



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 2019

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

	Quarter Ended		Year to Date Ended	
	31-Dec-2019 RM'000	31-Dec-2018 RM'000	31-Dec-2019 RM'000	31-Dec-2018 RM'000
Revenue	171,193	150,302	328,505	304,092
Cost of sales	(151,214)	(130,182)	(291,191)	(265,858)
Gross profit	19,979	20,120	37,314	38,234
Other income	840	740	1,257	814
Administrative expenses	(5,289)	(3,364)	(10,361)	(8,872)
Selling and distribution expenses	(9,176)	(9,726)	(16,595)	(16,385)
Other expenses	(379)	(905)	(1,066)	(1,301)
Operating profit	5,975	6,865	10,549	12,490
Finance costs	(2,343)	(2,446)	(4,986)	(4,405)
Profit before tax	3,632	4,419	5,563	8,085
Tax expense	(981)	(1,063)	(1,445)	(2,428)
Profit for the financial period	2,651	3,356	4,118	5,657
Other comprehensive profit, net of tax				
Exchange difference on translation of foreign operation	35	2	(67)	(48)
Revaluation surplus	-	18,708	-	18,708
Total comprehensive income for the financial period	2,686	22,066	4,051	24,317
Profit attributable to:				
Owner of the Company	2,434	2,650	4,162	4,785
Non-controlling interests	217	706	(44)	872
	2,651	3,356	4,118	5,657
Total comprehensive income attributable to:				
Owner of the Company	2,455	21,359	4,122	23,464
Non-controlling interests	231	707	(71)	853
	2,686	22,066	4,051	24,317



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

	Quarter ended		Year to date ended	
	31-Dec-2019	31-Dec-2018	31-Dec-2019	31-Dec-2018
	RM'000	RM'000	RM'000	RM'000
Earning per share attributable to equity holders of the parent:				
Basic (sen)	0.48	0.52	0.82	0.94
Diluted (sen)	0.36	0.40	0.62	0.71

Note:

The Unaudited Condensed Consolidated Statement of Profit or Loss and 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 2019 and the accompanying explanatory notes attached to this interim financial report.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31-Dec-2019 RM'000 Unaudited	As at 30-Jun-2019 RM'000 Audited
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	94,075	95,683
Right-of-use assets	4,130	-
Goodwill on consolidation	5,981	5,981
Total non-current assets	104,186	101,664
Current assets		
Inventories	103,044	111,617
Trade and other receivables	151,259	142,108
Tax recoverable	999	902
Cash and bank balances	4,017	11,677
Total current assets	259,319	266,304
TOTAL ASSETS	363,505	367,968
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Company		
Share capital	99,360	99,360
Other reserves	27,748	27,788
Reorganisation deficit	(47,962)	(47,962)
Retained earnings	31,512	27,686
	110,658	106,872
Non-controlling interests	3,783	3,854
TOTAL EQUITY	114,441	110,726
Non-current liabilities		
Loans and borrowings	18,536	19,889
Deferred tax liabilities	10,040	10,524
Lease liabilities	3,449	-
Total non-current liabilities	32,025	30,413



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

	As at 31-Dec-2019 RM'000 Unaudited	As at 30-Jun-2019 RM'000 Audited
Current liabilities		
Trade and other payables	41,746	41,999
Loans and borrowings	173,217	183,998
Lease liabilities	1,036	-
Taxation	1,040	832
Total current liabilities	217,039	226,829
TOTAL LIABILITIES	249,064	257,242
TOTAL EQUITY AND LIABILITIES	363,505	367,968
Net asset per share (sen)	0.22	0.22

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 2019 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 →				Distributable Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Revaluation reserve RM'000	Exchange reserve RM'000	Reorganisation deficit RM'000				
Balance at 1 July 2019, as previously reported	99,360	27,898	(110)	(47,962)	27,686	106,872	3,854	110,726
Cumulative effect of initial application of MFRS 16	-	-	-	-	(336)	(336)	-	(336)
Restated balance at 1 July 2019	99,360	27,898	(110)	(47,962)	27,350	106,536	3,854	110,390
Profit for the financial period	-	-	-	-	4,162	4,162	(44)	4,118
Other comprehensive loss - Foreign currency translation	-	-	(40)	-	-	(40)	(27)	(67)
Total comprehensive income for the financial period	-	-	(40)	-	4,162	4,122	(71)	4,051
Balance at 31 December 2019	99,360	27,898	(150)	(47,962)	31,512	110,658	3,783	114,441



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

	← Attributable to owners of the Company →				Distributable Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Revaluation reserve RM'000	Exchange reserve RM'000	Reorganisation deficit RM'000				
Restated balance at 1 July 2018	99,360	9,190	(300)	(47,962)	21,492	81,780	4,328	86,108
Profit for the financial period	-	-	-	-	4,785	4,785	872	5,657
Other comprehensive income								
- Foreign currency translation	-	-	(29)	-	-	(29)	(19)	(48)
- Realisation of revaluation reserve	-	(12)	-	-	12	-	-	-
- Revaluation surplus on leasehold land and buildings, net of deferred tax	-	18,708	-	-	-	18,708	-	18,708
Total comprehensive income for the financial period	-	18,696	(29)	-	4,797	23,464	853	24,317
Increase in stake of a subsidiary	-	-	-	-	-	-	-	-
Balance at 31 December 2018	99,360	27,886	(329)	(47,962)	26,289	105,244	5,181	110,425

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 2019 and the accompanying explanatory notes attached to this interim financial report.



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INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year to Date Ended	
	31-Dec-2019 RM'000	31-Dec-2018 RM'000
Cash Flows from operating activities		
Profit before taxation	5,563	8,085
Adjustments for:		
Amortisation of intangible asset	-	39
Bad debts written off	75	-
Bad debts recovered	(1)	-
Depreciation of property, plant and equipment	2,332	1,714
Loss on disposal of property, plant and equipment	2	-
Interest expenses	4,986	4,405
Interest income	(97)	(148)
Inventories written off	988	924
Impairment loss on trade receivables	878	377
Operating profit before working capital changes	14,726	15,396
Change in receivables	(10,104)	15,856
Change in inventories	7,585	581
Change in payables	(252)	(18,536)
Cash generated from operating activities	11,955	13,297
Income tax paid	(1,817)	(599)
Income tax refunded	-	210
Interest paid	(1,149)	(1,309)
Interest received	97	148
Net cash generated from operating activities	9,086	11,747



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

	Year to Date Ended	
	31-Dec-2019 RM'000	31-Dec-2018 RM'000
Cash flows from investing activities		
Acquisition of property, plant and equipment	(510)	(2,373)
Proceeds from disposal of property, plant and equipment	23	-
Net cash used in investing activities	(487)	(2,373)
Cash flows from financing activities		
Net payments of banker's acceptances	(14,666)	(5,980)
Net (payments)/drawdown of term loans	(582)	1,091
Net payments of lease liabilities	(975)	(884)
Net payments of trust receipts	(9,715)	(487)
Interests paid	(3,837)	(3,096)
Net cash used in financing activities	(29,775)	(9,356)
Net (decrease)/increase in cash and cash equivalents	(21,176)	18
Effect of exchange rate fluctuations	(67)	-
Cash and cash equivalents at beginning of the financial period	(23,186)	(33,244)
Cash and cash equivalents at end of the financial period	(44,429)	(33,226)

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 2019 and the accompanying explanatory notes attached to this interim financial report.



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NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 31 DECEMBER 2019

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 Accounting Standards (“**IAS**”) 34: Interim Financial Reporting issued by the International Accounting Standards Board (“**IASB**”), 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 2019.

A2. Significant accounting policies

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 2019, except for the adoption of the following new/revised MFRSs:

MFRS 16 Leases

Under MFRS 16 a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under MFRS 117 would typically have had straight-line expenses) as an assumed linear depreciation of the right-of-use asset and the decreasing interest on the liability will lead to an overall decrease of expense over the reporting period.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate.

As with MFRS 16’s predecessor, MFRS 117, lessors classify leases as operating or finance in nature. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease.

For finance leases a lessor recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment. A lessor recognises operating lease payments as income on a straight-line basis or, if more representative of the pattern in which benefit from use of the underlying asset is diminished, another systematic basis.



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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 2019 (CONT'D)

A2. Significant accounting policies (Cont'd)

MFRS 16 Leases (Cont'd)

Recognition exemptions: Instead of applying the recognition requirements of MFRS 16 described above, a lessee may elect to account for lease payments as an expense on a straight-line basis over the lease term or another systematic basis for the following two (2) types of leases:

- leases with a lease term of twelve (12) months or less and containing no purchase options – this election is made by class of underlying asset; and
- leases where the underlying asset has a low value when new (such as personal computers or small items of office furniture) – this election can be made on a lease-by-lease basis.

The Group applied the modified retrospective approach, whereby the cumulative effect of initial application of MFRS 16 is adjusted to the opening balance of retained earnings at the date of initial application.

The Group had assessed the financial impact on the Group's financial statements upon adoption of MFRS 16 which have been summarised in the table below.

Financial impact

The financial impact from initial adoption of MFRS 16 as at 1 July 2019 are as follows:

	As previously Stated RM'000	Effect of Adoption of MFRS 16 RM'000	As restated RM'000
<u>Increase / (decrease):</u>			
<u>NON-CURRENT ASSETS</u>			
Right-of-use assets	-	4,015	4,015
<u>EQUITY</u>			
Retained earnings	27,686	(336)	27,350
<u>NON-CURRENT LIABILITIES</u>			
Lease liabilities	-	3,478	3,478
<u>CURRENT LIABILITIES</u>			
Lease liabilities	-	873	873



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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 2019 (CONT'D)

A2. Significant accounting policies (Cont'd)

Standards issued but not yet effective

The Group has not adopted the following new standards and amendments to standards that have been issued by the Malaysian Accounting Standard Board which are not yet effective for the Group. The Group intends to adopt the below mentioned new standards and amendments to standards when they become effective.

		Effective date for financial periods beginning on or after
Amendments to MFRS 3	Business Combination – Definition of a Business	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements – Definition of material	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material	1 January 2020
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	Deferred
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021

The adoption of the abovementioned new standards and amendments to standards when they become effective are not expected to have significant impact on the financial statements of the Group.

A3. Audited Report of Preceding Annual Financial Statements

The audited financial statements for the financial year ended 30 June 2019 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 current 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 SECOND (2ND) QUARTER ENDED 31 DECEMBER 2019 (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 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	
	31-Dec-2019 RM'000	31-Dec-2018 RM'000	31-Dec-2019 RM'000	31-Dec-2018 RM'000
Distribution of consumer package goods	169,155	148,646	324,553	300,757
Manufacturing of bakery products	2,038	1,656	3,952	3,335
	<u>171,193</u>	<u>150,302</u>	<u>328,505</u>	<u>304,092</u>



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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 2019 (CONT'D)

A9. Segmental Reporting (Cont'd)

b) Revenue by Geographical Market:-

	Quarter Ended		Year to Date Ended	
	31-Dec-2019 RM'000	31-Dec-2018 RM'000	31-Dec-2019 RM'000	31-Dec-2018 RM'000
Sabah	109,477	73,399	193,638	158,595
Sarawak	36,510	54,005	86,818	97,286
Labuan and others	25,206	22,898	48,049	48,211
	<u>171,193</u>	<u>150,302</u>	<u>328,505</u>	<u>304,092</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

There were no material contingent liabilities, either secured or unsecured and contingent assets of the Group as at the end of the current financial quarter under review.

A13. Material Capital Commitments

The is no material capital commitments as at the end of 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 SECOND (2ND) QUARTER ENDED 31 DECEMBER 2019 (CONT'D)

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.

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	
	31-Dec-2019	31-Dec-2018	RM'000	%	31-Dec-2019	31-Dec-2018
	RM'000	RM'000	RM'000	%	RM'000	RM'000
Revenue	171,193	150,302	20,891	13.90%	328,505	304,092
Profit before tax	3,632	4,419	(787)	-17.81%	5,563	8,085

Comparison with preceding year's corresponding quarter

The Group recorded an increase of revenue by RM20.89 million or 13.90% to RM171.19 million as compared to RM150.30 million in financial quarter ended 31 December 2018, this was mainly due to increase demand on household, healthcare, personal care and cosmetic products as well as increase in nutrition products supplied by a new agency in the current quarter ended.

The Group recorded a decrease of profit before tax by RM0.79 million or 17.81% to RM3.63 million as compared to RM4.42 million in the financial quarter ended 31 December 2018. The lower profit before tax was mainly due to increase in administrative expenses from the following:

- (a) increase in logistic expenses in reflect to the increase in revenue; and
- (b) increase in realized loss on foreign exchange from Kim Teck Cheong Grand Top Sdn. Bhd..



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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 Immediate Preceding Quarter's Result

	Current Quarter 31-Dec-19	Immediate Preceding Quarter 30-Sep-19	Variance	
	RM'000	RM'000	RM'000	%
Revenue	171,193	157,312	13,881	8.82%
Profit before tax	3,632	1,931	1,701	88.09%

The Group's revenue for the current financial quarter ended 31 December 2019 increased by RM13.88 million or 8.82% to RM171.19 million as compared to RM157.31 million in the preceding financial quarter ended 30 September 2019. The increase in revenue was mainly caused by increase in foods and beverages from existing agencies and nutrition products from a new agency. The increased in foods and beverages were mainly due to festival season fall in this financial quarter.

The Group's profit before tax for the current financial quarter of RM3.63 million represents an increase of RM1.70 million or 88.09% as compared to RM1.93 million in the preceding financial quarter. The higher profit before tax in the current financial quarter was due to higher gross profit arising from foods and beverage.

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 profits to the Group. The Group is striving to serve its existing customers better by maintaining a high service standard while offering innovative service, 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.



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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:

	Current Quarter 31-Dec-2019 RM'000	Year to Date Ended 31-Dec-2019 RM'000
Current period tax expense	733	1,483
Under provision of tax expenses in prior year	163	163
Under/(over) provision of deferred tax in prior year	85	(201)
	<u>981</u>	<u>1,445</u>

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

B6. Profit for the Period

Profit for the period is arrived at after charging/(crediting):

	Quarter Ended		Year to Date Ended	
	31-Dec-2019 RM'000	31-Dec-2018 RM'000	31-Dec-2019 RM'000	31-Dec-2018 RM'000
Interest income	(35)	(78)	(97)	(148)
Interest expenses	2,343	2,446	4,986	4,405
Depreciation and amortisation	1,141	552	2,332	1,753
Realised loss/(gain) on foreign exchange	140	-	277	-
Inventories written off	376	528	988	924
Bad debts written off	-	-	75	-
Bad debts recovered	-	-	(1)	-
Loss on disposal of property, plant and equipment	2	-	2	-
Impairment loss on trade receivables	878	377	878	377



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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 31 December 2019 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Unsecured</u>			
Bankers' acceptance	94,923	-	94,923
Trust receipts	15,406	-	15,406
Bank overdrafts	48,446	-	48,446
Revolving credit	12,000	-	12,000
Lease liabilities	1,036	3,449	4,485
	<u>171,811</u>	<u>3,449</u>	<u>175,260</u>
<u>Secured</u>			
Term loan	1,054	17,511	18,565
Finance lease liabilities	1,388	1,025	2,413
	<u>174,253</u>	<u>21,985</u>	<u>196,238</u>

All borrowings indicated above are denominated in Ringgit Malaysia.

B8. Material Litigation

The litigation between Wipro Unza (Malaysia) Sdn. Bhd. (Wipro) to Kim Teck Cheong (Sarawak) Sdn, Bhd., Kim Teck Cheong (Tawau) Sdn. Bhd. and Kim Teck Cheong Sdn. Bhd. (subsidiaries of KTC group of companies) have successfully achieved global settlement at the mediation at high court, Sibiu on 30 January 2020.

B9. Dividend Proposed

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



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

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

B10. Earnings Per Share (“EPS”)

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

	Quarter Ended		Year to Date Ended	
	31-Dec-2019 RM'000	31-Dec-2018 RM'000	31-Dec-2019 RM'000	31-Dec-2018 RM'000
Profit attributable to ordinary equity owners of the Company	2,434	2,650	4,162	4,785
Weighted average number of ordinary shares for basic earnings per share	510,277	510,277	510,277	510,277
Effect of dilution from:				
- redeemable convertible preference shares	160,012	160,012	160,012	160,012
	670,289	670,289	670,289	670,289
Basic EPS (sen)	0.48	0.52	0.82	0.94
Diluted EPS ⁽¹⁾ (sen)	0.36	0.40	0.62	0.71

Note:

(1) The diluted EPS is computed based on the profit attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue and assume the full conversion of the redeemable convertible preference shares into 160,012,387 ordinary shares in the Company.

B11. Status of Corporate Proposals

There is no corporate proposal announced but not completed as at the date of this report.