KOTRA INDUSTRIES BERHAD [199901022732 (497632-P)]

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2025
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Individual Quarter		Cumulative Quarter	
		Current Quarter Ended	Corresponding Quarter Ended	6 Months Cumulative To Date	6 Months Cumulative To Date
		31-12-25	31-12-24	31-12-25	31-12-24
	Note	RM'000	RM'000	RM'000	RM'000
Revenue		61,055	54,432	119,500	120,023
Operating expenses		(47,420)	(45,891)	(94,606)	(93,187)
Other operating (expenses)/income		(678)	5,164	434	(1,423)
Profit from operations		12,957	13,705	25,328	25,413
Finance cost		(8)	(8)	(18)	(18)
Profit before tax		12,949	13,697	25,310	25,395
Tax expense	(B6)	(2,807)	(2,740)	(5,119)	(4,700)
Profit after tax, representing total comprehensive income for the period		10,142	10,957	20,191	20,695
Earnings per share (sen)					
(a) Basic	(B13)	6.84	7.39	13.61	13.95
(b) Diluted	(B13)	6.84	7.39	13.61	13.95

(The Condensed Consolidated Statement of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2025 and the accompanying explanatory notes attached to this interim financial report)

KOTRA INDUSTRIES BERHAD [199901022732 (497632-P)]

QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2025
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As at 31-12-25	Audited As at 30-06-25
		RM '000	**RM '000**
ASSETS			
Non-Current Assets			
Property, plant and equipment		211,523	199,101
Investment properties		1,248	1,261
Right-of-use assets		9,821	10,367
		222,592	210,729
Current Assets			
Derivative assets	(B9)	74	32
Inventories		50,695	51,764
Trade receivables		39,023	32,651
Other receivables, deposits and prepayments		2,956	2,580
Tax recoverable		15	10
Fixed deposits with licensed bank		35,737	18,511
Cash and bank balances		12,812	32,176
		141,312	137,724
TOTAL ASSETS		363,904	348,453
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		86,276	86,276
Retained earnings		194,728	193,818
		281,004	280,094
Non-Current Liabilities			
Long term borrowings	(B8)	23,766	1,531
Lease liabilities		82	82
Deferred taxation		4,854	6,179
Deferred income		168	294
		28,870	8,086
Current Liabilities			
Trade payables		13,982	13,277
Other payables and accruals		33,720	44,125
Lease liabilities		485	960
Current tax liabilities		5,843	1,911
		54,030	60,273
Total Liabilities		82,900	68,359
TOTAL EQUITY AND LIABILITIES		363,904	348,453
Net assets per share attributable to ordinary equity holders of the parent (RM)	(B14)	1.89	1.89

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2025 and the accompanying explanatory notes attached to this interim financial report)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	6 Months Ended 31-12-25 RM '000	6 Months Ended 31-12-24 RM '000
Cash Flows From Operating Activities		
Profit before taxation	25,310	25,395
Adjustment for:		
Depreciation of property, plant and equipment and investment properties	6,430	6,247
Depreciation of right-of-use assets	546	546
Fair value changes on derivatives financial instrument	(42)	-
Unrealised loss/(gain) on foreign exchange	1,400	(1,244)
Provision for inventories obsolescence	424	432
Amortisation of deferred income	(126)	(131)
Loss/(Gain) on disposal of property, plant and equipment	18	(2)
Interest expense	18	18
Interest income	(1,000)	(1,479)
Rental income from investment properties	(9)	-
Operating profit before working capital changes	32,969	29,782
Decrease in inventories	645	1,181
(Increase)/Decrease in receivables	(6,753)	4,879
Decrease in payables	(9,700)	(7,146)
Cash generated from operations	17,161	28,696
Tax paid	(2,575)	(2,143)
Tax refunded	58	14
Net cash from operating activities	14,644	26,567
Cash Flows For Investing Activities		
Interest received	1,000	1,479
Purchase of property, plant and equipment	(18,638)	(19,917)
Rental received	9	-
Proceeds from disposal of property, plant and equipment	26	20
Net cash for investing activities	(17,603)	(18,418)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (continued)

	6 Months Ended 31-12-25 RM '000	6 Months Ended 31-12-24 RM '000
Cash Flows From/(For) Financing Activities		
Dividend paid	(19,281)	(37,820)
Repayment of lease liabilities	(475)	(475)
Drawdown of term loan	22,235	-
Interest paid	(263)	(18)
Net cash from/(for) financing activities	2,216	(38,313)
Net Decrease in Cash & Cash Equivalents	(743)	(30,164)
Effect of Exchange Rate Changes on Cash & Cash Equivalents	(1,395)	279
Cash & Cash Equivalents at beginning of the financial period	50,687	66,013
Cash & Cash Equivalents at end of the financial period	48,549	36,128
The Cash & Cash Equivalents Comprise The Following:-		
Fixed deposits with licensed bank	35,737	22,360
Cash and bank balances	12,812	13,768
	48,549	36,128

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2025 and the accompanying explanatory notes attached to this interim financial report)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM '000	Non - distributable Share Option Reserve RM '000	Distributable Retained Profits RM '000	Total RM '000
As at 31 December 2025				
Balance at 1 July 2025	86,276	-	193,818	280,094
Profit after tax, representing total comprehensive income for the year	-	-	20,191	20,191
Dividend paid	-	-	(19,281)	(19,281)
Balance at 31 December 2025	86,276	-	194,728	281,004
As at 31 December 2024				
As at 1 July 2024	86,276	-	189,163	275,439
Profit after tax, representing total comprehensive income for the year	-	-	20,695	20,695
Dividend paid	-	-	(37,820)	(37,820)
Balance at 31 December 2024	86,276	-	172,038	258,314

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2025 and the accompanying explanatory notes attached to this interim financial report)

A. Explanatory Notes pursuant to MFRS 134 Interim Financial Reporting

A1. Accounting Policies and Methods of Computation

The interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The figures for the cumulative period in the current quarter to 31 December 2025 have not been audited. The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2025.

The material accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2025 except for those mentioned in paragraph A1.1 below.

A1.1 During the current financial period, the Group has adopted the following new Malaysian Financial Reporting Standards and interpretations (including the consequential amendments, if any) which were effective for the financial periods beginning on or after 1 January 2025:-

MFRSs and IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above Malaysian Financial Reporting Standards and/or IC interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements for the period under review.

A1.2 The Group has not applied in advance the following Malaysian Financial Reporting Standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:

MFRSs and IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 18 Presentation and Disclosure in Financial Statements	01-Jan-27
MFRS 19 Subsidiaries without Public Accountability: Disclosures	01-Jan-27
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	01-Jan-26
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	01-Jan-26
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	01-Jan-27
Annual Improvements to MFRS Accounting Standards – Volume 11	01-Jan-26

The adoption of the above-mentioned Malaysian Financial Reporting Standards and IC interpretations (including the consequential amendments, if any), insofar as they are applicable to the Group, is expected to have no material impact on the financial statements of the Group upon their initial application.

A2. Seasonal or Cyclical Factors

The business operation of the Group was not materially affected by any seasonal or cyclical factors.

A3. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting the assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence.

A4. Changes in Estimates

There were no changes in estimates reported in prior interim periods of the current financial year or prior financial years which have a material effect in the current interim period.

A5. Issues, Repurchases and Repayments of Debt and Equity Securities

There were no issues, repurchases or repayments of debt and equity securities, for the period ended 31 December 2025.

A6. Dividend Paid

A second interim single tier dividend of 13.0 sen per ordinary share in respect of the financial year ended 30 June 2025 amounting to RM19,280,831 was paid on 24 October 2025.

A7. Segmental Information

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

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

The segment information in respect of the Group's operating segments for the period ended 31 December 2025 is as follows:

	Revenue Current Quarter Ended 31 Dec		Revenue 6 Months Ended 31 Dec		Non-current assets 6 Months Ended 31 Dec	
	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	39,285	34,817	79,043	73,545	222,592	192,617
Overseas	21,770	19,615	40,457	46,478	-	-
	61,055	54,432	119,500	120,023	222,592	192,617

Revenue is recognised at a point in time.

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

There is no single customer that contributed 10% or more to the Group's revenue for the current period ended 31 December 2025. In the previous period ended 31 December 2024, revenue from one major customer with revenue equal to or more than 10% of the Group's total revenue, amounted to RM18.2 million arising from export sales.

A8. Events After the Interim Period

There were no material events after the quarter ended 31 December 2025 and up to 9 February 2026 that have not been reflected in these financial statements.

A9. Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring, or discontinuance of operations during the period under review.

A10. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets at the end of this reporting period and end of last financial year.

A11. Capital Commitments

The amount committed for the purchase of property, plant and equipment not provided for in the interim financial statements is as follows:

	As at 31-12-25	As at 31-12-24
	RM'000	RM'000
Contracted but not provided for	37,049	60,617

A12. Significant Related Party Transactions

The Group's significant related party transactions for the current financial period ended 31 December 2025 are as follows:

	Current Quarter Ended 31 Dec		**6 Months Ended 31 Dec**	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Companies in which certain key management personnel have significant financial interests:				
- Lease payment on short term leases	2	2	4	4
- Lease payment for right-of-use asset	246	246	492	492
A company in which a close member of the family of certain key management personnel has significant financial interests:				
- Sales of goods	(27)	(73)	(86)	(152)

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

B. Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of the Performance of the Group

(a) Performance of the current quarter against the preceding year corresponding quarter

	Current Quarter Ended 31 Dec		Changes
	2025	**2024**	**%**
	RM'000	**RM'000**	
Turnover	61,055	54,432	12.17%
Profit from operations	12,957	13,705	-5.46%
Profit before tax	12,949	13,697	-5.46%
Profit after tax (PAT)	10,142	10,957	-7.44%
Net PAT margin	16.61%	20.13%	

The Group recorded a 12.17% increase in turnover for the current quarter ended 31 December 2025 compared to the corresponding quarter ended 31 December 2024. This increase was driven by higher sales of pharmaceutical products in both the local and export markets. In addition, sales of supplement products increased in the local market but were partially offset by decreased demand in the export market.

The Group recorded a profit before tax of RM12.95 million for the current quarter ended 31 December 2025, compared to RM13.70 million in the corresponding quarter of the previous year. This decrease in profit before tax was mainly due to a net unrealised foreign exchange gain recorded in the corresponding quarter of the previous year, whereas the current quarter recorded a net unrealised foreign exchange loss. Further details are provided in Note B12 of this report.

(b) Performance of the current period against the preceding year corresponding period

	6 Months Ended 31 Dec		Changes
	2025	**2024**	**%**
	RM'000	**RM'000**	
Turnover	119,500	120,023	-0.44%
Profit from operations	25,328	25,413	-0.33%
Profit before tax	25,310	25,395	-0.33%
Profit after tax (PAT)	20,191	20,695	-2.44%
Net PAT margin	16.90%	17.24%	

The Group recorded a 0.44% decrease in turnover for the period ended 31 December 2025, compared to the corresponding 6 months ended 31 December 2024. This modest decline was primarily due to lower sales of supplement products in the export market.

The Group recorded a profit before tax of RM25.31 million for the period ended 31 December 2025, compared to RM25.40 million in the corresponding 6 months ended 31 December 2024. The slight decrease in profit before tax was mainly driven by lower revenue in the current period.

B2. Comparison with Preceding Quarter's Results

	Quarter Ended		
	31 Dec	**30 Sept**	**Changes**
	2025	**2025**	**%**
	RM'000	**RM'000**	
Turnover	61,055	58,445	4.47%
Profit from operations	12,957	12,371	4.74%
Profit before tax	12,949	12,361	4.76%
Profit after tax (PAT)	10,142	10,049	0.93%
Net PAT margin	16.61%	17.19%	

For the quarter ended 31 December 2025, the Group recorded a 4.47% increase in revenue, reaching RM61.06 million compared to RM58.45 million in the preceding quarter. This growth reflected increased demand for supplement products in the local market.

Profit before tax for the current quarter was RM12.95 million, compared to RM12.36 million in the preceding quarter. This quarter-over-quarter increase was primarily driven by stronger sales performance.

B3. Current Year Prospects

With reference to Bank Negara Malaysia's Monetary Policy Statement issued in January 2026, the Malaysian economy growth momentum is expected to continue in 2026, supported by resilient domestic demand. The Group views this relatively stable macroeconomic environment as providing greater visibility and predictability in healthcare consumption trends. In this context, the Group continues to focus on manufacturing of generic pharmaceuticals and transitioning to biopharmaceutical products.

Notwithstanding the favourable domestic outlook, the Group remains mindful of potential external risks arising from global trade uncertainties and geopolitical development, which may impact input costs and supply chain stability. While the Group remains optimistic, the Board is committed to maintaining a vigilant and prudent approach towards decision-making. Supported by consistent demand for its products, the Group anticipates a positive performance for the financial year ending 30 June 2026. The Board will continue to proactively monitor and review the Group's strategic plans in its quest to create sustainable value for shareholders.

B4. Variance of Actual Profit from Forecast Profit or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee in the current quarter or in the prior financial period.

B5. Statement by Directors

The Group did not disclose or announce any profit forecast or projection in a public document in the current quarter or prior financial period.

B6. Breakdown of Tax Charges

	Quarter Ended 31 Dec		6 Months Ended 31 Dec	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Income tax:				
- Current tax expense	3,723	537	6,444	1,904
Deferred Taxation				
- Origination and reversal of temporary differences	(916)	2,203	(1,325)	2,796
Total tax expenses	2,807	2,740	5,119	4,700

The Group's income tax expense is determined based on business profit and interest income. The increase in tax expenses for the period ended 31 December 2025, compared to the corresponding period ended 31 December 2024, was primarily due to a lower estimated utilisation of tax incentives under double deduction claims.

The effective tax rate for the period under review is lower than the standard tax rate mainly due to the availability of tax incentives on double deduction for eligible expenses provided under the Promotion of Investment Act 1986. The Group recognizes tax liabilities based on prevailing tax laws and approved financial reporting standards on deferred taxation.

B7. Status of Corporate Proposals

There were no corporate proposals announced by the Company as at the date of the issue of this quarterly report.

B8. Details of Group Borrowings and Debt Securities

The Group's borrowings as at the end of this financial period were as follows:

	As at 31-12-25 RM'000	As at 31-12-24 RM'000
(a) Long Term Borrowings		
Secured		
Term loan	23,766	-

	Quarter Ended 31 Dec		6 Months Ended 31 Dec	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(b) Interest Expenses Capitalised	206	-	245	-

The Group capitalised interest expenses that were directly attributable to the construction or acquisition of qualifying property, plant and equipment in accordance with the Group's accounting policy.

B9. Derivative Financial Instruments

(a) Derivative financial instruments are categorised as fair value through profit or loss and measured at their fair value with the changes in fair value recognised in the statement of profit or loss and other comprehensive income at each reporting date. Financial instruments are deployed as risk management tools by the Group and are not used for trading or speculative purposes.

The outstanding Forward Foreign Exchange Contracts as at 31 December 2025 are as follows:

	Contract Amount RM'000	Fair Value RM'000	
Foreign Exchange Forward Contracts			
- Less than 1 year	7,063	6,989	USD 1.72 million

These forward foreign exchange contracts were entered into to hedge against fluctuations in exchange rates. The settlement dates of these contracts are from January to March 2026.

(b) There have been no changes since the end of the previous financial year in respect of the following:

- the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- the related accounting policies.

B10. Material Litigation

There was no material litigation since the financial period ended 31 December 2025 and up to 9 February 2026.

B11. Dividend Declared

The Board of Directors declares an interim single tier dividend of 9.0 sen per ordinary share in respect of the financial year ending 30 June 2026, amounting to approximately RM 13.35 million. The entitlement date and payment date for the interim dividend are 14 April 2026 and 23 April 2026 respectively.

B12. Profit before tax

	Quarter Ended 31 Dec		6 Months Ended 31 Dec	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit before tax is arrived at after (crediting)/charging:				
Interest income	(477)	(610)	(1,000)	(1,479)
Other income	(173)	(78)	(245)	(156)
Depreciation of property, plant and equipment and investment properties	3,226	3,008	6,430	6,247
Depreciation of right-of-use assets	273	273	546	546
Amortisation of deferred income	(63)	(65)	(126)	(131)
Rental income from investment properties	(4)	-	(9)	-
Loss/(Gain) on disposal of property, plant and equipment	20	(2)	18	(2)
Provision for inventories obsolescence	344	171	424	432
Foreign exchange (gain)/loss				
- realised	(310)	2,519	(430)	4,435
- unrealised	1,755	(6,928)	1,400	(1,244)
Fair value changes on derivatives financial instrument	(70)	-	(42)	-

There was no gain or loss on disposal of quoted or unquoted investment or properties nor any exceptional items for the current quarter and financial period ended 31 December 2025.

B13. Earnings Per Share

	Quarter Ended 31 Dec		6 Months Ended 31 Dec	
	2025	**2024**	**2025**	**2024**
(a) Basic Earnings Per Share				
Net Profit attributable to shareholders (RM'000)	10,142	10,957	20,191	20,695
Weighted average number of ordinary shares ('000)	148,314	148,314	148,314	148,314
Basic Earnings per share (sen)	6.84	7.39	13.61	13.95
(b) Diluted Earnings Per Share				
Net Profit attributable to shareholders (RM'000)	10,142	10,957	20,191	20,695
Weighted average number of ordinary shares ('000)	148,314	148,314	148,314	148,314
Diluted Earnings per share (sen)	6.84	7.39	13.61	13.95

B14. Net assets per share

	Unaudited As at 31-12-25	**Audited As at 30-06-25**
Number of ordinary shares issued ('000)	148,314	148,314
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.89	1.89

B15. Audit Report

The auditors' report on the Group's annual financial statements for the year ended 30 June 2025 did not contain any qualification.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN
Secretary

Date : 10 February 2026