



**KIM TECK CHEONG CONSOLIDATED BERHAD**  
(Company No. 1113927-H)  
(Incorporated in Malaysia under the Companies Act, 1965)

**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

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

|  | Quarter Ended |               | Period to Date Ended |               |
|--|---------------|---------------|----------------------|---------------|
|  | 31-Mar-2023   | 31-Mar-2022   | 31-Mar-2023          | 31-Mar-2022   |
|  | RM'000        | RM'000        | RM'000               | RM'000        |
| Revenue  | 199,089       | 175,015       | 553,758              | 519,161       |
| Cost of sales  | (175,119)     | (154,675)     | (486,617)            | (460,956)     |
| <b>Gross profit</b>  | <b>23,970</b> | <b>20,340</b> | <b>67,141</b>        | <b>58,205</b> |
| Other operating income   | 1,369         | 1,185         | 4,047                | 2,793         |
| Administrative expenses  | (7,017)       | (4,612)       | (19,745)             | (12,969)      |
| Selling and distribution expenses  | (9,167)       | (8,617)       | (24,766)             | (24,140)      |
| Other expenses   | (546)         | (247)         | (2,504)              | (1,059)       |
| <b>Profit from operations</b>  | <b>8,609</b>  | <b>8,049</b>  | <b>24,173</b>        | <b>22,830</b> |
| Finance costs  | (779)         | (785)         | (2,523)              | (2,739)       |
| <b>Profit before tax</b>   | <b>7,830</b>  | <b>7,264</b>  | <b>21,650</b>        | <b>20,091</b> |
| Income tax expense   | (2,301)       | (2,300)       | (5,795)              | (6,506)       |
| <b>Profit for the financial period</b>                                   | <b>5,529</b>  | <b>4,964</b>  | <b>15,855</b>        | <b>13,585</b> |
| <b>Other comprehensive income</b>  |               |               |                      |               |
| Item that may be reclassified subsequently to profit or loss:            |               |               |                      |               |
| Exchange difference on translation of a foreign operation                | 507           | 131           | 1,071                | 120           |
| Item that will not be reclassified subsequently to profit or loss:       |               |               |                      |               |
| Revaluation surplus on leasehold land and buildings, net of deferred tax | -             | -             | -                    | 231           |
| <b>Total comprehensive income for the financial period</b>               | <b>6,036</b>  | <b>5,095</b>  | <b>16,926</b>        | <b>13,936</b> |



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)**

|   | Quarter Ended         |                       | Period to Date Ended  |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 31-Mar-2023<br>RM'000 | 31-Mar-2022<br>RM'000 | 31-Mar-2023<br>RM'000 | 31-Mar-2022<br>RM'000 |
| <b>Profit attributable to:</b>                        |                       |                       |                       |                       |
| Owners of the Company                                 | 4,621                 | 4,505                 | 13,479                | 12,396                |
| Non-controlling interests                             | 908                   | 459                   | 2,376                 | 1,189                 |
|   | <b>5,529</b>          | <b>4,964</b>          | <b>15,855</b>         | <b>13,585</b>         |
| <b>Total comprehensive income attributable to:</b>    |                       |                       |                       |                       |
| Owners of the Company                                 | 4,976                 | 4,591                 | 14,118                | 12,706                |
| Non-controlling interests                             | 1,060                 | 504                   | 2,808                 | 1,230                 |
|   | <b>6,036</b>          | <b>5,095</b>          | <b>16,926</b>         | <b>13,936</b>         |
| <b>Earning per share attributable to the Company:</b> |                       |                       |                       |                       |
| Basic (sen)   | 0.68                  | 0.66                  | 1.98                  | 1.84                  |
| Diluted (sen)   | 0.68                  | 0.66                  | 1.98                  | 1.84                  |

**Note:**

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of Kim Teck Cheong Consolidated Berhad (“**KTC Consolidated**” or the “**Company**”) and its subsidiaries (“**KTC Group**” or the “**Group**”) for the financial year ended (“FYE”) 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.



**KIM TECK CHEONG CONSOLIDATED BERHAD**  
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**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|   | <b>As at<br/>31-Mar-2023<br/>RM'000<br/>Unaudited</b> | <b>As at<br/>30-Jun-2022<br/>RM'000<br/>Audited</b> |
|---|---|---|
| <b><u>ASSETS</u></b>                                |   |   |
| <b>Non-current assets</b>                           |   |   |
| Property, plant and equipment                       | 110,690   | 110,725   |
| Goodwill on consolidation                           | 4,642   | 5,981   |
| <b>Total non-current assets</b>                     | <b>115,332</b>  | <b>116,706</b>                                      |
| <b>Current assets</b>                               |   |   |
| Inventories   | 87,829  | 82,400  |
| Trade and other receivables                         | 110,480   | 108,617   |
| Tax recoverable                                     | 1,991   | 3,549   |
| Cash and bank balances                              | 12,712  | 12,041  |
| <b>Total current assets</b>                         | <b>213,012</b>  | <b>206,607</b>                                      |
| <b>TOTAL ASSETS</b>                                 | <b>328,344</b>  | <b>323,313</b>                                      |
| <b><u>EQUITY AND LIABILITIES</u></b>                |   |   |
| <b>Equity attributable to owners of the Company</b> |   |   |
| Share capital                                       | 100,947   | 100,947   |
| Other reserves                                      | 42,718  | 42,078  |
| Reorganisation deficit                              | (47,971)  | (47,971)  |
| Retained earnings                                   | 72,105  | 58,626  |
|   | 167,799   | 153,680   |
| Non-controlling interests                           | 10,617  | 7,809   |
| <b>TOTAL EQUITY</b>                                 | <b>178,416</b>  | <b>161,489</b>                                      |
| <b>Non-current liabilities</b>                      |   |   |
| Loans and borrowings                                | 20,515  | 20,166  |
| Deferred tax liabilities                            | 15,766  | 15,732  |
| <b>Total non-current liabilities</b>                | <b>36,281</b>   | <b>35,898</b>                                       |



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**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

|                                     | <b>As at<br/>31-Mar-2023<br/>RM'000<br/>Unaudited</b> | <b>As at<br/>30-Jun-2022<br/>RM'000<br/>Audited</b> |
|-------------------------------------|---|---|
| <b>Current liabilities</b>          |   |   |
| Loans and borrowings                | 51,851  | 79,650  |
| Trade and other payables            | 58,943  | 45,044  |
| Taxation                            | 2,853   | 1,232   |
| <b>Total current liabilities</b>    | <u><b>113,647</b></u>                                 | <u><b>125,926</b></u>                               |
| <b>TOTAL LIABILITIES</b>            | <u><b>149,928</b></u>                                 | <u><b>161,824</b></u>                               |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <u><u><b>328,344</b></u></u>                          | <u><u><b>323,313</b></u></u>                        |
| <b>Net asset per share (RM)</b>     | <u>0.26</u>   | <u>0.24</u>   |

**Note:**

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the FYE 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.

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**KIM TECK CHEONG CONSOLIDATED BERHAD**  
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**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | ← Attributable to owners of the Company → |                                  |  |          | → Distributable →              |                 |  |         |
|---|---|----------------------------------|--|----------|--------------------------------|-----------------|--|---------|
|   | ← Non-distributable →                     |                                  | Merger reserve/<br>reorganisation<br>deficit |          | Retained<br>earnings<br>RM'000 | Total<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 |         |
|   | Share<br>capital<br>RM'000                | Revaluation<br>reserve<br>RM'000 | Exchange<br>reserve<br>RM'000                | RM'000   |                                |                 |  |         |
| <b>Balance at 1 July 2022</b>                       | 100,947                                   | 41,805                           | 274  | (47,971) | 58,626                         | 153,681         | 7,809                                      | 161,490 |
| Profit for the financial period                     | -   | -                                | -  | -        | 13,479                         | 13,479          | 2,376                                      | 15,855  |
| <b>Other comprehensive income</b>                   |   |                                  |  |          |                                |                 |  |         |
| - Foreign currency translation                      | -   | -                                | 639  | -        | -                              | 639             | 432  | 1,071   |
| Total comprehensive income for the financial period | -   | -                                | 639  | -        | 13,479                         | 14,118          | 2,808                                      | 16,926  |
| <b>Balance at 31 March 2023</b>                     | 100,947                                   | 41,805                           | 913  | (47,971) | 72,105                         | 167,799         | 10,617                                     | 178,416 |



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**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)**

|  | ← Attributable to owners of the Company → |                               |                            |   | → Distributable →           |                 | Non-controlling interests<br>RM'000 | Total equity<br>RM'000 |
|--|---|-------------------------------|----------------------------|---|-----------------------------|-----------------|-------------------------------------|------------------------|
|  | Share capital<br>RM'000                   | Revaluation reserve<br>RM'000 | Exchange reserve<br>RM'000 | Merger reserve/<br>Reorganisation deficit<br>RM'000 | Retained earnings<br>RM'000 | Total<br>RM'000 |                                     |                        |
| <b>Balance at 1 July 2021</b>  | 99,360                                    | 30,344                        | (45)                       | (47,971)  | 38,225                      | 119,913         | 5,723                               | 125,636                |
| Profit for the financial period  | -   | -                             | -                          | -   | 12,396                      | 12,396          | 1,189                               | 13,585                 |
| <b>Other comprehensive income</b>  |   |                               |                            |   |                             |                 |                                     |                        |
| - Foreign currency translation   | -   | -                             | 79                         | -   | -                           | 79              | 41                                  | 120                    |
| - Revaluation surplus on leasehold land and buildings, net of deferred tax | -   | 231                           | -                          | -   | -                           | 231             | -                                   | 231                    |
| <b>Transaction with owners in their capacity as owners</b>                 |   |                               |                            |   |                             |                 |                                     |                        |
| - Proceeds from placement of shares  | 1,657                                     | -                             | -                          | -   | -                           | 1,657           | -                                   | 1,657                  |
| - Shares issuance expenses   | (70)                                      | -                             | -                          | -   | -                           | (70)            | 29                                  | (41)                   |
| Total comprehensive income for the financial period                        | 1,587                                     | 231                           | 79                         | -   | 12,396                      | 14,293          | 1,259                               | 15,552                 |
| <b>Balance at 31 March 2022</b>  | 100,947                                   | 30,575                        | 34                         | (47,971)  | 50,621                      | 134,206         | 6,982                               | 141,188                |

**Note:**

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the FYE 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.



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**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|   | Period to Date Ended  |                       |
|---|-----------------------|-----------------------|
|   | 31-Mar-2023<br>RM'000 | 31-Mar-2022<br>RM'000 |
| <b>Cash Flows from operating activities</b>             |                       |                       |
| Profit before taxation                                  | 21,650                | 20,091                |
| Adjustments for:  |                       |                       |
| Bad debts written off                                   | 176                   | 66                    |
| Bad debts recovered                                     | (158)                 | (9)                   |
| Depreciation of property, plant and equipment           | 4,903                 | 4,019                 |
| Gain on disposal of property, plant and equipment       | (116)                 | (72)                  |
| Impairment loss on goodwill                             | 1,339                 | -                     |
| Interest expenses                                       | 2,523                 | 2,739                 |
| Interest income   | (237)                 | (161)                 |
| Inventories written off                                 | 989                   | 1,286                 |
| Reversal of impairment on financial assets              | (134)                 | (442)                 |
| Unrealised loss on foreign exchange                     | 1,610                 | 164                   |
| <b>Operating profit before working capital changes</b>  | <b>32,545</b>         | <b>27,681</b>         |
| Change in inventories                                   | (6,418)               | 212                   |
| Change in receivables                                   | (1,748)               | (7,040)               |
| Change in payables                                      | 12,290                | 16,867                |
| <b>Cash generated from operating activities</b>         | <b>36,669</b>         | <b>37,720</b>         |
| Income tax paid   | (2,582)               | (5,790)               |
| Interests paid  | (2,523)               | (2,739)               |
| Interests received                                      | 237                   | 161                   |
| <b>Net cash generated from operating activities</b>     | <b>31,801</b>         | <b>29,352</b>         |
| <b>Cash flows used in investing activities</b>          |                       |                       |
| Acquisition of property, plant and equipment            | (829)                 | (842)                 |
| Addition in right-of-use assets                         | (822)                 | -                     |
| Proceeds from disposal of property, plant and equipment | 116                   | 95                    |
| <b>Net cash used in investing activities</b>            | <b>(1,535)</b>        | <b>(747)</b>          |



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**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

|   | Period to Date Ended  |                       |
|---|-----------------------|-----------------------|
|   | 31-Mar-2023<br>RM'000 | 31-Mar-2022<br>RM'000 |
| <b>Cash flows used in financing activities</b>                        |                       |                       |
| Proceeds from placement of shares                                     | -                     | 1,657                 |
| Shares issuance expenses paid   | -                     | (70)                  |
| Net payments of bankers' acceptances                                  | (34,218)              | (28,785)              |
| Net drawdown/(payment) of trust receipts                              | 5,987                 | (3,399)               |
| Net payments of lease liabilities                                     | (222)                 | (1,028)               |
| Net payments of hire purchase payables                                | (1,191)               | (925)                 |
| Net payments of term loans  | (1,022)               | (1,042)               |
| <b>Net cash used in financing activities</b>                          | <b>(30,666)</b>       | <b>(33,592)</b>       |
| <b>Net decrease in cash and cash equivalents</b>                      | <b>(400)</b>          | <b>(4,987)</b>        |
| Effect of exchange rate fluctuations                                  | 1,071                 | 149                   |
| <b>Cash and cash equivalents at beginning of the financial period</b> | <b>12,041</b>         | <b>9,013</b>          |
| <b>Cash and cash equivalents at end of the financial period</b>       | <b>12,712</b>         | <b>4,175</b>          |

**Note:**

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the FYE 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.





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**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

**A1. Basis of preparation**

The interim financial report of the Group is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134 – Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“**MASB**”), International Financial Reporting Standard (“**IFRSs**”), requirements of the Companies Act, 2016 in Malaysia, Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the FYE 30 June 2022.

**A2. Significant accounting policies**

**Adoption of new and revised MFRS**

The significant accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the FYE 30 June 2022.

**Standards issued but not yet effective**

Certain new accounting standards and interpretations have been issued but not yet effective for 30 June 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods.

**A3. Audited Report of Preceding Annual Financial Statements**

The audited financial statements for the FYE 30 June 2022 was not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

The Group does not experience significant fluctuation in operations due to seasonal factors during the current financial quarter and period-to-date under review.



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**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

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**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023 (CONT'D)**

**A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature in size or incidence during the current financial quarter and period-to-date under review.

**A6. Material Changes in Estimates**

There were no material changes in the estimates of amounts reported that have material effect on the results for the current financial quarter under review.

**A7. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter under review.

**A8. Dividend Paid**

There was no dividend paid during the current financial quarter under review.

**A9. Segmental Reporting**

**a) Revenue by Business Activities:-**

|  | Quarter Ended         |                       | Period to Date Ended  |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 31-Mar-2023<br>RM'000 | 31-Mar-2022<br>RM'000 | 31-Mar-2023<br>RM'000 | 31-Mar-2022<br>RM'000 |
| Distribution of consumer package goods | 193,578               | 171,340               | 538,425               | 508,400               |
| Manufacturing of bakery products       | 4,717                 | 3,675                 | 14,539                | 10,761                |
| Logistic services                      | 794                   | -                     | 794                   | -                     |
|  | <u>199,089</u>        | <u>175,015</u>        | <u>553,758</u>        | <u>519,161</u>        |



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**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

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**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023 (CONT'D)**

**A9. Segmental Reporting (Cont'd)**

**b) Revenue by Geographical Market:-**

|                   | Quarter Ended         |                       | Period to Date Ended  |                       |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                   | 31-Mar-2023<br>RM'000 | 31-Mar-2022<br>RM'000 | 31-Mar-2023<br>RM'000 | 31-Mar-2022<br>RM'000 |
| Sabah             | 117,311               | 99,382                | 319,801               | 297,056               |
| Sarawak           | 48,403                | 46,471                | 142,901               | 142,595               |
| Labuan and others | 33,375                | 29,162                | 91,056                | 79,510                |
|                   | <u>199,089</u>        | <u>175,015</u>        | <u>553,758</u>        | <u>519,161</u>        |

**A10. Material Events Subsequent to The End of The Quarter**

There was no material event subsequent to the end of the current financial quarter under review.

**A11. Changes in The Composition of The Group**

There were no changes in the composition of the Group during the current financial quarter under review.

**A12. Contingent Liabilities and Contingent Assets**

Contingent liabilities

|  | As at<br>31-Mar-2023<br>RM'000<br>Unaudited | As at<br>30-Jun-2022<br>RM'000<br>Audited |
|--|---|---|
| Financial guarantees in favour of third parties for supply of goods and services | <u>13,180</u>                               | <u>34,718</u>                             |

There were no material contingent assets of the Group as at the end of the current financial quarter under review.



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**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

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**NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023 (CONT'D)**

**A13. Material Capital Commitments**

Saved as disclosed below, there are no material capital commitments as at the end of the current financial quarter under review.

**As at  
31-Mar-2023  
RM'000  
Unaudited**

**Authorised and contracted but not provided for:-**

Purchase of property, plant and equipment

4,236

**A14. Significant Related Party Transactions**

There were no significant related party transactions during the current financial quarter under review.

**A15. Valuation of Property, Plant and Equipment**

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter under review.

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**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of Performance**

|                   | Quarter Ended |             | Variance |        | Period to Date Ended |             |
|-------------------|---------------|-------------|----------|--------|----------------------|-------------|
|                   | 31-Mar-2023   | 31-Mar-2022 | RM'000   | %      | 31-Mar-2023          | 31-Mar-2022 |
|                   | RM'000        | RM'000      | RM'000   | %      | RM'000               | RM'000      |
| Revenue           | 199,089       | 175,015     | 24,074   | 13.77% | 553,758              | 519,161     |
| Profit before tax | 7,830         | 7,264       | 566      | 7.79%  | 21,650               | 20,091      |

**Comparison with the preceding period's corresponding quarter**

The Group recorded an increase in revenue by RM24.07 million or 13.77% to RM199.09 million as compared to RM175.02 million in the financial quarter ended 31 March 2022. The increase was mainly attributable to the increase in personal care and cosmetics products, food and beverage products as well as household products during this financial quarter.

The Group has registered a profit before tax of RM7.83 million for the current financial quarter as compared to RM7.26 million in the financial quarter ended 31 March 2022. The growth in profit before tax was mainly due to increase in our group's gross profit and the increase in supply chain income.

**B2. Comparison with the Immediate Preceding Quarter's Result**

|                   | Current     | Immediate   | Variance |        |
|-------------------|-------------|-------------|----------|--------|
|                   | Quarter     | Preceding   | RM'000   | %      |
|                   | 31-Mar-2023 | 31-Dec-2022 | RM'000   | %      |
|                   | RM'000      | RM'000      | RM'000   | %      |
| Revenue           | 199,089     | 174,255     | 24,834   | 14.25% |
| Profit before tax | 7,830       | 7,069       | 761      | 10.77% |

The Group's revenue for the current financial quarter ended 31 March 2022 increased by RM24.83 million or 14.25% to RM199.09 million as compared to RM174.26 million in the immediate preceding financial quarter ended 31 December 2022 mainly due to increase in revenue from personal care and cosmetics products, food and beverage products as well as household products.

The Group's profit before tax for the current financial quarter of RM7.83 million represented increase in profit before tax of RM0.76 million or 10.77% as compared to RM7.07 million in the preceding financial quarter. The increase in profit before tax for the current financial quarter was mainly due to decrease in other expenses as the Group provided impairment loss on goodwill amounting to RM1.34 million in the immediate preceding financial quarter ended 31 December 2022.



**KIM TECK CHEONG CONSOLIDATED BERHAD**  
(Company No. 1113927-H)  
(Incorporated in Malaysia under the Companies Act, 1965)

**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B3. Group's Prospects**

The Group is optimistic of the distribution business segment and expect that it will be satisfactory and continue to be the major contributor in terms of revenue and profit to the Group. The Group is striving to continue serve its existing customers and at the same time attracting new agencies to complement the Group's highly diversified agencies portfolio.

**B4. Variance of Profit Forecast**

The Group did not issue any profit forecast for the current financial period.

**B5. Income Tax Expense**

The breakdown of income tax expense is as follows:

|  | <b>Current<br/>Quarter<br/>31-Mar-2023<br/>RM'000</b> | <b>Period to Date<br/>Ended<br/>31-Mar-2023<br/>RM'000</b> |
|--|---|--|
| Current taxation                             | 2,218   | 5,693  |
| Underprovision of tax expenses in prior year | 68  | 68   |
| Deferred tax expenses                        | 15  | 34   |
|  | <u>2,301</u>  | <u>5,795</u>   |

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the fiscal year.

- (a) The effective tax rate for current financial period was higher than the statutory tax rate mainly due to certain expenses being disallowed for tax purposes.
- (b) Tax expense is recognised based on management's best estimate.

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**KIM TECK CHEONG CONSOLIDATED BERHAD**  
(Company No. 1113927-H)  
(Incorporated in Malaysia under the Companies Act, 1965)

**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B6. Profit before tax**

Profit from operation is derived after charging/(crediting) the following:-

|  | Quarter Ended         |                       | Period to Date Ended  |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 31-Mar-2023<br>RM'000 | 31-Mar-2022<br>RM'000 | 31-Mar-2023<br>RM'000 | 31-Mar-2022<br>RM'000 |
| Bad debts recovered                                  | (139)                 | -                     | (158)                 | (9)                   |
| Interest income                                      | (93)                  | (47)                  | (237)                 | (161)                 |
| Rental incomes                                       |                       |                       |                       |                       |
| - Motor vehicles                                     | (33)                  | (65)                  | (150)                 | (209)                 |
| - Warehouse and offices                              | (57)                  | (52)                  | (181)                 | (158)                 |
| Supply chain income                                  | (708)                 | (649)                 | (2,251)               | (1,417)               |
| Reversal of impairment charge<br>on financial assets | (63)                  | (419)                 | (134)                 | (442)                 |
| Gain on disposal of property, plant<br>and equipment | -                     | (15)                  | (116)                 | (72)                  |
| Auditors' remuneration                               |                       |                       |                       |                       |
| - Statutory audit                                    | 95                    | 82                    | 248                   | 294                   |
| Bad debts written off                                | 176                   | 1                     | 176                   | 66                    |
| Depreciation of property, plant and<br>equipment     | 1,528                 | 1,256                 | 4,903                 | 4,019                 |
| Impairment loss on goodwill                          | -                     | -                     | 1,339                 | -                     |
| Inventories written off                              | 370                   | 667                   | 989                   | 1,286                 |
| Interest expenses                                    | 779                   | 785                   | 2,523                 | 2,739                 |
| Rental expenses                                      |                       |                       |                       |                       |
| - Warehouse and offices                              | 164                   | 50                    | 336                   | 82                    |
| - Office equipments                                  | 15                    | 14                    | 39                    | 23                    |
| Realised loss on foreign exchange                    | 193                   | 231                   | 369                   | 534                   |
| Unrealised loss on foreign exchange                  | 640                   | 227                   | 1,610                 | 164                   |



**KIM TECK CHEONG CONSOLIDATED BERHAD**  
(Company No. 1113927-H)  
(Incorporated in Malaysia under the Companies Act, 1965)

**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B7. Group Borrowings and Debt Securities**

The Group's borrowings as at 31 March 2023 are as follows:

|  | <b>As at</b>                |                           |
|--|-----------------------------|---------------------------|
|  | <b>31-Mar-2023</b>          | <b>30-Jun-2022</b>        |
|  | <b>RM'000<br/>Unaudited</b> | <b>RM'000<br/>Audited</b> |
| <b><u>Non-current</u></b>                        |                             |                           |
| <b><u>Secured</u></b>                            |                             |                           |
| Term loans                                       | 13,759                      | 14,675                    |
| Hire purchase payables                           | 5,934                       | 4,333                     |
| Hire purchase payables (equivalent to BND6,101)  | 20                          | 59                        |
| Lease liabilities                                | 802                         | 1,099                     |
|  | 20,515                      | 20,166                    |
| <b><u>Current</u></b>                            |                             |                           |
| <b><u>Secured</u></b>                            |                             |                           |
| Bankers' acceptances                             | 19,757                      | 53,975                    |
| Trust receipts (equivalent to BND 8,454,051)     | 28,082                      | 22,094                    |
| Term loans                                       | 1,327                       | 1,433                     |
| Hire purchase payables                           | 1,527                       | 1,650                     |
| Hire purchase payables (equivalent to BND16,458) | 55                          | 133                       |
| Lease liabilities                                | 662                         | 365                       |
| Lease liabilities (equivalent to BND 132,684)    | 441                         | -                         |
|  | 51,851                      | 79,650                    |
| <b>Total loans and borrowings</b>                | <b>72,366</b>               | <b>99,816</b>             |





**KIM TECK CHEONG CONSOLIDATED BERHAD**  
(Company No. 1113927-H)  
(Incorporated in Malaysia under the Companies Act, 1965)

**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B8. Material Litigation**

The Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

**B9. Dividend Proposed**

No dividend has been declared or proposed during the current financial quarter under review and for the financial period to date.

**B10. Earning Per Share (“EPS”)**

The basic and diluted EPS for the current financial quarter and period to date are as follows:

|  | Quarter Ended |             | Period to Date Ended |                        |
|--|---------------|-------------|----------------------|------------------------|
|  | 31-Mar-2023   | 31-Mar-2022 | 31-Mar-2023          | 31-Mar-2022            |
| Profit net of tax attributable to the owners of the Company (RM'000) | 4,621         | 4,505       | 13,479               | 12,396                 |
| Weighted average number of ordinary shares in issue (basic) ('000)   | 681,858       | 681,858     | 681,858              | 674,216 <sup>(1)</sup> |
| Basic EPS (sen) <sup>(2)</sup>                                       | 0.68          | 0.66        | 1.98                 | 1.84                   |
| Diluted EPS (sen) <sup>(2)</sup>                                     | 0.68          | 0.66        | 1.98                 | 1.84                   |

**Notes:**

- <sup>(1)</sup> The weighted average number of ordinary shares for basic earnings per share has taken into consideration of 11,568,516 ordinary shares allotted on 29 December 2021 from the private placement.
- <sup>(2)</sup> The basic EPS is the same as diluted EPS of the Group as there were no outstanding convertible options as at the end of the reporting period.



**KIM TECK CHEONG CONSOLIDATED BERHAD**  
(Company No. 1113927-H)  
(Incorporated in Malaysia under the Companies Act, 1965)

**INTERIM FINANCIAL REPORT FOR THE THIRD (3<sup>RD</sup>) QUARTER ENDED 31 MARCH 2023**

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B11. Status of Corporate Proposals**

Saved as disclosed below, there were no other corporate proposals announced but not completed as at the date of this Condensed Report.

On 24 May 2023, UOB Kay Hian Securities (M) Sdn Bhd, on behalf of the Board, had announced that Securities Commission had vide its letter dated 23 May 2023 approved the proposed transfer of the listing of and quotation for the entire issued share capital of KTC from the ACE Market to the Main Market of Bursa Securities under Section 214(1) of the Capital Market and Service Act 2009 and under the Bumiputera equity requirement for public listed companies.

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