



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

**INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024**

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

|   | Quarter Ended         |                       | Year to Date Ended    |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 30-Jun-2024<br>RM'000 | 30-Jun-2023<br>RM'000 | 30-Jun-2024<br>RM'000 | 30-Jun-2023<br>RM'000 |
| Revenue   | 247,501               | 175,632               | 946,340               | 729,390               |
| Cost of sales   | (224,820)             | (149,131)             | (849,028)             | (635,748)             |
| <b>Gross profit</b>   | <b>22,681</b>         | <b>26,501</b>         | <b>97,312</b>         | <b>93,642</b>         |
| Other operating income  | 104                   | 1,815                 | 3,464                 | 4,748                 |
| Administrative expenses                                       | (6,765)               | (7,526)               | (28,089)              | (26,157)              |
| Selling and distribution expenses                             | (9,883)               | (6,256)               | (39,857)              | (31,094)              |
| Other expenses  | (535)                 | (725)                 | (2,757)               | (3,229)               |
| <b>Profit from operations</b>                                 | <b>5,602</b>          | <b>13,809</b>         | <b>30,073</b>         | <b>37,910</b>         |
| Finance costs   | (1,231)               | (908)                 | (4,573)               | (3,431)               |
| <b>Profit before tax</b>                                      | <b>4,371</b>          | <b>12,901</b>         | <b>25,500</b>         | <b>34,479</b>         |
| Income tax expense  | (178)                 | (3,578)               | (6,859)               | (9,373)               |
| <b>Profit for the financial year</b>                          | <b>4,193</b>          | <b>9,323</b>          | <b>18,641</b>         | <b>25,106</b>         |
| <b>Other comprehensive income</b>                             |                       |                       |                       |                       |
| Item that may be reclassified subsequently to profit or loss: |                       |                       |                       |                       |
| Exchange difference on translation of a foreign operation     | (324)                 | 1,086                 | 166                   | 2,185                 |
| <b>Total comprehensive income for the financial year</b>      | <b>3,869</b>          | <b>10,409</b>         | <b>18,807</b>         | <b>27,291</b>         |



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

|   | Quarter Ended         |                       | Year to Date Ended    |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 30-Jun-2024<br>RM'000 | 30-Jun-2023<br>RM'000 | 30-Jun-2024<br>RM'000 | 30-Jun-2023<br>RM'000 |
| <b>Profit attributable to:</b>                        |                       |                       |                       |                       |
| Owners of the Company                                 | 3,648                 | 8,366                 | 16,410                | 21,801                |
| Non-controlling interests                             | 545                   | 957                   | 2,231                 | 3,305                 |
|   | <b>4,193</b>          | <b>9,323</b>          | <b>18,641</b>         | <b>25,106</b>         |
| <b>Total comprehensive income attributable to:</b>    |                       |                       |                       |                       |
| Owners of the Company                                 | 3,417                 | 9,079                 | 16,423                | 23,170                |
| Non-controlling interests                             | 452                   | 1,330                 | 2,384                 | 4,121                 |
|   | <b>3,869</b>          | <b>10,409</b>         | <b>18,807</b>         | <b>27,291</b>         |
| <b>Earning per share attributable to the Company:</b> |                       |                       |                       |                       |
| Basic (sen)   | 0.54                  | 1.23                  | 2.41                  | 3.20                  |
| Diluted (sen)   | 0.54                  | 1.23                  | 2.41                  | 3.20                  |

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



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**INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|   | As at<br>30-Jun-2024<br>RM'000<br>Unaudited | As at<br>30-Jun-2023<br>RM'000<br>Audited |
|---|---|---|
| <b><u>ASSETS</u></b>                                |   |   |
| <b>Non-current assets</b>                           |   |   |
| Property, plant and equipment                       | 116,603                                     | 114,898                                   |
| Goodwill on consolidation                           | 4,642                                       | 4,642                                     |
| <b>Total non-current assets</b>                     | <b>121,245</b>                              | <b>119,540</b>                            |
| <b>Current assets</b>                               |   |   |
| Inventories   | 152,979                                     | 114,284                                   |
| Trade and other receivables                         | 130,397                                     | 96,505                                    |
| Tax recoverable                                     | 4,699                                       | 2,963                                     |
| Cash and bank balances                              | 8,620                                       | 14,149                                    |
| <b>Total current assets</b>                         | <b>296,695</b>                              | <b>227,901</b>                            |
| <b>TOTAL ASSETS</b>                                 | <b>417,940</b>                              | <b>347,441</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                                      | 43,461                                      | 43,448                                    |
| Reorganisation deficit                              | (47,971)                                    | (47,971)                                  |
| Retained earnings                                   | 96,837                                      | 80,427                                    |
|   | 193,274                                     | 176,851                                   |
| Non-controlling interests                           | 14,314                                      | 11,930                                    |
| <b>TOTAL EQUITY</b>                                 | <b>207,588</b>                              | <b>188,781</b>                            |
| <b>Non-current liabilities</b>                      |   |   |
| Loans and borrowings                                | 24,188                                      | 24,074                                    |
| Deferred tax liabilities                            | 15,951                                      | 15,859                                    |
| <b>Total non-current liabilities</b>                | <b>40,139</b>                               | <b>39,933</b>                             |



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**INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024**

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

|                                     | <b>As at<br/>30-Jun-2024<br/>RM'000<br/>Unaudited</b> | <b>As at<br/>30-Jun-2023<br/>RM'000<br/>Audited</b> |
|-------------------------------------|---|---|
| <b>Current liabilities</b>          |   |   |
| Loans and borrowings                | 106,834   | 71,868  |
| Trade and other payables            | 61,133  | 43,943  |
| Taxation                            | 2,246   | 2,916   |
| <b>Total current liabilities</b>    | <b>170,213</b>  | <b>118,727</b>                                      |
| <b>TOTAL LIABILITIES</b>            | <b>210,352</b>  | <b>158,660</b>                                      |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>417,940</b>  | <b>347,441</b>                                      |
| <b>Net asset per share (RM)</b>     | <b>0.30</b>   | <b>0.28</b>   |

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

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**INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024**

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

|   | ← Attributable to owners of the Company → |                                  |                               |  | → Distributable →              |                 |  |                           |
|---|---|----------------------------------|-------------------------------|--|--------------------------------|-----------------|--|---------------------------|
|   | ← Non-distributable →                     |                                  |                               |  |                                |                 |  |                           |
|   | Share<br>capital<br>RM'000                | Revaluation<br>reserve<br>RM'000 | Exchange<br>reserve<br>RM'000 | Merger reserve/<br>reorganisation<br>deficit<br>RM'000 | Retained<br>earnings<br>RM'000 | Total<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 | Total<br>equity<br>RM'000 |
| <b>Balance at 1 July 2023</b>                     | 100,947                                   | 41,805                           | 1,643                         | (47,971)   | 80,427                         | 176,851         | 11,930                                     | 188,781                   |
| Profit for the financial year                     | -   | -                                | -                             | -  | 16,410                         | 16,410          | 2,231                                      | 18,641                    |
| <b>Other comprehensive income</b>                 |   |                                  |                               |  |                                |                 |  |                           |
| - Foreign currency translation                    | -   | -                                | 13                            | -  | -                              | 13              | 153  | 166                       |
| Total comprehensive income for the financial year | -   | -                                | 13                            | -  | 16,410                         | 16,423          | 2,384                                      | 18,807                    |
| <b>Balance at 30 June 2024</b>                    | 100,947                                   | 41,805                           | 1,656                         | (47,971)   | 96,837                         | 193,274         | 14,314                                     | 207,588                   |



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**INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024**

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

|   | ← Attributable to owners of the Company → |                               |                            |   | Distributable | Total   | Non-controlling interests | Total equity |
|---|---|-------------------------------|----------------------------|---|---------------|---------|---------------------------|--------------|
|   | ← Non-distributable →                     |                               |                            | Merger reserve/<br>Reorganisation deficit |               |         |                           |              |
|   | Share capital<br>RM'000                   | Revaluation reserve<br>RM'000 | Exchange reserve<br>RM'000 | RM'000                                    | RM'000        | RM'000  | 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 year                     | -   | -                             | -                          | -   | 21,801        | 21,801  | 3,305                     | 25,106       |
| <b>Other comprehensive income</b>                 |   |                               |                            |   |               |         |                           |              |
| - Foreign currency translation                    | -   | -                             | 1,369                      | -   | -             | 1,369   | 816                       | 2,185        |
| Total comprehensive income for the financial year | -   | -                             | 1,369                      | -   | 21,801        | 23,170  | 4,121                     | 27,291       |
| <b>Balance at 30 June 2023</b>                    | 100,947                                   | 41,805                        | 1,643                      | (47,971)                                  | 80,427        | 176,851 | 11,930                    | 188,781      |

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



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**INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|  | Year to Date Ended |                |
|--|--------------------|----------------|
|  | 30-Jun-2024        | 30-Jun-2023    |
|  | RM'000             | RM'000         |
| <b>Operating activities</b>                                    |                    |                |
| Profit before taxation   | 25,500             | 34,479         |
| Adjustments for:   |                    |                |
| Bad debts written off  | -                  | 179            |
| Reversal of bad debts written off                              | (75)               | (1)            |
| Depreciation of property, plant and equipment                  | 6,601              | 6,673          |
| Gain on disposal of property, plant and equipment              | (239)              | (188)          |
| Goodwill written off   | -                  | 1,339          |
| Interest expenses  | 4,573              | 3,431          |
| Interest income  | (294)              | (386)          |
| Inventories written off  | 2,758              | 1,711          |
| Impairment charge/(Reversal) of impairment on financial assets | 84                 | (679)          |
| Unrealised loss on foreign exchange                            | 344                | 3,152          |
|  | <b>39,252</b>      | <b>49,710</b>  |
| <b>Operating profit before working capital changes</b>         |                    |                |
| Change in inventories  | (41,452)           | (33,596)       |
| Change in receivables  | (33,902)           | 12,614         |
| Change in payables   | 16,846             | (6,752)        |
|  | <b>(19,256)</b>    | <b>21,976</b>  |
| <b>Cash generated (used in)/from operating activities</b>      |                    |                |
| Income tax paid  | (9,172)            | (9,600)        |
| Income tax refunded  | -                  | 2,622          |
| Interests paid   | (4,573)            | (3,431)        |
| Interests received   | 294                | 386            |
|  | <b>(32,707)</b>    | <b>11,953</b>  |
| <b>Net cash generated (used in)/from operating activities</b>  |                    |                |
| <b>Investing activities</b>                                    |                    |                |
| Acquisition of property, plant and equipment                   | (2,380)            | (1,665)        |
| Placement of deposits with a licensed bank                     | (155)              | (294)          |
| Proceeds from disposal of property, plant and equipment        | -                  | 188            |
|  | <b>(2,535)</b>     | <b>(1,771)</b> |
| <b>Net cash used in investing activities</b>                   |                    |                |



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

|   | Year to Date Ended |                 |
|---|--------------------|-----------------|
|   | 30-Jun-2024        | 30-Jun-2023     |
|   | RM'000             | RM'000          |
| <b>Financing activities</b>   |                    |                 |
| Net drawdown/(payment) of bankers' acceptances                      | 35,731             | (17,656)        |
| Net (payment)/drawdown of trust receipts                            | (1,410)            | 8,727           |
| Net payment of lease liabilities                                    | (1,124)            | (2,724)         |
| Net payment of hire purchase payables                               | (3,017)            | -               |
| Net payment of term loans   | (1,242)            | (1,391)         |
| Advances from immediate holding company                             | -                  | 2,500           |
| <b>Net cash from/(used in) financing activities</b>                 | <b>28,938</b>      | <b>(10,544)</b> |
| <b>Net decrease in cash and cash equivalents</b>                    | <b>(6,304)</b>     | <b>(362)</b>    |
| Effect of exchange rate fluctuations                                | 166                | 2,176           |
| <b>Cash and cash equivalents at beginning of the financial year</b> | <b>13,855</b>      | <b>12,041</b>   |
| <b>Cash and cash equivalents at end of the financial year</b>       | <b>7,717</b>       | <b>13,855</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 2023 and the accompanying explanatory notes attached to this interim financial report.

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**INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024**

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024**

**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 Main 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 2023.

**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 2023.

**Standards issued but not yet effective**

Certain new accounting standards and interpretations have been issued but not yet effective for 30 June 2024 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 2023 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 year-to-date under review.



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

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024 (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 year-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  |                | Year to Date Ended |                |
|--|----------------|----------------|--------------------|----------------|
|  | 30-Jun-2024    | 30-Jun-2023    | 30-Jun-2024        | 30-Jun-2023    |
|  | RM'000         | RM'000         | RM'000             | RM'000         |
| Distribution of consumer package goods     | 196,058        | 170,519        | 800,826            | 708,944        |
| Manufacturing of bakery products           | 4,636          | 3,991          | 18,976             | 18,530         |
| Logistic services                          | 3,889          | 1,122          | 9,365              | 1,916          |
| Distribution of telecommunication products | 42,918         | -              | 117,173            | -              |
|  | <u>247,501</u> | <u>175,632</u> | <u>946,340</u>     | <u>729,390</u> |



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

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024 (CONT'D)**

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

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

|                       | Quarter Ended         |                       | Year to Date Ended    |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                       | 30-Jun-2024<br>RM'000 | 30-Jun-2023<br>RM'000 | 30-Jun-2024<br>RM'000 | 30-Jun-2023<br>RM'000 |
| Sabah                 | 155,350               | 97,475                | 577,211               | 419,757               |
| Sarawak               | 61,841                | 44,626                | 245,958               | 185,047               |
| Brunei                | 24,462                | 29,194                | 102,659               | 107,292               |
| Others <sup>(1)</sup> | 5,848                 | 4,337                 | 20,512                | 17,294                |
|                       | <u>247,501</u>        | <u>175,632</u>        | <u>946,340</u>        | <u>729,390</u>        |

**Note:**

<sup>(1)</sup> Others comprised Labuan and Selangor.

**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.

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

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024 (CONT'D)**

**A12. Contingent Liabilities and Contingent Assets**

|  | <b>As at<br/>30-Jun-2024<br/>RM'000<br/>Unaudited</b> | <b>As at<br/>30-Jun-2023<br/>RM'000<br/>Audited</b> |
|--|---|---|
| <b>Contingent liabilities</b>  |   |   |
| Financial guarantees in favour of third parties for supply of goods and services | 22,460  | 13,180  |

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

**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.

|   | <b>As at<br/>30-Jun-2024<br/>RM'000<br/>Unaudited</b> |
|---|---|
| <b>Authorised and contracted but not provided for:-</b> |   |
| Purchase of property, plant and equipment               | 1,014   |

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**INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024**

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

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024 (CONT'D)**

**A14. Significant Related Party Transactions**

Significant transaction between the Group and related party are as follows:

| <b>Name of related parties</b>     | <b>Type of transactions</b> | <b>Current<br/>Quarter<br/>30-Jun-2024<br/>RM'000</b> | <b>Year to Date<br/>Ended<br/>30-Jun-2024<br/>RM'000</b> |
|------------------------------------|-----------------------------|---|--|
| Immediate holding company:         |                             |   |  |
| Kim Teck Cheong Holdings Sdn. Bhd. | Working capital purposes    | -   | 2,500  |

**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 FOURTH (4<sup>TH</sup>) QUARTER ENDED 30 JUNE 2024**

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

**B1. Review of Performance**

|                   | Quarter Ended |             | Variance |         | Year to Date Ended |             |
|-------------------|---------------|-------------|----------|---------|--------------------|-------------|
|                   | 30-Jun-2024   | 30-Jun-2023 | RM'000   | %       | 30-Jun-2024        | 30-Jun-2023 |
|                   | RM'000        | RM'000      | RM'000   | %       | RM'000             | RM'000      |
| Revenue           | 247,501       | 175,632     | 71,869   | 40.93%  | 946,340            | 729,390     |
| Profit before tax | 4,371         | 12,901      | (8,530)  | -66.12% | 25,500             | 34,479      |

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

The Group recorded an increase in revenue by RM71.87 million or 40.93% to RM247.50 million as compared to RM175.63 million in the financial quarter ended 30 June 2023. The increase was mainly attributable to the increase in food and beverage products as well as the increase in the distribution of telecommunication products segment during this financial quarter.

Despite the Group recording revenue growth of 40.93%, the Group has registered a lower profit before tax of RM4.37 million for the current financial quarter as compared to RM12.90 million in the financial quarter ended 30 June 2023. The lower profit before tax was attributable to the higher selling and distribution expenses mainly due to higher staff costs incurred during this financial quarter resulted from the staff salaries adjustments as well as the Group's diversification in providing logistic services to its customers, which required a gestation period to expand its customer base.

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

|                   | Current     | Immediate   | Variance |         |
|-------------------|-------------|-------------|----------|---------|
|                   | Quarter     | Preceding   | RM'000   | %       |
|                   | 30-Jun-2024 | 31-Mar-2024 | RM'000   | %       |
|                   | RM'000      | RM'000      | RM'000   | %       |
| Revenue           | 247,501     | 268,741     | (21,240) | -7.90%  |
| Profit before tax | 4,371       | 7,561       | (3,190)  | -42.19% |

The Group's revenue for the current financial quarter ended 30 June 2024 decreased by RM21.24 million or 7.90% to RM247.50 million as compared to RM268.74 million in the immediate preceding financial quarter ended 31 March 2024 mainly due to decrease in revenue for personal care and cosmetic products segment in the current financial quarter.



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

**B2. Comparison with the Immediate Preceding Quarter's Result (cont'd)**

The Group's profit before tax for the current financial quarter of RM4.37 million represented a decrease in profit before tax of RM3.19 million or 42.19% as compared to RM7.56 million in the preceding financial quarter. The said decrease was mainly attributable to higher selling and distribution expenses incurred due to the reasons explained above.

**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. CPG such as food and beverage products, personal care products, household products and OTC drug and health supplements are daily necessities or goods that are often used or consumed in the daily lives of consumers. As CPG play an inevitable role in the daily lives of consumers, the CPG market experiences less uncertainties and are relatively stable even in the event of economic downturns. 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.

The Group has in place sound business and expansion plans for moving forward which includes expansion of its bakery products manufacturing business, development and expansion of its logistics services as well as expansion of its warehousing capacity by setting up new warehouses. During FYE 30 June 2024, the Group has also ventured into distribution of telecommunication products.

The Group believe the expansion in bakery products manufacturing business, logistic services and the grow in CPG business by attracting new agencies would provide the platform to sustain and grow its business.

**B4. Variance of Profit Forecast**

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

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

**B5. Income Tax Expense**

The breakdown of income tax expense is as follows:

|  | <b>Current<br/>Quarter<br/>30-Jun-2024<br/>RM'000</b> | <b>Year to Date<br/>Ended<br/>30-Jun-2024<br/>RM'000</b> |
|--|---|--|
| Current taxation                                     | 201   | 6,608  |
| (Over)/Under provision of tax expenses in prior year | (19)  | 158  |
| Deferred tax expenses                                | (4)   | 93   |
|  | <hr/>   | <hr/>  |
|  | 178   | 6,859  |

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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**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         |                       | Year to Date Ended    |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 30-Jun-2024<br>RM'000 | 30-Jun-2023<br>RM'000 | 30-Jun-2024<br>RM'000 | 30-Jun-2023<br>RM'000 |
| Bad debts recovered  | (5)                   | -                     | (75)                  | (1)                   |
| Interest income  | (62)                  | (149)                 | (294)                 | (386)                 |
| Rental incomes   |                       |                       |                       |                       |
| - Motor vehicles   | (3)                   | (32)                  | (127)                 | (182)                 |
| - Warehouse and offices                                    | (54)                  | (57)                  | (225)                 | (238)                 |
| Supply chain income  | (160)                 | (665)                 | (1,965)               | (2,916)               |
| Impairment/(Reversal of impairment)<br>on financial assets | 464                   | (545)                 | 84                    | (679)                 |
| Gain on disposal of property, plant<br>and equipment       | (239)                 | (72)                  | (239)                 | (188)                 |
| Auditors' remuneration                                     |                       |                       |                       |                       |
| - Statutory audit  |                       |                       |                       |                       |
| - Current year   | 127                   | 81                    | 415                   | 329                   |
| Bad debts written off                                      | -                     | 3                     | -                     | 179                   |
| Depreciation of property, plant and<br>equipment           | 1,495                 | 1,770                 | 6,601                 | 6,673                 |
| Impairment loss on goodwill                                | -                     | -                     | -                     | 1,339                 |
| Inventories written off                                    | 536                   | 722                   | 2,758                 | 1,711                 |
| Interest expenses  | 1,231                 | 908                   | 4,573                 | 3,431                 |
| Rental expenses  |                       |                       |                       |                       |
| - Warehouse and offices                                    | 639                   | 201                   | 1,910                 | 537                   |
| - Office equipments  | 14                    | 15                    | 53                    | 54                    |
| Realised loss on foreign exchange                          | 249                   | 87                    | 666                   | 456                   |
| Unrealised (gain)/loss on foreign exchange<br>exchange     | (377)                 | 1,543                 | 344                   | 3,152                 |



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**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 30 June 2024 is as follows:

|   | As at               |                   |
|---|---------------------|-------------------|
|   | 30-Jun-2024         | 30-Jun-2023       |
|   | RM'000<br>Unaudited | RM'000<br>Audited |
| <b><u>Non-current</u></b>                       |                     |                   |
| <b><u>Secured</u></b>                           |                     |                   |
| Term loans                                      | 12,261              | 13,473            |
| Hire purchase payables                          | 11,634              | 9,941             |
| Hire purchase payables (equivalent to BND Nil)  | -                   | 14                |
| Lease liabilities                               | 293                 | 646               |
|   | 24,188              | 24,074            |
| <b><u>Current</u></b>                           |                     |                   |
| <b><u>Secured</u></b>                           |                     |                   |
| Bankers' acceptances                            | 72,049              | 36,319            |
| Trust receipts (equivalent to BND8,455,761)     | 29,412              | 30,821            |
| Term loans                                      | 1,213               | 1,244             |
| Bank overdrafts (equivalent to BND130,402)      | 454                 | -                 |
| Hire purchase payables                          | 3,592               | 2,464             |
| Hire purchase payables (equivalent to BND4,836) | 5                   | 50                |
| Lease liabilities                               | 109                 | 664               |
| Lease liabilities (equivalent to BND Nil)       | -                   | 306               |
|   | 106,834             | 71,868            |
| <b>Total loans and borrowings</b>               | <b>131,022</b>      | <b>95,942</b>     |

**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.



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

**B9. Dividend Proposed**

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

**B10. Earning Per Share (“EPS”)**

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

|  | Quarter Ended |             | Year to Date Ended |             |
|--|---------------|-------------|--------------------|-------------|
|  | 30-Jun-2024   | 30-Jun-2023 | 30-Jun-2024        | 30-Jun-2023 |
| Profit net of tax attributable to the owners of the Company (RM'000) | 3,648         | 8,366       | 16,410             | 21,801      |
| Weighted average number of ordinary shares in issue (basic) ('000)   | 681,858       | 681,858     | 681,858            | 681,858     |
| Basic EPS (sen) <sup>(1)</sup>                                       | 0.54          | 1.23        | 2.41               | 3.20        |
| Diluted EPS (sen) <sup>(1)</sup>                                     | 0.54          | 1.23        | 2.41               | 3.20        |

**Note:**

<sup>(1)</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.

**B11. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this Condensed Report.

**B12. Authorisation for Issue**

The interim financial report was authorised for issue by the Board of Directors on 29 August 2024.