</u>

**KOTRA INDUSTRIES BERHAD (497632-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2023**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (continued)**

	<b>9 Months Ended 31-03-23 RM '000</b>	<b>9 Months Ended 31-03-22 RM '000</b>
<b>Cash Flows For Financing Activities</b>		
Dividend paid	(38,479)	(24,416)
Repayment of lease liabilities	(721)	(722)
Repayment of term loans	(5,549)	(8,711)
Proceeds from issuance of shares	57	42
Interest paid	(174)	(380)
Net cash for financing activities	<u>(44,866)</u>	<u>(34,187)</u>
<b>Net (Decrease) / Increase in Cash &amp; Cash Equivalents</b>	(13,114)	2,554
<b>Effect of Exchange Rate Changes on Cash &amp; Cash Equivalents</b>	(540)	-
<b>Cash &amp; Cash Equivalents at beginning of the financial period</b>	89,716	68,702
<b>Cash &amp; Cash Equivalents at end of financial period</b>	<u><u>76,062</u></u>	<u><u>71,256</u></u>
<b>The Cash &amp; Cash Equivalents Comprise The Following :-</b>		
Fixed deposits with licensed bank	69,628	57,930
Short term investment	945	945
Cash and bank balances	5,489	12,381
	<u><u>76,062</u></u>	<u><u>71,256</u></u>

**(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report)**

**KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2023

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital RM '000	Non - distributable Share Option Reserve RM '000	Distributable Retained Profits RM '000	Total RM '000
<b>As at 31 March 2023</b>				
Balance at 1 July 2022	84,766	99	159,275	244,140
Profit after tax, representing total comprehensive income for the year	-	-	52,146	52,146
Dividend paid	-	-	(38,479)	(38,479)
Share options exercised	75	(18)	-	57
Balance at 31 March 2023	<u>84,841</u>	<u>81</u>	<u>172,942</u>	<u>257,864</u>
<b>As at 31 March 2022</b>				
As at 1 July 2021	84,715	108	121,596	206,419
Profit after tax, representing total comprehensive expense for the year	-	-	45,859	45,859
Dividend paid	-	-	(24,416)	(24,416)
Share options exercised	51	(9)	-	42
Balance at 31 March 2022	<u>84,766</u>	<u>99</u>	<u>143,039</u>	<u>227,904</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report)

# KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2023

## A. Explanatory Notes pursuant to MFRS 134 Interim Financial Reporting

### A1. Accounting Policies and Methods of Computation

The interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The figures for the cumulative period in the current quarter to 31 March 2023 have not been audited. The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2022.

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2022 except for those mentioned in paragraph A1.1 below.

**A1.1** During the current financial period, the Group has adopted the following new Malaysian Financial Reporting Standards and interpretations (including the consequential amendments, if any) which were effective for the financial periods beginning on or after 1 January 2022 :-

#### **MFRSs and IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 3 : Reference to the Conceptual Framework  
Amendments to MFRS 116 : Property, Plant and Equipment - Proceeds before Intended Use  
Amendments to MFRS 137 : Onerous Contracts – Cost of Fulfilling a Contract  
Annual Improvements to MFRS Standards 2018–2020

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements for the period under review.

**A1.2** The Group has not applied in advance the following Malaysian Financial Reporting Standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:

#### **MFRSs and IC Interpretations (Including The Consequential Amendments)**

	<b>Effective Date</b>
Amendments to MFRS16: Lease Liability in a Sale and Leaseback	01-Jan-24
Amendments to MFRS 101 : Classification of Liabilities as Current or Non-current	01-Jan-24
Amendments to MFRS 101 : Non-current liabilities with covenants	01-Jan-24
Amendments to MFRS 101 : Disclosure of Accounting Policies	01-Jan-23
Amendments to MFRS 108 : Definition of Accounting Estimates	01-Jan-23
Amendments to MFRS 112 : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01-Jan-23

The adoption of the above-mentioned Malaysian Financial Reporting Standards and IC interpretations (including the consequential amendments, if any), insofar as they are applicable to the Group, is expected to have no material impact on the financial statements of the Group upon their initial application.

### A2. Seasonal or Cyclical Factors

The business operation of the Group was not materially affected by any seasonal or cyclical factors.

### A3. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting the assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence.

# KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2023

### A4. Changes in Estimates

There were no changes in estimates reported in prior interim periods of the current financial year or prior financial years which have a material effect in the current interim period.

### A5. Issues, Repurchases and Repayments of Debt and Equity Securities

There were no issues, repurchases or repayments of debt and equity securities, for the period ended 31 March 2023 except for the issuance of 17,600 and 32,500 ordinary shares pursuant to the Company's Employee Share Option Scheme at the exercise prices of RM0.65 each and RM1.40 each respectively.

### A6. Dividend Paid

A final dividend of 16.0 sen per ordinary share in respect of the financial year ended 30 June 2022 amounting to RM23,678,733 was paid on 8 December 2022.

An interim dividend of 10.0 sen per ordinary share in respect of the financial year ended 30 June 2023 amounting to RM14,800,708 was paid on 23 March 2023.

### A7. Segmental Information

The segment information in respect of the Group's operating segments for the period ended 31 March 2023 is as follows:

	Current Quarter Ended 31 Mar		9 Months Ended 31 Mar	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Local	41,012	42,413	126,718	108,068
Export	18,384	12,831	59,681	51,082
External revenue	<u>59,396</u>	<u>55,244</u>	<u>186,399</u>	<u>159,150</u>
Local	15,754	16,839	43,247	39,580
Export	5,465	2,953	19,112	13,504
Profit from operations	<u>21,219</u>	<u>19,792</u>	<u>62,359</u>	<u>53,084</u>

A reconciliation of total profit from operations to total consolidated profit before tax is provided as follows:

	Current Quarter Ended 31 Mar		9 Months Ended 31 Mar	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit from operations for reportable segments	21,219	19,792	62,359	53,084
Expenses managed on a central basis	(4,366)	(3,550)	(11,980)	(9,391)
Other operating income	897	973	2,383	2,613
Consolidated profit from operations	<u>17,750</u>	<u>17,215</u>	<u>52,762</u>	<u>46,306</u>
Finance cost	(67)	(120)	(174)	(380)
Consolidated Profit before tax	<u>17,683</u>	<u>17,095</u>	<u>52,588</u>	<u>45,926</u>

### A8. Events After the Interim Period

There were no material events after the quarter ended 31 March 2023 and up to 25 May 2023 that have not been reflected in these financial statements.

### A9. Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings, or discontinuance of operations during the interim period under review.

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## A10. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets at the end of this reporting period and end of last financial year.

## A11. Capital Commitments

The amounts committed for the purchase of property, plant and equipment not provided for in the interim financial statements are as follows:

	As at 31-03-23 RM'000	As at 31-03-22 RM'000
Contracted but not provided for	37,618	12,964

## A12. Significant Related Party Transactions

The Group's significant related party transactions for the current financial period ended 31 March 2023 are as follows:

	Current Quarter Ended 31 Mar		9 Months Ended 31 Mar	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Companies in which certain key management personnel have significant financial interests:				
- Lease payment on short term leases	12	16	39	48
- Lease payment for right-of-use asset	246	246	738	738
A company in which a close member of the family of certain key management personnel has significant financial interests:				
- Sales of goods	(148)	(149)	(408)	(347)

The above recurrent transactions were entered into based on normal commercial terms.



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## B. Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

### B1. Review of the Performance of the Group

#### (a) Performance of the current quarter against the preceding year corresponding quarter

	Current Quarter		Changes %
	Ended 31 Mar		
	2023	2022	
	RM'000	RM'000	
Turnover	59,396	55,244	7.52%
Profit from operations	17,750	17,215	3.11%
Profit before tax	17,683	17,095	3.44%
Profit after tax (PAT)	17,495	17,037	2.69%
Net PAT margin	29.45%	30.84%	

The Group recorded an increase in turnover of 7.52% for the current quarter ended 31 March 2023 as compared to the corresponding quarter ended 31 March 2022. This was attributed mainly due to the increase in export sales and sales of pharmaceutical products in local market, offset by drop in sales of supplement products in the local market.

The higher sales achieved for pharmaceutical products in current quarter was due to a surge in demand for medication mainly from export markets, where there were major shortages of various prescriptions as compared to the preceding year.

The Group recorded a profit before tax of RM17.68 million for current quarter ended 31 March 2023 as compared to a profit before tax of RM17.10 million in corresponding quarter of the preceding year. The better results were attributed to the higher sales achieved in current quarter.

#### (b) Performance of the current period against the preceding year corresponding period

	9 Months		Changes %
	Ended 31 Mar		
	2023	2022	
	RM'000	RM'000	
Turnover	186,399	159,150	17.12%
Profit from operations	52,762	46,306	13.94%
Profit before tax	52,588	45,926	14.51%
Profit after tax (PAT)	52,146	45,859	13.71%
Net PAT margin	27.98%	28.81%	

The Group recorded an increase in turnover of 17.12% for the current period ended 31 March 2023 as compared to the corresponding 9 months ended 31 March 2022. This was mainly due to increase in local and export sales of pharmaceutical products offset by the decrease in sales of supplement products to the local market. The significantly higher sales achieved was due to increase in demand for medication from the local market, where there were major shortages of various prescriptions as compared to the preceding year.

The Group recorded a profit before tax of RM52.59 million for the 9 months ended 31 March 2023 as compared to a profit before tax of RM45.93 million for the 9 months ended 31 March 2022. The increase was mainly due to higher sales achieved for the period, offset by higher foreign exchange loss in addition to increase in advertisement and promotional expenditure incurred for brand awareness and other operating expenses.

# KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2023

### B2. Comparison with Preceding Quarter's Results

	Quarter Ended		Changes %
	31 Mar 2023	31 Dec 2022	
	RM'000	RM'000	
Turnover	59,396	62,251	-4.59%
Profit from operations	17,750	16,601	6.92%
Profit before tax	17,683	16,554	6.82%
Profit after tax (PAT)	17,495	16,411	6.61%
Net PAT margin	29.45%	26.36%	

For the quarter ended 31 March 2023, the Group recorded a decrease in revenue of 4.59% to RM59.40 million as compared to RM62.25 million in the preceding quarter. This was mainly due to decrease in sales for the overseas market.

The Group recorded a profit before tax of RM17.68 million in the current quarter as compared to the profit before tax of RM16.55 million in the preceding quarter. The increase was due to lower advertisement and promotional expenditure and foreign exchange loss during the quarter.

### B3. Current Year Prospects

The Russo-Ukrainian war, various geopolitical tension, inflation and hikes in interest rates by major central banks globally have caused economic uncertainty. The ongoing global supply chain disruption has also resulted in procurement bottlenecks, with the costs of materials continuing to rise.

Whilst the Group managed to bring in encouraging results for the financial period ended 31 March 2023, the Board continues to exercise vigilance in decision-making and takes steps to monitor and review the Group's strategic plans periodically so as to create sustainable value for shareholders.

Based on prevailing market sentiments and sustained demand for the Group's products, the Board is of the view that the operations of the Group will remain profitable for the financial year ending 30 June 2023.

### B4. Variance of Actual Profit from Forecast Profit or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter or in the prior financial period.

### B5. Statement by Directors

The Group did not disclose or announce any profit forecast or projection in a public document in the current quarter or prior financial period.

### B6. Breakdown of Tax Charges

	Quarter		9 Months	
	Ended 31 Mar		Ended 31 Mar	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Current tax expense	188	58	442	67
Total tax expenses	188	58	442	67

The current income tax expense for the period under review relates to the non-business income of the Group. There is no tax charge on the profit from business income due to the availability of tax incentives on double deduction for eligible expenses provided under the Promotion of Investments Act 1986 and availability of unutilised capital allowances and unabsorbed tax losses to offset against taxable profits of the Group.

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## B7. Status of Corporate Proposals

There were no corporate proposals announced by the Company as at the date of the issue of this quarterly report.

## B8. Details of Group Borrowings and Debt Securities

The Group's borrowings as at the end of this financial period were as follows:

	As at 31-03-23 RM'000	As at 31-03-22 RM'000
(a) Short Term Borrowings		
<u>Secured</u>		
Term loan	1,122	8,067
	1,122	8,067
(b) Long Term Borrowings		
<u>Secured</u>		
Term loan	-	1,122
	-	1,122

## B9. Material Litigation

There was no material litigation since the financial period ended 31 March 2023 and up to 25 May 2023.

## B10. Dividend Declared

No dividend has been proposed in respect of the current financial period ended 31 March 2023.

## B11. Profit before tax

	Quarter Ended 31 Mar		9 Months Ended 31 Mar	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after (crediting)/charging:				
Interest income	(798)	(323)	(1,867)	(807)
Other income	(25)	(76)	(279)	(377)
Depreciation of property, plant and equipment and investment properties	3,357	3,403	10,142	10,157
Depreciation of right-of-use assets	286	288	859	864
Amortisation of deferred income	(74)	(73)	(221)	(221)
Reversal of impairment loss on trade receivables	-	-	-	(603)
Impairment loss on trade receivables	336	-	336	-
Loss on disposal of property, plant and equipment	-	2	-	4
Property, plant and equipment written off	36	1	36	1
Provision for/(write-back) of inventories obsolescence	(267)	877	1,692	593
Foreign exchange loss / (gain)				
- realised	399	(419)	(396)	(1,332)
- unrealised	(599)	(88)	637	127
Fair value gain on derivatives financial instrument	-	8	(15)	(3)

There was no gain or loss on disposal of quoted or unquoted investment or properties nor any exceptional items for the current quarter and financial period ended 31 March 2023.

**KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
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	Quarter		9 Months	
	Ended 31 Mar 2023	2022	Ended 31 Mar 2023	2022
<b>(a) Basic Earnings Per Share</b>				
Net Profit attributable to shareholders (RM'000)	17,495	17,037	52,146	45,859
Weighted average number of ordinary shares ('000)	147,998	147,972	147,998	147,972
Basic Earnings per share (sen)	11.82	11.51	35.23	30.99
<b>(b) Diluted Earnings Per Share</b>				
Net Profit attributable to shareholders (RM'000)	17,495	17,037	52,146	45,859
Weighted average number of ordinary shares ('000)	147,998	147,972	147,998	147,972
Adjustment for ESOS ('000)	31	62	31	62
	148,029	148,034	148,029	148,034
Diluted Earnings per share (sen)	11.82	11.51	35.23	30.98

**B13. Net assets per share**

	Unaudited	Audited
	As at 31-03-23	As at 30-06-22
Number of ordinary shares issued ('000)	148,025	147,974
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.74	1.65

**B14. Audit Report**

The auditors' report on the Group's annual financial statements for the year ended 30 June 2022 did not contain any qualification.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN  
Secretary

Date : 26 May 2023