

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE 3RD QUARTER ENDED 31 DECEMBER 2022**  
(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<b>CURRENT YEAR QUARTER 31/12/22 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 31/12/21 RM'000</b>	<b>CURRENT YEAR TO DATE 31/12/22 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/12/21 RM'000</b>
Revenue	42,078	48,348	150,445	135,306
Cost of Sales	(36,761)	(40,627)	(130,990)	(116,301)
Gross Profit	5,317	7,721	19,455	19,005
Other Income	284	(7)	652	810
Administrative and Operating Expenses	(4,129)	(3,661)	(12,266)	(10,442)
Finance Costs	(66)	(74)	(188)	(204)
Profit Before Tax	1,406	3,979	7,653	9,169
Tax expense	(681)	(1,033)	(2,433)	(2,358)
<b>PROFIT FOR THE FINANCIAL PERIOD/ TOTAL COMPREHENSIVE INCOME</b>	<b>725</b>	<b>2,946</b>	<b>5,220</b>	<b>6,811</b>
Profit attributable to:				
Owners of the parent	725	2,946	5,220	6,811
Total comprehensive income attributable to:				
Owners of the parent	725	2,946	5,220	6,811
Earnings per share (sen):				
- Basic	0.15	0.62	1.10	1.43
- Diluted	0.15	0.62	1.10	1.43

(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 2022 and the accompanying explanatory notes attached to this interim financial statements on page 5-12)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**  
(The figures have not been audited)

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at 31/12/22 RM'000</b>	<b>As at 31/03/22 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	40,731	40,084
Right-of-use assets	427	459
	<u>41,158</u>	<u>40,543</u>
<b>Current assets</b>		
Inventories	26,778	34,018
Trade and other receivables	29,928	37,748
Current tax assets	845	823
Cash and bank balances	40,808	30,758
	<u>98,359</u>	<u>103,347</u>
<b>TOTAL ASSETS</b>	<u>139,517</u>	<u>143,890</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	47,609	47,609
Retained earnings	67,078	63,285
<b>TOTAL EQUITY</b>	<u>114,687</u>	<u>110,894</u>
<b>Non-current liabilities</b>		
Borrowings	5,281	5,771
Lease liabilities	128	90
Deferred tax liabilities	3,204	3,061
	<u>8,613</u>	<u>8,922</u>
<b>Current liabilities</b>		
Trade and other payables	15,331	21,781
Borrowings	737	2,165
Lease liabilities	149	128
Tax liabilities	-	-
	<u>16,217</u>	<u>24,074</u>
<b>TOTAL LIABILITIES</b>	<u>24,830</u>	<u>32,996</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>139,517</u>	<u>143,890</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.24</u>	<u>0.23</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 2022 and the accompanying explanatory notes attached to this interim financial statements on page 5-12)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 3RD QUARTER ENDED 31 DECEMBER 2022**  
(The figures have not been audited)

**Quarter ended 31 December 2022**

**Balance as at 01.04.2022**  
Total comprehensive income for the period  
Dividend paid  
Balance as at 31.12.2022

<b>ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
<b>SHARE CAPITAL</b>	<b>RETAINED EARNINGS</b>	<b>TOTAL</b>
<b><u>RM'000</u></b>	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
47,609	63,285	110,894
-	5,220	5,220
-	(1,427)	(1,427)
47,609	67,078	114,687

**Quarter ended 31 December 2021**

**Balance as at 01.04.2021**  
Total comprehensive income for the period  
Balance as at 31.12.2021

<b>ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
<b>SHARE CAPITAL</b>	<b>RETAINED EARNINGS</b>	<b>TOTAL</b>
<b><u>RM'000</u></b>	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
47,609	55,728	103,337
-	6,811	6,811
47,609	62,539	110,148

(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 2022 and the accompanying explanatory notes attached to this interim financial statements on page 5-12)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE 3RD QUARTER ENDED 31 DECEMBER 2022**  
(The figures have not been audited)

	<b>CURRENT YEAR TO DATE 31/12/22 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/12/21 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	7,653	9,169
Adjustments for:		
Depreciation of:		
- property, plant and equipment	1,070	1,033
- right-of-use assets	97	109
Impairment of a trade receivable	552	-
Interest expense	188	204
Interest income	(288)	(268)
Property, plant and equipment written off	7	4
Unrealised loss on foreign exchange	130	46
Operating profit before changes in working capital	9,409	10,297
Net changes in inventories	7,240	(8,869)
Net changes in trade and other receivables	7,141	(9,982)
Net changes in trade and other payables	(6,403)	4,322
<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>	17,387	(4,232)
Interest received	65	63
Tax paid	(2,312)	(1,711)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	15,140	(5,880)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Placement of deposits with licensed bank with original maturity date more than three months	(5,959)	(18)
Interest received	223	205
Purchase of property, plant and equipment	(1,621)	(530)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(7,357)	(343)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdowns of bankers' acceptance	461	4,323
Repayments of:		
- bankers' acceptance	(1,861)	(2,331)
- lease liabilities	(114)	(156)
- term loans	(518)	(521)
Interest paid	(183)	(196)
Dividend paid	(1,427)	-
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>	(3,642)	1,119
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	4,141	(5,104)
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH &amp; CASH EQUIVALENTS</b>	(50)	(53)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	28,975	31,911
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD (Note 1)</b>	33,066	26,754

**Note 1: Cash and cash equivalents**

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

	<b>RM'000</b>
Cash and bank balances	40,808
Less: Deposits with licensed banks (more than three months)	(7,742)
Cash and bank balances at the end of the period	33,066

(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 2022 and the accompanying explanatory notes attached to this interim financial statements on page 5-12)

**KARYON INDUSTRIES BERHAD (“KIB” OR “COMPANY”)**

(Registration No: 200301010377 (612797-T))

(Incorporated in Malaysia)

**UNAUDITED QUARTERLY REPORT FOR THE 3RD QUARTER ENDED 31 DECEMBER 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 2022.

**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 2022 except for the MFRS, Amendments to MFRS and IC Interpretations which are effective for the annual period beginning on 1 January 2022. 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:

<b>MFRSs and Amendments to MFRSs issued but not yet effective</b>		<b>Effective for annual periods beginning on or after</b>
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17)	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 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
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 period-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 period-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 period-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 period-to-date.

### 8. Dividend Paid

The dividend paid during the current and preceding year corresponding financial period-to-date are as follows:

	Company			
	2023		2022	
	Gross dividend per share sen	Amount of dividend RM	Gross dividend per share sen	Amount of dividend RM
<b>In respect of the financial year ended 31 March 2023</b> First interim single-tier dividend of 0.30 sen per ordinary share, declared on 24 August 2022 and paid on 26 September 2022	0.30	1,427,139	-	-

## 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 December 2022

	Investment Holding	Manufacturing of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>				
Sales (Gross)	1,164	43,584	-	44,748
Inter-Segment sales	(1,140)	(1,530)	-	(2,670)
<b>External</b>	<b>24</b>	<b>42,054</b>	<b>-</b>	<b>42,078</b>
<b>RESULT</b>				
Segment result	(1,047)	2,519	-	1,472
Finance costs	-	(66)	-	(66)
(Loss)/Profit before tax	(1,047)	2,453	-	1,406
Tax expense	(69)	(612)	-	(681)
<b>(Loss)/Profit after tax</b>	<b>(1,116)</b>	<b>1,841</b>	<b>-</b>	<b>725</b>
<b>Consolidated Statement of Financial Position</b>				
Segment assets	5,764	133,702	51	139,517
Segment liabilities	1,065	23,760	4	24,829

### 3 months ended 31 December 2021

	Investment Holding	Manufacturing of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>				
Sales (Gross)	1,623	49,940	-	51,563
Inter-Segment sales	(1,610)	(1,605)	-	(3,215)
<b>External</b>	<b>13</b>	<b>48,335</b>	<b>-</b>	<b>48,348</b>
<b>RESULT</b>				
Segment result	(1,285)	5,341	(3)	4,053
Finance costs	-	(74)	-	(74)
(Loss)/Profit before tax	(1,285)	5,267	(3)	3,979
Tax expense	(70)	(962)	(1)	(1,033)
<b>(Loss)/Profit after tax</b>	<b>(1,355)</b>	<b>4,305</b>	<b>(4)</b>	<b>2,946</b>
<b>Consolidated Statement of Financial Position</b>				
Segment assets	5,708	137,490	106	143,304
Segment liabilities	958	32,189	9	33,156

## 9. Segmental Reporting (cont'd)

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

### 9 months ended 31 December 2022

	Investment Holding	Manufacturing of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>				
Sales (Gross)	4,895	155,436	-	160,331
Inter-Segment sales	(4,830)	(5,056)	-	(9,886)
<b>External</b>	<b>65</b>	<b>150,380</b>	<b>-</b>	<b>150,445</b>
<b>RESULT</b>				
Segment result	(3,312)	11,154	(1)	7,841
Finance costs	-	(188)	-	(188)
(Loss)/Profit before tax	(3,312)	10,966	(1)	7,653
Tax expense	(291)	(2,142)	-	(2,433)
<b>(Loss)/Profit after tax</b>	<b>(3,603)</b>	<b>8,824</b>	<b>(1)</b>	<b>5,220</b>
<b>Consolidated Statement of Financial Position</b>				
Segment assets	5,764	133,702	51	139,517
Segment liabilities	1,065	23,760	4	24,829

### 9 months ended 31 December 2021

	Investment Holding	Manufacturing of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>				
Sales (Gross)	4,853	139,707	-	144,560
Inter-Segment sales	(4,790)	(4,464)	-	(9,254)
<b>External</b>	<b>63</b>	<b>135,243</b>	<b>-</b>	<b>135,306</b>
<b>RESULT</b>				
Segment result	(2,985)	12,362	(4)	9,373
Finance costs	-	(204)	-	(204)
(Loss)/Profit before tax	(2,985)	12,158	(4)	9,169
Tax expense	(325)	(2,031)	(2)	(2,358)
<b>(Loss)/Profit after tax</b>	<b>(3,310)</b>	<b>10,127</b>	<b>(6)</b>	<b>6,811</b>
<b>Consolidated Statement of Financial Position</b>				
Segment assets	5,708	137,490	106	143,304
Segment liabilities	958	32,189	9	33,156

## 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

There were no material events that have occurred from 1 January 2023 to the date of this announcement.

## 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 December 2022 is as follows:

	RM
Capital expenditure in respect of purchase of property, plant and equipment:	
Contracted but not provided for	247,755

## 15. Performance Review

### Current Financial Quarter as compared with Previous Year Corresponding Quarter

	3 Months Ended		Variance	
	31.12.2022	31.12.2021	Amount	%
	RM'000	RM'000	RM'000	
Revenue	42,078	48,348	(6,270)	(12.97)
Profit before tax ("PBT")	1,406	3,979	(2,573)	(64.66)

The Group's revenue had decreased by RM6.27 million in the current quarter under review, as compared to the corresponding quarter in the preceding financial period. The decrease in the Group's revenue was due mainly to decrease in average selling price of polymeric products by approximately 15.36% as a result of decrease in cost of raw materials purchased.

The Group PBT had also decreased by RM2.57 million in the current quarter under review, as compared to the corresponding quarter in the preceding financial period due mainly to the decrease in revenue as mentioned above. In addition, there was an impairment of a trade receivable amounted to RM0.55 million.

Further, the higher revenue and PBT recorded for the corresponding quarter in the preceding financial period were contributed mainly by the increase in selling price of polymeric products as a result of increase in cost of raw materials purchased. The selling price of the Group's polymeric products fluctuates based on the pricing of raw materials.

## 15. Performance Review (cont'd)

### Current Financial Period as compared with Previous Year Corresponding Period

	9 Months Ended		Deviation	
	31.12.2022	31.12.2021	Amount	%
	RM'000	RM'000	RM'000	
Revenue	150,445	135,306	15,139	11.19
PBT	7,653	9,169	(1,516)	(16.53)

The Group's revenue had increased by RM15.14 million in the current quarter under review as compared to the corresponding period in the preceding financial period. The increase in the Group's revenue was attributed mainly by the higher sales of polymeric products by 2,001 metric tons.

Notwithstanding the increase in revenue, the Group's PBT had decreased slightly by RM1.516 million or 16.53% for the current quarter under review as compared to the corresponding period in the preceding financial period. This was due mainly to the increase in freight cost and staff cost couple with an impairment of trade receivable amounted to RM0.55 million.

In addition, the higher PBT recorded in cumulative financial quarter ended 31 December 2021 was also partially contributed by the one-off gain on bad debt recovered of RM0.48 million.

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

	3 Months Ended		Variance	
	31.12.2022	30.09.2022	Amount	%
	RM'000	RM'000	RM'000	
Revenue	42,078	49,518	(7,440)	(15.02)
PBT	1,406	1,531	(125)	(8.16)

The Group's revenue and PBT had decreased by RM7.44 million and RM0.13 million respectively, as compared to the corresponding quarter in the preceding financial period. The decrease in the Group's revenue and PBT were due mainly to the significant decrease in average selling price of polymeric products by approximately 12.90% as a result of decrease in cost of raw materials purchased. In addition, there was an impairment of a trade receivable amounted to RM0.55 million made for the current quarter under review.

## 17. Future Prospects

We foresee that the market outlook for the remaining quarter would remain challenging in view of the overall market sentiment has slowed down as a result of inflationary pressure, rising of interest rate and also risk of recession in global and local economy.

The Board would continuously remain cautious on capacity expansion as well as the spending on capital expenditure. We will also continue to enhance our operational and cost efficiency in order to gain a better position in the current competitive and uncertain market.

Notwithstanding the abovementioned, 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 period-to-date includes the followings:

	<b>Current quarter</b> <b>31.12.2022</b> <b>RM'000</b>	<b>Financial Period-To-</b> <b>Date</b> <b>31.12.2022</b> <b>RM'000</b>
Current income tax	615	2,288
Under provision of income tax in prior year	2	2
Current deferred tax	64	143
	<u>681</u>	<u>2,433</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 December 2022 are shown below:

	<b>As at 31.12.2022</b> <b>RM'000</b>	<b>As at 31.12.2021</b> <b>RM'000</b>
<b>Long Term Borrowings - secured</b>		
Term loans	5,281	5,964
<b>Short Term Borrowings - secured</b>		
Banker acceptances	-	3,113
Term loans	737	759
	<u>737</u>	<u>3,872</u>
<b>Total</b>	<u><b>6,018</b></u>	<u><b>9,836</b></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.

The total dividend paid to-date for the financial year ending 31 March 2023 is RM1,427,139 (31.3.2022: RM Nil).

## 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		9 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Bad debts recovered	-	-	-	(480)
Depreciation of property, plant and equipment	370	341	1,070	1,033
Depreciation of right-of-use assets	32	36	97	109
Impairment of a trade receivable	552	-	552	-
Net foreign exchange (gain)/loss - realised	(128)	97	(292)	(67)
Net foreign exchange loss/(gain) - unrealised	22	(140)	130	46
Property, plant and equipment written off	2	2	7	4
Interest income	(98)	(67)	(223)	(205)
Interest expenses	66	75	188	204

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 9-months financial period, divided by the weighted average number of ordinary shares of KIB during the current financial quarter and the 9-months financial period.

	Current Quarter Ended		9 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit attributable to owners of the parent (RM'000)	725	2,946	5,220	6,811
Weighted average number of ordinary shares in issue ('000)	475,713	475,713	475,713	475,713
Basic EPS (sen)	0.15	0.62	1.10	1.43

### Diluted

The diluted EPS for the current financial quarter and the 9-months financial period is equal to the basic EPS for the respective financial period as there were no outstanding dilutive potential ordinary shares at the end of each reporting year.