

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 31 MARCH 2022**
(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR QUARTER</u> <u>31/03/22</u> <u>RM'000</u>	<u>PRECEDING YEAR CORRESPONDING QUARTER</u> <u>31/03/21</u> <u>RM'000</u>	<u>CURRENT YEAR TO DATE</u> <u>31/03/22</u> <u>RM'000</u>	<u>PRECEDING YEAR CORRESPONDING PERIOD</u> <u>31/03/21</u> <u>RM'000</u>
Revenue	53,006	41,249	188,312	136,588
Cost of Sales	(47,740)	(34,920)	(164,041)	(115,691)
Gross Profit	5,266	6,329	24,271	20,897
Other Income	78	263	888	1,273
Administrative and Operating Expenses	(4,130)	(4,100)	(14,572)	(14,564)
Finance Costs	(66)	(69)	(270)	(277)
Profit Before Tax	1,148	2,423	10,317	7,329
Tax expense	(402)	(928)	(2,760)	(2,624)
PROFIT FOR THE FINANCIAL PERIOD/ TOTAL COMPREHENSIVE INCOME	746	1,495	7,557	4,705
Profit attributable to:				
Owners of the parent	746	1,495	7,557	4,705
Total comprehensive income attributable to:				
Owners of the parent	746	1,495	7,557	4,705
Earnings per share (sen):				
- Basic	0.16	0.31	1.59	0.99
- Diluted	0.16	0.31	1.59	0.99

(The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial statements on page 5-12)

KARYON INDUSTRIES BERHAD (Registration No: 200301010377 (612797-T))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

(The figures have not been audited)

	UNAUDITED	AUDITED
	As at 31/03/22 RM'000	As at 31/03/21 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	39,987	39,874
Right-of-use assets	557	701
	<u>40,544</u>	<u>40,575</u>
Current assets		
Inventories	34,018	23,198
Trade and other receivables	37,747	32,797
Current tax assets	822	187
Cash and bank balances	30,758	33,658
	<u>103,345</u>	<u>89,840</u>
TOTAL ASSETS	<u>143,889</u>	<u>130,415</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	47,609	47,609
Retained earnings	63,285	55,728
TOTAL EQUITY	<u>110,894</u>	<u>103,337</u>
Non-current liabilities		
Borrowings	5,771	6,502
Lease liabilities	91	219
Deferred tax liabilities	3,061	2,675
	<u>8,923</u>	<u>9,396</u>
Current liabilities		
Trade and other payables	21,780	15,629
Borrowings	2,164	1,863
Lease liabilities	128	190
	<u>24,072</u>	<u>17,682</u>
TOTAL LIABILITIES	<u>32,995</u>	<u>27,078</u>
TOTAL EQUITY AND LIABILITIES	<u>143,889</u>	<u>130,415</u>
 Net assets per share attributable to owners of the parent (RM)	 <u>0.23</u>	 <u>0.22</u>

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial statements on page 5-12)

KARYON INDUSTRIES BERHAD (Registration No: 200301010377 (612797-T))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 4TH QUARTER ENDED 31 MARCH 2022
(The figures have not been audited)

Quarter ended 31 March 2022

Balance as at 01.04.2021
Total comprehensive income for the period
Balance as at 31.03.2022

ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	RETAINED EARNINGS	TOTAL
<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
47,609	55,728	103,337
-	7,557	7,557
47,609	63,285	110,894

Quarter ended 31 March 2021

Balance as at 01.04.2020
Total comprehensive income for the period
Dividends paid
Balance as at 31.03.2021

ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	RETAINED EARNINGS	TOTAL
<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
47,609	55,780	103,389
-	4,705	4,705
-	(4,757)	(4,757)
47,609	55,728	103,337

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial statements on page 5-12)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 4TH QUARTER ENDED 31 MARCH 2022**
(The figures have not been audited)

	CURRENT YEAR TO DATE 31/03/22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,317	7,329
Adjustments for:		
Depreciation of:		
- property, plant and equipment	1,379	1,323
- right-of-use assets	144	78
Interest expense	270	277
Interest income	(369)	(791)
Impairment loss on inventories	-	257
Loss on disposal of property, plant and equipment	-	53
Property, plant and equipment written off	9	3
Unrealised loss/(gain) on foreign exchange	121	(194)
Operating profit before changes in working capital	11,871	8,335
Net changes in inventories	(10,820)	1,668
Net changes in trade and other receivables	(5,151)	(7,227)
Net changes in trade and other payables	6,264	(2,027)
CASH GENERATED FROM OPERATIONS	2,164	749
Interest received	88	175
Tax paid	(3,009)	(2,351)
Tax refunded	-	1
NET CASH USED IN OPERATING ACTIVITIES	(757)	(1,426)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Placements)/Withdrawals of deposits with licensed banks with original maturity date more than three months	(36)	12,817
Interest received	281	616
Proceeds from disposal of property, plant and equipment	-	25
Purchase of property, plant and equipment	(1,501)	(2,582)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(1,256)	10,876
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdowns of bankers' acceptance	5,723	1,788
Repayments of:		
- bankers' acceptance	(5,444)	(667)
- lease liabilities	(200)	(122)
- term loans	(709)	(679)
Interest paid	(260)	(266)
Dividends paid	-	(4,757)
NET CASH USED IN FINANCING ACTIVITIES	(890)	(4,703)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,903)	4,747
EFFECTS OF EXCHANGE RATE CHANGES ON CASH & CASH EQUIVALENTS	(33)	10
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	31,911	27,154
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (Note 1)	28,975	31,911

Note 1: Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise of the following:

	RM'000
Cash and bank balances	30,758
Less: Deposits with licensed banks (more than three months)	(1,783)
Cash and bank balances at the end of the period	28,975

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial statements on page 5-12)

UNAUDITED QUARTERLY REPORT FOR THE 4TH QUARTER ENDED 31 MARCH 2022

Explanatory notes to the Interim Financial Statements

1. Accounting Policies and Basis of Preparation

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021.

2. Significant Accounting Policies

The significant accounting policies adopted by KIB and its subsidiaries (“Group”) in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2021 except for the MFRS, Amendments to MFRS and IC Interpretations which are effective for the annual period beginning on 1 January 2021. The adoption of these MFRS, Amendments to MFRS and Interpretations will have no material impact on the financial statements of the Group.

At the date of authorisation of these interim financial statements, the following MFRS and Amendments to MFRSs were issued but not yet effective and have not been applied by the Group:

MFRSs and Amendments to MFRSs issued but not yet effective		Effective for annual periods beginning on or after
Amendments to MFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021	1 April 2021
Amendments to MFRS 1, MFRS 9 and MFRS 141	Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

3. Audit Report of the Preceding Audited Financial Statements

The auditors' report of the preceding annual financial statements of the Group was not subject to any qualification.

4. Seasonal or Cyclical Factors

There were no seasonal or cyclical factors affecting the results of the Group for the current financial quarter under review and financial year-to-date.

5. Unusual Items

There were no items or events that arose, which is unusual because of its nature, size, or incidence that has affected the assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter under review and financial year-to-date.

6. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have material effect on the current financial quarter under review and financial year-to-date.

7. Changes in Debts and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs and share cancellation for the current financial quarter under review and financial year-to-date.

8. Dividends Paid

The dividends paid during the current financial quarter and cumulative financial year-to-date are as follows:

	Company			
	2022		2021	
	Gross dividend per share sen	Amount of dividend RM	Gross dividend per share sen	Amount of dividend RM
In respect of the financial year ended 31 March 2021				
First interim single-tier dividend of 0.30 sen per ordinary share, declared on 25 June 2020 and paid on 24 July 2020	-	-	0.30	1,427,139
Second interim single-tier dividend of 0.70 sen per ordinary share, declared on 1 October 2020 and paid on 30 October 2020	-	-	0.70	3,329,992

9. Segmental Reporting

The segmental result of the Group for the current financial quarter under review and the preceding year corresponding quarter are set out below:

3 months ended 31 March 2022

	Investment Holding	Manufacturing of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	1,515	54,338	-	55,853
Inter-Segment sales	(1,490)	(1,357)	-	(2,847)
External	25	52,981	-	53,006
RESULT				
Segment result	(1,344)	2,557	1	1,214
Finance costs	-	(66)	-	(66)
(Loss)/Profit before tax	(1,344)	2,491	1	1,148
Tax expense	(40)	(362)	-	(402)
(Loss)/Profit after tax	(1,384)	2,129	1	746
Consolidated Statement of Financial Position				
Segment assets	6,212	137,574	103	143,889
Segment liabilities	1,356	31,633	6	32,995

3 months ended 31 March 2021

	Investment Holding	Manufacturing of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	1,031	42,544	-	43,575
Inter-Segment sales	(990)	(1,336)	-	(2,326)
External	41	41,208	-	41,249
RESULT				
Segment result	(1,008)	3,501	(1)	2,492
Finance costs	-	(69)	-	(69)
(Loss)/Profit before tax	(1,008)	3,432	(1)	2,423
Tax expense	(108)	(819)	(1)	(928)
(Loss)/Profit after tax	(1,116)	2,613	(2)	1,495
Consolidated Statement of Financial Position				
Segment assets	8,585	121,405	425	130,415
Segment liabilities	1,008	26,066	4	27,078

9. **Segmental Reporting (cont'd)**

The segmental result of the Group for the cumulative financial quarter under review and the preceding year corresponding period are set out below:

Cumulative 12 months ended 31 March 2022

	Investment Holding	Manufacturing of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	6,368	194,045	-	200,413
Inter-Segment sales	(6,280)	(5,821)	-	(12,101)
External	88	188,224	-	188,312
RESULT				
Segment result	(4,329)	14,919	(3)	10,587
Finance costs	-	(270)	-	(270)
(Loss)/Profit before tax	(4,329)	14,649	(3)	10,317
Tax expense	(365)	(2,393)	(2)	(2,760)
(Loss)/Profit after tax	(4,694)	12,256	(5)	7,557
Consolidated Statement of Financial Position				
Segment assets	6,212	137,574	103	143,889
Segment liabilities	1,356	31,633	6	32,995

Cumulative 12 months ended 31 March 2021

	Investment Holding	Manufacturing of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	9,235	141,647	-	150,882
Inter-Segment sales	(9,060)	(5,234)	-	(14,294)
External	175	136,413	-	136,588
RESULT				
Segment result	(3,583)	11,187	2	7,606
Finance costs	-	(277)	-	(277)
(Loss)/Profit before tax	(3,583)	10,910	2	7,329
Tax expense	(651)	(1,970)	(3)	(2,624)
(Loss)/Profit after tax	(4,234)	8,940	(1)	4,705
Consolidated Statement of Financial Position				
Segment assets	8,585	121,405	425	130,415
Segment liabilities	1,008	26,066	4	27,078

10. Valuation of Property, Plant and Equipment

The Group's property, plant and equipment is carried at cost and have been brought forward without amendment from the latest audited annual financial statements.

11. Events Subsequent to the End of the Current Financial Quarter

The Company had on 1 April 2022, announced that its two wholly-owned subsidiary companies which are dormant/ inactive, namely Karyon Ventures Sdn Bhd and Karyon (Malaysia) Sdn Bhd have been placed under voluntary winding up procedures.

The voluntary winding up of the abovementioned subsidiaries is not expected to have any material impact on the earnings and net assets of the Group for the financial year ending 31 March 2023.

12. Changes in the Composition of the Group

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

13. Contingent Liabilities and Contingent Assets

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

14. Capital Commitment

Capital commitment as at 31 March 2022 is as follows:

	<u>RM</u>
Capital expenditure in respect of purchase of property, plant and equipment:	
Contracted but not provided for	<u>141,000</u>

15. Performance Review

Current Financial Quarter as compared with Previous Year Corresponding Quarter

	3 Months Ended		Variance	
	31.03.2022	31.03.2021	Amount	%
	RM'000	RM'000	RM'000	
Revenue	53,006	41,249	11,757	28.50
Profit before tax ("PBT")	1,148	2,423	(1,275)	(52.62)

The Group's revenue had increased by RM11.76 million or 28.50% in the current quarter under review as compared to the corresponding quarter in the preceding financial period, due mainly to the increase in selling price of polymeric products by approximately 34.48% as a result of increase in cost of raw materials purchased.

However, the Group's PBT had decreased by RM1.28 million, from RM2.42 million for the quarter ended 31 March 2021 to RM1.15 million for the current quarter under review. This was due mainly to decrease in gross profit margin of 5.44%, resulting from the greater increase in raw material price as compared to selling price during the current quarter under review.

15. Performance Review (cont'd)

Current Financial Year-To-Date as compared with Previous Year Corresponding Year-To-Date

	12 Months Ended		Variance	
	31.03.2022	31.03.2021	Amount	%
	RM'000	RM'000	RM'000	
Revenue	188,312	136,588	51,724	37.87
PBT	10,317	7,329	2,988	40.77

The Group's revenue and PBT had increased by RM51.72 million and RM2.99 million, respectively, in the current cumulative financial quarter ended 31 March 2022 as compared to the corresponding quarters in the preceding financial period. The increase in the Group's revenue and PBT were attributed mainly by the higher selling price of polymeric products, coupled with higher production output in the current financial year under review.

16. Material Changes in PBT as Compared with the Immediate Preceding Quarter

	3 Months Ended		Variance	
	31.03.2022	31.12.2021	Amount	%
	RM'000	RM'000	RM'000	
Revenue	53,006	48,348	4,658	9.63
PBT	1,148	3,979	(2,831)	(71.15)

The Group's revenue had increased by RM4.66 million or 9.63% as compared to the immediate preceding quarter ended 31 December 2021 due mainly to the increase in selling price of polymeric products approximately 5.89% as a result of increase in cost of raw materials purchased.

However, the Group's PBT had decreased significantly by RM2.83 million or 71.15% for the current quarter under review as compared to the immediate preceding quarter due mainly to the decrease in gross profit margin by approximately 6.07%, resulting from the greater increase in raw material price as compared to selling price.

17. Future Prospects

Recent global development such as Russia-Ukraine conflict and China's Covid-19 lockdowns had led to logistics bottlenecks, raw material shortages and rising prices. The market spending and consumers' buying pattern might also be impacted which may cause to certain market segments to slow down.

We foresee that the market outlook for the coming financial year remains challenging. Therefore, we will remain cautious on capacity expansion as well as the spending on capital expenditure. Further, with the healthy order book on hand, the Group will continue to meet its delivery commitments with best efforts and at the same time improve its operational and cost efficiency.

The Board is of the opinion that the financial performance of the Group would remain satisfactory for the financial year ending 31 March 2023.

18. Variance of Profit Forecast and Shortfall in Profit Guarantee

The Group has not issued any profit forecast or profit guarantee for the current financial quarter under review.

19. Tax Expense

The tax expense charged for the current financial quarter under review and financial year-to-date includes the followings:

	Current quarter 31.03.2022 RM'000	Financial Year- To-Date 31.03.2022 RM'000
Current income tax	338	2,613
Over provision of income tax in prior year	-	(239)
Current deferred tax	64	386
	<u>402</u>	<u>2,760</u>

The Group's effective tax rate was higher than the statutory tax rate due mainly to certain expenses which are disallowed for tax purposes.

20. Status of Corporate Proposal

There was no corporate proposal announced but not completed as at the reporting date.

21. Group Borrowings and Debt Securities

The Group's borrowings, which are all denominated in Ringgit Malaysia, as at 31 March 2022 are shown below:

	As at 31.03.2022 RM'000	As at 31.03.2021 RM'000
Long Term Borrowings - secured		
Term loans	5,771	6,502
Short Term Borrowings - secured		
Banker acceptances	1,400	1,121
Term loans	764	742
	<u>2,164</u>	<u>1,863</u>
Total	<u>7,935</u>	<u>8,365</u>

22. Material Litigation

The Group does not have any material litigation which would materially affect the financial position of the Group as at the reporting date.

23. Dividends Payable

No dividend was declared or payable for the current financial quarter under review.

24. **Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

PBT is arrived at after charging/(crediting) the following items:

	Current Quarter Ended		12 Months Ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Bad debts recovered	-	-	(480)	(127)
Depreciation of property, plant and equipment	346	283	1,379	1,323
Depreciation of right-of-use assets	35	78	144	78
Loss on disposal of property, plant and equipment	-	-	-	53
Impairment loss on inventories	-	257	-	257
Net foreign exchange loss/(gain) - realised	-	155	(67)	423
Net foreign exchange loss/(gain) - unrealised	75	(178)	121	(194)
Property, plant and equipment written off	5	1	9	3
Interest income	(76)	(109)	(281)	(616)
Interest expenses	66	69	270	277

Save as disclosed above, the other items required under Paragraph 16, Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Securities are not applicable.

25. **Earnings Per Share (“EPS”)**

Basic

The calculation of the basic EPS is based on the net profit for the current financial quarter and the 12-months financial period, divided by the weighted average number of ordinary shares of KIB during the current financial quarter and the 12-months financial period.

	Current Quarter Ended		12 Months Ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Profit attributable to owners of the parent (RM'000)	746	1,495	7,557	4,705
Weighted average number of ordinary shares in issue ('000)	475,713	475,713	475,713	475,713
Basic EPS (sen)	0.16	0.31	1.59	0.99

Diluted

The diluted EPS for the current financial quarter and the 12-months financial period is equal to the basic EPS for the respective financial year as there were no outstanding dilutive potential ordinary shares at the end of each reporting year.