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

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2025

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

	Quarter Ended		Period to Date Ended	
	31-Dec-2025 RM'000	31-Dec-2024 RM'000	31-Dec-2025 RM'000	31-Dec-2024 RM'000
Revenue	295,568	272,808	597,226	529,292
Cost of sales	(266,985)	(246,064)	(537,776)	(476,159)
Gross profit	**28,583**	**26,744**	**59,450**	**53,133**
Other operating income	1,500	365	2,137	3,192
Reversal of impairment on financial assets	13	12	24	21
Administrative expenses	(10,390)	(8,313)	(20,541)	(15,766)
Selling and distribution expenses	(13,070)	(11,692)	(25,683)	(23,147)
Other expenses	(2,068)	(644)	(2,777)	(1,234)
Profit from operations	**4,568**	**6,472**	**12,610**	**16,199**
Finance costs	(1,505)	(1,518)	(3,031)	(2,846)
Profit before tax	**3,063**	**4,954**	**9,579**	**13,353**
Income tax expense	(622)	(1,323)	(3,048)	(3,502)
Profit for the financial period	**2,441**	**3,631**	**6,531**	**9,851**
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Exchange difference on translation of foreign operations	(1,188)	759	(1,673)	(2,132)
Total comprehensive income for the financial period	**1,253**	**4,390**	**4,858**	**7,719**

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

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

	Quarter Ended		Period to Date Ended	
	31-Dec-2025 RM'000	31-Dec-2024 RM'000	31-Dec-2025 RM'000	31-Dec-2024 RM'000
Profit attributable to:				
Owners of the Company	3,038	3,554	7,648	9,570
Non-controlling interests	(597)	77	(1,117)	281
	2,441	**3,631**	**6,531**	**9,851**
Total comprehensive income attributable to:				
Owners of the Company	2,291	4,032	6,587	8,252
Non-controlling interests	(1,038)	358	(1,729)	(533)
	1,253	**4,390**	**4,858**	**7,719**
Earning per share attributable to the Company:				
Basic (sen)	0.45	0.52	1.12	1.40
Diluted (sen)	0.45	0.52	1.12	1.40

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 2025 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31-Dec-2025 RM'000 Unaudited	As at 30-Jun-2025 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	195,022	199,795
Goodwill on consolidation	3,835	3,835
Deferred tax assets	92	49
Total non-current assets	**198,949**	**203,679**
Current assets		
Inventories	139,151	156,832
Trade and other receivables	153,204	137,293
Tax recoverable	3,681	2,434
Cash and bank balances	13,286	13,503
Total current assets	**309,322**	**310,062**
TOTAL ASSETS	**508,271**	**513,741**
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	100,947	100,947
Other reserves	73,195	74,256
Reorganisation deficit	(47,971)	(47,971)
Retained earnings	123,137	115,489
	249,308	242,721
Non-controlling interests	12,623	14,352
TOTAL EQUITY	**261,931**	**257,073**
Non-current liabilities		
Loans and borrowings	45,970	22,654
Deferred tax liabilities	25,883	26,681
Total non-current liabilities	**71,853**	**49,335**

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

	As at 31-Dec-2025 RM'000 Unaudited	As at 30-Jun-2025 RM'000 Audited
Current liabilities		
Loans and borrowings	126,282	131,095
Trade and other payables	47,081	74,641
Taxation	1,124	1,597
Total current liabilities	**174,487**	**207,333**
TOTAL LIABILITIES	**246,340**	**256,668**
TOTAL EQUITY AND LIABILITIES	**508,271**	**513,741**
Net asset per share (RM)	0.38	0.38

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 2025 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Non-distributable				Distributable			
	Share capital RM'000	Revaluation reserve RM'000	Exchange reserve RM'000	Merger reserve/ reorganisation deficit RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance at 1 July 2025	100,947	73,996	260	(47,971)	115,489	242,721	14,352	257,073
Profit for the financial period	-	-	-	-	7,648	7,648	(1,117)	6,531
Other comprehensive income								
- Foreign currency translation	-	-	(1,061)	-	-	(1,061)	(612)	(1,673)
Total comprehensive income for the financial period	-	-	(1,061)	-	7,648	6,587	(1,729)	4,858
Balance at 31 December 2025	100,947	73,996	(801)	(47,971)	123,137	249,308	12,623	261,931

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

	Attributable to owners of the Company							
	Non-distributable				Distributable			
	Share capital RM'000	Revaluation reserve RM'000	Exchange reserve RM'000	Merger reserve/ Reorganisation deficit RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance at 1 July 2024	100,947	41,805	1,654	(47,971)	96,837	193,272	14,316	207,588
Profit for the financial period	-	-	-	-	9,570	9,570	281	9,851
Other comprehensive income								
- Foreign currency translation	-	-	(1,318)	-	-	(1,318)	(814)	(2,132)
Total comprehensive income for the financial period	-	-	(1,318)	-	9,570	8,252	(533)	7,719
Balance at 31 December 2024	100,947	41,805	336	(47,971)	106,407	201,524	13,783	215,307

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 2025 and the accompanying explanatory notes attached to this interim financial report.

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

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2025

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Period to Date Ended	
	31-Dec-2025	**31-Dec-2024**
	RM'000	**RM'000**
Operating activities		
Profit before taxation	9,579	13,353
Adjustments for:		
Bad debts (recovered)/ written off	(5)	6
Depreciation of property, plant and equipment	4,673	3,229
Gain on disposal of property, plant and equipment	(30)	(21)
Interest expenses	3,031	2,846
Interest income	(102)	(98)
Inventories written off	2,757	1,233
Reversal of impairment on financial assets	(24)	(21)
Unrealised gain on foreign exchange	(1,934)	(2,518)
Operating profit before working capital changes	**17,945**	**18,009**
Change in inventories	14,519	(34,887)
Change in receivables	(16,540)	(11,254)
Change in payables	(27,138)	14,028
Cash used in operating activities	**(11,214)**	**(14,104)**
Income tax paid	(5,601)	(4,678)
Income tax refunded	-	1,090
Interests paid	(3,031)	(2,846)
Interests received	102	98
Net cash used in operating activities	**(19,744)**	**(20,440)**
Investing activities		
Acquisition of property, plant and equipment	(642)	(10,459)
Placement of deposits with a licensed bank	(800)	(21)
Proceeds from disposal of property, plant and equipment	142	379
Net cash used in investing activities	**(1,300)**	**(10,101)**

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

	Period to Date Ended	
	31-Dec-2025	31-Dec-2024
	RM'000	RM'000
Financing activities		
Net drawdown of bankers' acceptances/ invoice financing	6,722	38,207
Net repayment of trust receipts	(1,111)	(6,719)
Repayment of lease liabilities	(2,389)	(2,041)
Net drawdown/ (repayment) of term loans	26,827	(551)
Net cash generated from financing activities	**30,049**	**28,896**
Net increase/ (decrease) in cash and cash equivalents	**9,005**	**(1,645)**
Effect of exchange rate fluctuations	111	222
Cash and cash equivalents at beginning of the financial period	**(2,718)**	**7,717**
Cash and cash equivalents at end of the financial period	**6,398**	**6,294**

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 2025 and the accompanying explanatory notes attached to this interim financial report.

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2025

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 2025.

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 2025.

Standards issued but not yet effective

Certain new accounting standards and interpretations have been issued but not yet effective for 30 June 2026 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 2025 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.

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2025 (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-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
	RM'000	RM'000	RM'000	RM'000
Distribution of consumer products	287,551	264,719	581,112	513,989
Manufacturing of bakery products	5,446	5,017	11,196	10,117
Logistic services	2,571	3,072	4,918	5,186
	295,568	272,808	597,226	529,292

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

A9. Segmental Reporting (Cont'd)

b) Revenue by Geographical Market:

	Quarter Ended		Period to Date Ended	
	31-Dec-2025 RM'000	31-Dec-2024 RM'000	31-Dec-2025 RM'000	31-Dec-2024 RM'000
Sabah	185,655	164,895	373,577	329,584
Sarawak	81,944	77,983	164,012	142,792
Brunei	20,662	24,697	45,374	46,808
Labuan	5,292	4,625	10,858	9,083
Selangor	2,015	608	3,405	1,025
	295,568	272,808	597,226	529,292

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 31-Dec-2025 RM'000 Unaudited	As at 30-Jun-2025 RM'000 Audited
Financial guarantees in favour of third parties for supply of goods and services	34,892	34,892

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

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2025 (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-Dec-2025 RM'000 Unaudited
Authorised and contracted but not provided for:-	
Purchase of property, plant and equipment	1,511

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.

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-Dec-2025	31-Dec-2024			31-Dec-2025	31-Dec-2024
	RM'000	RM'000	RM'000	%	RM'000	RM'000
Revenue	295,568	272,808	22,760	8%	597,226	529,292
Profit before tax	3,063	4,954	(1,891)	-38%	9,579	13,353

Comparison with the preceding period's corresponding quarter

The Group recorded an increase in revenue by RM22.76 million or 8% to RM295.57 million as compared to RM272.81 million in the financial quarter ended 31 December 2024. The increase in revenue of the Group in the current financial quarter was primarily driven by the stronger domestic demand, a more robust economic recovery and addition of new agencies in year 2025.

Despite higher revenue, the Group reported profit before tax of RM3.06 million in the current financial quarter, fell from RM4.95 million in the corresponding quarter of the preceding year. Lower profit before tax was mainly attributable to higher losses from expired and damaged inventory written off in current financial quarter under review.

B2. Comparison with the Immediate Preceding Quarter's Result

	Current Quarter 31-Dec-2025	Immediate Preceding Quarter 30-Sep-2025	Variance	
	RM'000	RM'000	RM'000	%
Revenue	295,568	301,658	(6,090)	-2%
Profit before tax	3,063	6,516	(3,453)	-53%

The Group's revenue for the current financial quarter ended 31 December 2025 decreased slightly by RM6.09 million or 2% to RM295.57 million as compared to RM301.66 million in the immediate preceding quarter. While East Malaysia's operation maintained steady, the Group's revenue from Brunei dipped, driven partly by the depreciation of Brunei dollar in the current financial quarter. Profit before tax of the Group reduced by 53% as compared to immediate preceding quarter. Aside from lower sales, the decline was also attributable to a rise in inventory written off during the current financial quarter.

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

B3. Group's Prospects

Economics and polls forecast Malaysia's economy to grow around 4.5% in year 2026, supported by robust domestic demand and a strong labour market. Government measures introduced in the Budget 2026 such as the cash assistance SARA and civil service salary adjustments are expected to boost consumer spending throughout year 2026. In addition to the favorable consumer spending trends and sentiments, we strategically expanded our product range to include pet food at the start of 2026. The newly added Royal Canin agency is expected to improve the financial results of the Group in the remaining quarters of current financial year. Regardless of the above, the Group anticipates pressure from higher finance expenses and cash flows requirements as construction of the new warehouse at KKIP progresses. Management will proactively manage liquidity risk by continuously tracking key working capital metrics, such as inventory turnover, receivables and payables cycles. Overall, the Board is optimistic that the Group will continue delivering satisfactory result in the remaining period of the current financial year.

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:

	Current Quarter 31-Dec-2025 RM'000	Period to Date Ended 31-Dec-2025 RM'000
Current taxation	1,304	3,881
Deferred tax expenses	(682)	(833)
	622	3,048

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 lower 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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B6. Profit before tax

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

	Quarter Ended		Period to Date Ended	
	31-Dec-2025 RM'000	31-Dec-2024 RM'000	31-Dec-2025 RM'000	31-Dec-2024 RM'000
Bad debts (recovered)/ written off	(4)	9	(5)	6
Interest income	(55)	(47)	(102)	(98)
Rental incomes				
- Motor vehicles	-	(1)	-	(4)
- Warehouse and offices	(13)	(8)	(30)	(23)
Supply chain income	-	(27)	-	(63)
Reversal of impairment charge on financial assets	(13)	(12)	(24)	(21)
Gain on disposal of property, plant and equipment	(10)	(21)	(30)	(21)
Auditors' remuneration				
- Statutory audit	71	51	143	123
- Other services	12	12	23	23
Depreciation of property, plant and equipment	2,328	1,601	4,673	3,229
Inventories written off	2,048	643	2,757	1,233
Interest expenses	1,504	1,518	3,031	2,846
Rental expenses				
- Warehouse and offices	502	803	1,060	1,416
- Office equipments	111	126	258	219
Realised loss on foreign exchange	695	248	1,351	904
Unrealised gain on foreign exchange	(1,383)	917	(1,934)	(2,518)

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 December 2025 are as follows:

	As at	
	31-Dec-2025	**30-Jun-2025**
	RM'000	**RM'000**
	Unaudited	**Audited**
Non-current		
Secured		
Term loans	36,989	11,194
Lease liabilities	7,046	9,336
Lease liabilities (equivalent to BND612,859)	1,935	2,124
	45,970	22,654
Current		
Secured		
Bankers' acceptances/ invoice financing/ revolving credit	88,079	81,191
Trust receipts (equivalent to BND8,747,476)	27,619	30,038
Term loans	2,030	1,164
Bank overdraft	-	12,045
Bank overdraft (equivalent to BND1,272,093)	4,016	2,105
Lease liabilities	4,380	4,387
Lease liabilities (equivalent to BND49,917)	158	165
	126,282	131,095
Total loans and borrowings	172,252	153,749

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.

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 period to date.

B10. Earnings 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-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
Profit net of tax attributable to the owners of the Company (RM'000)	3,038	3,554	7,648	9,570
Weighted average number of ordinary shares in issue (basic) ('000)	681,858	681,858	681,858	681,858
Basic EPS (sen)[1]	0.45	0.52	1.12	1.40
Diluted EPS (sen)[1]	0.45	0.52	1.12	1.40

Note:

[1] 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 27 February 2026.