

**KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 30-09-23 RM'000	Corresponding Quarter Ended 30-09-22 RM'000	3 Months Cumulative To Date 30-09-23 RM'000	3 Months Cumulative To Date 30-09-22 RM'000
Revenue		53,309	64,752	53,309	64,752
Operating expenses		(40,958)	(48,463)	(40,958)	(48,463)
Other operating income		1,566	2,122	1,566	2,122
Profit from operations		13,917	18,411	13,917	18,411
Finance cost		(21)	(60)	(21)	(60)
Profit before tax		13,896	18,351	13,896	18,351
Tax expense	(B6)	(236)	(111)	(236)	(111)
Profit after tax, representing total comprehensive income for the period		13,660	18,240	13,660	18,240
Earnings per share (sen)					
(a) Basic	(B12)	9.21	12.33	9.21	12.33
(b) Diluted	(B12)	9.21	12.32	9.21	12.32

**(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 2023 and the accompanying explanatory notes attached to this interim financial report)**

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		Unaudited As at 30-09-23	Audited As at 30-06-23
	Note	RM '000	RM '000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		131,650	126,366
Investment properties		1,305	1,312
Right-of-use assets		10,360	10,634
Deferred tax assets		6,791	6,791
		<u>150,106</u>	<u>145,103</u>
<b>Current Assets</b>			
Inventories		62,091	59,200
Trade receivables		28,188	34,556
Other receivables, deposits and prepayments		2,162	2,471
Short term investment		945	945
Fixed deposit with licensed bank		89,212	80,654
Cash and bank balances		10,284	7,353
		<u>192,882</u>	<u>185,179</u>
<b>TOTAL ASSETS</b>		<u><u>342,988</u></u>	<u><u>330,282</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		86,276	84,896
Share option reserve		-	153
Retained earnings		199,755	186,030
		<u>286,031</u>	<u>271,079</u>
<b>Non-Current Liabilities</b>			
Lease liabilities		82	82
Deferred Income		749	823
		<u>831</u>	<u>905</u>
<b>Current Liabilities</b>			
Trade payables		20,655	20,554
Other payables and accruals		34,455	36,564
Lease liabilities		726	964
Current tax liabilities		290	216
Short term borrowings	( B8 )	-	-
		<u>56,126</u>	<u>58,298</u>
<b>Total Liabilities</b>		<u>56,957</u>	<u>59,203</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>342,988</u></u>	<u><u>330,282</u></u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	( B13 )	<u>1.93</u>	<u>1.83</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to this interim financial report)

**KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>3 Months Ended 30-09-23 RM '000</b>	<b>3 Months Ended 30-09-22 RM '000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	13,896	18,351
Adjustment for:		
Depreciation of property, plant and equipment and investment properties	3,371	3,392
Depreciation of right-of-use assets	274	287
Fair value gain on derivatives financial instrument	-	(15)
Unrealised gain on foreign exchange	(105)	(1,058)
(Write-back of)/Provision for inventories obsolescence	(225)	2,778
Amortisation of deferred income	(74)	(74)
Interest expense	21	60
Interest income	(993)	(468)
Share based payment under ESOS	44	-
Operating profit before working capital changes	<u>16,209</u>	<u>23,253</u>
Increase in inventories	(2,666)	(7,927)
Decrease/(Increase) in receivables	6,245	(9,090)
(Decrease)/Increase in payables	(2,008)	12,053
Cash generated from operations	<u>17,780</u>	<u>18,289</u>
Tax paid	(162)	(46)
Net cash from operating activities	<u>17,618</u>	<u>18,243</u>
<b>Cash Flows (For)/From Investing Activities</b>		
Interest received	993	468
Placement of fixed deposit with tenure more than 3 months	(663)	-
Purchase of property, plant and equipment	(8,648)	(181)
Net cash (for)/from investing activities	<u>(8,318)</u>	<u>287</u>

**KOTRA INDUSTRIES BERHAD (497632-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023**  
(The figures have not been audited)

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

	<b>3 Months Ended 30-09-23 RM '000</b>	<b>3 Months Ended 30-09-22 RM '000</b>
<b>Cash Flows From/(For) Financing Activities</b>		
Repayment of lease liabilities	(238)	(238)
Repayment of term loans	-	(1,901)
Proceeds from issuance of shares	1,248	12
Interest paid	(21)	(60)
Net cash from/(for) financing activities	<u>989</u>	<u>(2,187)</u>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	10,289	16,343
<b>Effect of Exchange Rate Changes on Cash &amp; Cash Equivalents</b>	537	1,315
<b>Cash &amp; Cash Equivalents at beginning of the financial period</b>	79,285	89,716
<b>Cash &amp; Cash Equivalents at end of financial period</b>	<u><u>90,111</u></u>	<u><u>107,374</u></u>
<b>The Cash &amp; Cash Equivalents Comprise The Following :-</b>		
Fixed deposits with licensed bank	89,212	73,700
Short term investment	945	945
Cash and bank balances	10,284	32,729
	<u>100,441</u>	<u>107,374</u>
Less: Fixed deposit with tenure more than 3 months	(10,330)	-
	<u><u>90,111</u></u>	<u><u>107,374</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 2023 and the accompanying explanatory notes attached to this interim financial report)

**KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 30 September 2023</b>				
Balance at 1 July 2023	84,896	153	186,030	271,079
Profit after tax, representing total comprehensive income for the year	-	-	13,660	13,660
Share options exercised	1,380	(132)	-	1,248
Share based payment transactions	-	44	-	44
Share options expired transferred to retained earnings*	-	(65)	65	-
Balance at 30 September 2023	<u>86,276</u>	<u>-</u>	<u>199,755</u>	<u>286,031</u>
<b>As at 30 September 2022</b>				
As at 1 July 2022	84,766	99	159,275	244,140
Profit after tax, representing total comprehensive income for the year	-	-	18,240	18,240
Share options exercised	20	(8)	-	12
Balance at 30 September 2022	<u>84,786</u>	<u>91</u>	<u>177,515</u>	<u>262,392</u>

\*Balance in share options reserve is transferred to the retained earnings upon expiry of ESOS period on 29 July 2023.

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to this interim financial report)**

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 30 September 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 2023.

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 2023 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 2023 :-

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

Amendments to MFRS 101: Disclosure of Accounting Policies;  
Amendments to MFRS 108: Definition of Accounting Estimates;  
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction; and  
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules.

The adoption of the above Malaysian Financial Reporting Standards and/or IC 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:

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 16: 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 107 and MFRS 7: Supplier Finance Arrangements	01-Jan-24
Amendments to MFRS 121: Lack of Exchangeability	01-Jan-25

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.

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## 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 30 September 2023 except for the issuance of 250,000 ordinary shares pursuant to the Company's Employee Share Option Scheme at the exercise prices of RM4.99 each.

## A6. Dividend Paid

There was no payment of dividend in the current quarter.

## A7. Segmental Information

In determining the geographical segments of the Group, sales are based on the country in which the customer is located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

The segment information in respect of the Group's operating segments for the period ended 30 September 2023 is as follows:

	Revenue		Non-current assets	
	3 Months		3 Months	
	Ended 30 Sept		Ended 30 Sept	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	37,550	46,455	143,315	108,909
Overseas	15,759	18,297	-	-
	<u>53,309</u>	<u>64,752</u>	<u>143,315</u>	<u>108,909</u>

The revenue are recognised at a point in time.

No other segmental information such as segment assets, liabilities and results is presented as the Group is principally engaged in pharmaceutical and healthcare products manufacturing and trading business and operates from Malaysia only.

Revenue from one major customer (quarter ended 30 September 2022 : one major customer), with revenue equal to or more than 10% of Group revenue, amounts to RM5.4 million (quarter ended 30 September 2022: RM7.5 million) arising from export sales.

## A8. Events After the Interim Period

There were no material events after the quarter ended 30 September 2023 and up to 27 November 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, restructuring, or discontinuance of operations during the interim period under review.

**KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
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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 30-09-23 RM'000	As at 30-09-22 RM'000
Contracted but not provided for	91,599	32,709

**A12. Significant Related Party Transactions**

The Group's significant related party transactions for the current financial period ended 30 September 2023 are as follows:

	Current Quarter Ended 30 Sept		3 Months Ended 30 Sept	
	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	5	15	5	15
- Lease payment for right-of-use asset	246	246	246	246
A company in which a close member of the family of certain key management personnel has significant financial interests:				
- Sales of goods	(78)	(156)	(78)	(156)

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



**KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023**B. Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad****B1. Review of the Performance of the Group**

	3 Months		Changes %
	Ended 30 Sept		
	2023	2022	
	RM'000	RM'000	
Turnover	53,309	64,752	-17.67%
Profit from operations	13,917	18,411	-24.41%
Profit before tax	13,896	18,351	-24.28%
Profit after tax (PAT)	13,660	18,240	-25.11%
Net PAT margin	25.62%	28.17%	

The Group recorded a decrease in turnover of 17.67% for the current quarter ended 30 September 2023 as compared to the corresponding quarter ended 30 September 2022. In the corresponding quarter ended 30 September 2022, there was an increase in demand for medication from the local market, where there were major shortages of various prescriptions items in the country. Nonetheless, the demand has began to return to normal level subsequent to that quarter.

In the current quarter, there was also decrease in sales of supplement products to export market.

The Group recorded a profit before tax of RM13.90 million for current quarter ended 30 September 2023 as compared to a profit before tax of RM18.35 million in corresponding quarter of the preceding year. The lower profit before tax was primarily attributed to the reduction in revenue.

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

	Quarter Ended		Changes %
	30 Sept	30 Jun	
	2023	2023	
	RM'000	RM'000	
Turnover	53,309	55,800	-4.46%
Profit from operations	13,917	13,509	3.02%
Profit before tax	13,896	13,488	3.02%
Profit after tax (PAT)	13,660	13,088	4.37%
Net PAT margin	25.62%	23.46%	

For the quarter ended 30 September 2023, the Group registered a decrease in revenue of 4.46% to RM53.31 million as compared to RM55.80 million in the preceding quarter. This was mainly due to decreased sales in the local market for both supplement and pharmaceutical products partly offset by the increase in sale of supplement products to export market.

The Group recorded a profit before tax of RM13.90 million in the current quarter as compared to the profit before tax of RM13.49 million in the preceding quarter. The increase in net profit margin was mainly due to the product mix from sales derived in current quarter, partially offset by the higher foreign exchange gain recorded in the preceding quarter.

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## B3. Current Year Prospects

The prevailing economic uncertainty is a result of a complex global landscape, marked by inflationary pressures and exchange rate volatility. This situation, characterized by rising inflation and a depreciating local currency, is likely to persist into 2024, potentially driving up operational costs.

Furthermore, the challenging economic environment may weaken consumer purchasing power, ultimately leading to reduced demand for non-essential pharmaceutical products, which could, in turn, impact pharmaceutical sales.

Despite these formidable challenges, the Board is committed to prudent decision-making and will proactively monitor and review the Group's strategic plans in its quest to create sustainable value for shareholders.

Although the current market sentiment reflects an uncertain economic outlook, the Board maintains confidence in the Group's prospects. Given the sustained demand for the Group's products, it anticipates continued profitability throughout the financial year ending 30 June 2024.

## 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		3 Months	
	Ended 30 Sept		Ended 30 Sept	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Current tax expense	236	111	236	111
Total tax expenses	<u>236</u>	<u>111</u>	<u>236</u>	<u>111</u>

The current income tax expense for the period under review relates to the interest 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.

## 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	As at
	30-09-23	30-09-22
	RM'000	RM'000
(a) Short Term Borrowings		
<u>Secured</u>		
Term loan	-	4,770
	<u>-</u>	<u>4,770</u>
(b) Long Term Borrowings		
<u>Secured</u>		
Term loan	-	-
	<u>-</u>	<u>-</u>

**KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
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There was no material litigation since the financial period ended 30 September 2023 and up to 27 November 2023.

**B10. Dividend Declared**

No dividend had been proposed in respect of the current financial period ended 30 September 2023.

**B11. Profit before tax**

	Quarter		3 Months	
	Ended 30 Sept		Ended 30 Sept	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after (crediting)/charging:				
Interest income	(993)	(468)	(993)	(468)
Other income	(58)	(101)	(58)	(101)
Depreciation of property, plant and equipment and investment properties	3,371	3,392	3,371	3,392
Depreciation of right-of-use assets	274	287	274	287
Amortisation of deferred income	(74)	(74)	(74)	(74)
(Write-back of)/Provision for inventories obsolescence	(225)	2,778	(225)	2,778
Foreign exchange gain				
- realised	(336)	(406)	(336)	(406)
- unrealised	(105)	(1,058)	(105)	(1,058)
Fair value gain on derivatives financial instrument	-	(15)	-	(15)

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 30 September 2023.

**KOTRA INDUSTRIES BERHAD [ 199901022732 (497632-P) ]**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
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	Quarter		3 Months	
	Ended 30 Sept 2023	2022	Ended 30 Sept 2023	2022
<b>(a) Basic Earnings Per Share</b>				
Net Profit attributable to shareholders (RM'000)	13,660	18,240	13,660	18,240
Weighted average number of ordinary shares ('000)	148,296	147,988	148,296	147,988
Basic Earnings per share (sen)	9.21	12.33	9.21	12.33
<b>(b) Diluted Earnings Per Share</b>				
Net Profit attributable to shareholders (RM'000)	13,660	18,240	13,660	18,240
Weighted average number of ordinary shares ('000)	148,296	147,988	148,296	147,988
Adjustment for ESOS ('000)	-	50	-	50
	148,296	148,038	148,296	148,038
Diluted Earnings per share (sen)	9.21	12.32	9.21	12.32

**B13. Net assets per share**

	Unaudited As at 30-09-23	Audited As at 30-06-23
Number of ordinary shares issued ('000)	148,314	148,064
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.93	1.83

**B14. Audit Report**

The auditors' report on the Group's annual financial statements for the year ended 30 June 2023 did not contain any qualification.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN  
Secretary

Date : 28 November 2023