

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 31 MARCH 2024**
(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	CURRENT YEAR QUARTER 31/03/24 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/23 RM'000	CURRENT YEAR TO DATE 31/03/24 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/23 RM'000
Revenue	41,705	36,448	166,382	186,893
Cost of Sales	(36,121)	(31,689)	(143,439)	(162,679)
Gross Profit	5,584	4,759	22,943	24,214
Other Income	348	272	1,393	924
Administrative and Operating Expenses	(4,157)	(3,610)	(14,871)	(15,876)
Finance Costs	(86)	(65)	(282)	(253)
Profit Before Tax	1,689	1,356	9,183	9,009
Tax expense	(535)	(569)	(2,774)	(3,002)
PROFIT FOR THE FINANCIAL YEAR/ TOTAL COMPREHENSIVE INCOME	1,154	787	6,409	6,007
Profit attributable to:				
Owners of the parent	1,154	787	6,409	6,007
Total comprehensive income attributable to:				
Owners of the parent	1,154	787	6,409	6,007
Earnings per share (sen):				
- Basic	0.24	0.17	1.35	1.26
- Diluted	0.24	0.17	1.35	1.26

(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 2023 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 2024

(The figures have not been audited)

	UNAUDITED	AUDITED
	As at 31/03/24 RM'000	As at 31/03/23 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	51,550	40,586
Right-of-use assets	162	394
	<u>51,712</u>	<u>40,980</u>
Current assets		
Inventories	28,579	24,269
Trade and other receivables	34,604	28,524
Current tax assets	848	1,141
Cash and bank balances	36,220	47,868
	<u>100,251</u>	<u>101,802</u>
TOTAL ASSETS	<u>151,963</u>	<u>142,782</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	47,609	47,609
Retained earnings	72,609	67,865
TOTAL EQUITY	<u>120,218</u>	<u>115,474</u>
Non-current liabilities		
Borrowings	8,190	5,079
Lease liabilities	36	101
Deferred tax liabilities	3,549	3,327
	<u>11,775</u>	<u>8,507</u>
Current liabilities		
Trade and other payables	18,892	17,907
Borrowings	926	755
Lease liabilities	129	139
Current tax liability	23	-
	<u>19,970</u>	<u>18,801</u>
TOTAL LIABILITIES	<u>31,745</u>	<u>27,308</u>
TOTAL EQUITY AND LIABILITIES	<u>151,963</u>	<u>142,782</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.25</u>	<u>0.24</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 2023 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 2024****(The figures have not been audited)****Quarter ended 31 March 2024**

	ATTRIBUTABLE TO OWNERS OF THE PARENT		
	SHARE CAPITAL	RETAINED EARNINGS	TOTAL
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Balance as at 01.04.2023	47,609	67,865	115,474
Total comprehensive income for the period	-	6,409	6,409
Dividend paid	-	(1,665)	(1,665)
Balance as at 31.03.2024	47,609	72,609	120,218

Quarter ended 31 March 2023

	ATTRIBUTABLE TO OWNERS OF THE PARENT		
	SHARE CAPITAL	RETAINED EARNINGS	TOTAL
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Balance as at 01.04.2022	47,609	63,285	110,894
Total comprehensive income for the period	-	6,007	6,007
Dividend paid	-	(1,427)	(1,427)
Balance as at 31.03.2023	47,609	67,865	115,474

(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 2023 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 2024
(The figures have not been audited)

	CURRENT YEAR TO DATE 31/03/24 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/23 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	9,183	9,009
Adjustments for:		
Bad debts recovered	(60)	-
Bad debts written off	6	-
Depreciation of:		
- property, plant and equipment	1,571	1,448
- right-of-use assets	165	126
Gain on lease modification	(2)	-
Impairment loss on a trade receivable	-	552
Interest expense	282	252
Interest income	(1,110)	(507)
Property, plant and equipment written off	6	16
Unrealised loss/(gain) on foreign exchange	32	(30)
	<hr/>	<hr/>
Operating profit before changes in working capital	10,073	10,866
Net changes in inventories	(4,310)	9,749
Net changes in trade and other receivables	(6,030)	8,676
Net changes in trade and other payables	938	(3,790)
	<hr/>	<hr/>
CASH GENERATED FROM OPERATIONS	671	25,501
Interest received	88	93
Tax paid	(2,650)	(3,054)
Tax refunded	414	-
	<hr/>	<hr/>
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(1,477)	22,540
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawals of deposits with licensed bank with original maturity date more than three months	(487)	(9,278)
Interest received	1,022	414
Purchase of property, plant and equipment	(12,373)	(1,858)
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	(11,838)	(10,722)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdowns of bankers' acceptance	-	461
Drawdowns of term loan	4,000	-
Repayments of:		
- bankers' acceptance	-	(1,861)
- lease liabilities	(184)	(155)
- term loans	(718)	(702)
Interest paid	(272)	(244)
Dividend paid	(1,665)	(1,427)
	<hr/>	<hr/>
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	1,161	(3,928)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(12,154)	7,890
EFFECTS OF EXCHANGE RATE CHANGES ON CASH & CASH EQUIVALENTS	19	(58)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	36,807	28,975
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (Note 1)	24,672	36,807

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	36,220
Less: Deposits with licensed banks (more than three months)	(11,548)
Cash and bank balances at the end of the year	<hr/> 24,672

(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 2023 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 4TH QUARTER ENDED 31 MARCH 2024

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 (“**FYE**”) 31 March 2023.

2. Material Accounting Policy Information

The material accounting policy information adopted by KIB and its subsidiaries (“**Group**”) in this interim financial statement are consistent with those adopted in the audited financial statements for the FYE 31 March 2023 except for the MFRS, Amendments to MFRS and IC Interpretations which are effective for the annual period beginning on 1 January 2023. 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 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures - 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. Dividend Paid

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

	Company			
	2024		2023	
	Gross dividend per share sen	Amount of dividend RM	Gross dividend per share sen	Amount of dividend RM
In respect of the FYE 31 March 2024 First interim single-tier dividend of 0.35 sen per ordinary share, declared on 25 August 2023 and paid on 26 September 2023	0.35	1,664,998	-	-
In respect of the FYE 31 March 2023 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 March 2024

	Investment Holding	Manufacturing and Trading of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	1,151	43,835	-	44,986
Inter-Segment sales	(1,140)	(2,141)	-	(3,281)
External	11	41,694	-	41,705
RESULT				
Segment result	(1,269)	3,046	(2)	1,775
Finance costs	-	(86)	-	(86)
(Loss)/Profit before tax	(1,269)	2,960	(2)	1,689
Tax expense	(29)	(506)	-	(535)
(Loss)/Profit after tax	(1,298)	2,454	(2)	1,154
Consolidated Statement of Financial Position				
Segment assets	3,897	147,999	67	151,963
Segment liabilities	1,407	30,338	-	31,745

3 months ended 31 March 2023

	Investment Holding	Manufacturing and Trading of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	1,169	37,657	-	38,826
Inter-Segment sales	(1,140)	(1,238)	-	(2,378)
External	29	36,419	-	36,448
RESULT				
Segment result	(1,167)	2,592	(4)	1,421
Finance costs	-	(65)	-	(65)
(Loss)/Profit before tax	(1,167)	2,527	(4)	1,356
Tax expense	(48)	(521)	-	(569)
(Loss)/Profit after tax	(1,215)	2,006	(4)	787
Consolidated Statement of Financial Position				
Segment assets	5,802	136,877	103	142,782
Segment liabilities	1,235	26,067	6	27,308

9. Segmental Reporting (*cont'd*)

12 months ended 31 March 2024

	Investment Holding	Manufacturing and Trading of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	6,648	173,255	-	179,903
Inter-Segment sales	(6,560)	(6,961)	-	(13,521)
External	88	166,294	-	166,382
RESULT				
Segment result	(4,614)	14,104	(25)	9,465
Finance costs	-	(282)	-	(282)
(Loss)/Profit before tax	(4,614)	13,822	(25)	9,183
Tax expense	(383)	(2,391)	-	(2,774)
(Loss)/Profit after tax	(4,997)	11,431	(25)	6,409
Consolidated Statement of Financial Position				
Segment assets	3,897	147,999	67	151,963
Segment liabilities	1,407	30,338	-	31,745

12 months ended 31 March 2023

	Investment Holding	Manufacturing and trading of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	6,064	193,093	-	199,157
Inter-Segment sales	(5,970)	(6,294)	-	(12,264)
External	94	186,799	-	186,893
RESULT				
Segment result	(4,479)	13,746	(5)	9,262
Finance costs	-	(253)	-	(253)
(Loss)/Profit before tax	(4,479)	13,493	(5)	9,009
Tax expense	(339)	(2,663)	-	(3,002)
(Loss)/Profit after tax	(4,818)	10,830	(5)	6,007
Consolidated Statement of Financial Position				
Segment assets	5,802	136,877	103	142,782
Segment liabilities	1,235	26,067	6	27,308

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 April 2024 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 March 2024 is as follows:

	RM
Capital expenditure in respect of purchase of property, plant and equipment:	
Contracted but not provided for	1,400,894

15. Performance Review

Current Financial Quarter as compared with Previous Year Corresponding Quarter

	3 Months Ended		Variance	
	31.03.2024	31.03.2023	Amount	%
	RM'000	RM'000	RM'000	
Revenue	41,705	36,448	5,257	14.42
Profit before tax ("PBT")	1,689	1,356	333	24.56

The Group's revenue and PBT had increased by RM5.26 million and RM0.33 million respectively, in the current quarter under review, as compared to the corresponding quarter in the preceding financial period. The increase in the Group's revenue and PBT were attributed mainly to the increase in sales of polymeric products by approximately 850 metric tons as a result of higher orders from existing customers.

15. Performance Review (cont'd)

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

	12 Months Ended		Variance	
	31.03.2024	31.03.2023	Amount	%
	RM'000	RM'000	RM'000	
Revenue	166,382	186,893	(20,511)	(10.97)
PBT	9,183	9,009	174	1.93

The Group's revenue had decreased by RM20.51 million for the FYE 31 March 2024 as compared to FYE 31 March 2023. The decrease in the Group's revenue was due mainly to the decrease in average selling price of polymeric products by approximately 13.20% as a result of decrease in cost of raw materials purchased.

Notwithstanding the decrease in revenue, the Group's PBT had increased by RM0.17 million for the FYE 31 March 2024 as compared to FYE 31 March 2023. The improvement in PBT was due mainly to the decrease in operating expenses contributed mainly by lower freight costs, coupled with higher interest income gain mainly from the placement of fixed deposits amounted to RM0.50 million.

In addition, the lower PBT recorded in FYE 31 March 2023 was due mainly to the impairment loss on a trade receivable amounted to RM0.55 million.

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

	3 Months Ended		Variance	
	31.03.2024	31.12.2023	Amount	%
	RM'000	RM'000	RM'000	
Revenue	41,705	41,263	442	1.07
PBT	1,689	2,350	(661)	(28.13)

The Group's revenue had increased slightly by RM0.44 million in the current quarter under review, as compared to the immediate preceding quarter ended 31 December 2023. The increase in the Group's revenue for the current financial quarter under review was due mainly to the increase in sales of polymeric products by approximately 135 metric tons.

Notwithstanding the increase in revenue, the Group's PBT had decreased by RM0.66 million in the current quarter under review, as compared immediate preceding quarter ended 31 December 2023. The decrease in PBT was due mainly to higher operating expenses attributed from higher freight cost incurred, coupled with year end adjustment for accrued bonus.

17. Future Prospects

The business operations of the Group is expected to remain challenging due to uncertainties in both local and global economies, as well as the inflationary pressure which causes the high production and operating costs.

To ensure the Group navigates through this challenging period, we will continue to focus on enhancing our operational and cost efficiency to gain a better position in the current competitive and uncertain market.

In addition, the Group also plans to increase its production capacity through the purchase of new plant and machinery and/or upgrading existing machinery as the current production capacity is almost fully utilised. At the same time, we will also continue to explore new market opportunities as part of our growth strategies.

With the abovementioned, the Board expect that the financial performance of the Group would remain satisfactory for the financial year ending 31 March 2025.

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 31.03.2024 RM'000	Financial Year-To- Date 31.03.2024 RM'000
Current income tax	395	2,526
Under provision of income tax in prior year	-	26
Current deferred tax	140	222
	<u>535</u>	<u>2,774</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 are no corporate proposals 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 2024 are shown below:

	As at 31.03.2024 RM'000	As at 31.03.2023 RM'000
Long Term Borrowings - secured		
Term loans	8,190	5,079
Short Term Borrowings - secured		
Term loans	926	755
Total	<u>9,116</u>	<u>5,834</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 declared and paid to-date for the FYE 31 March 2024 was RM1,664,998 (31.3.2023: RM1,427,139).

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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Bad debts recovered	-	-	(60)	-
Bad debts written off	6	-	6	-
Depreciation of property, plant and equipment	413	378	1,571	1,448
Depreciation of right-of-use assets	38	29	165	126
Gain on lease modification	(1)	-	(2)	-
Impairment loss on a trade receivable	-	-	-	552
Net foreign exchange gain – realised	(33)	(15)	(263)	(307)
Net foreign exchange (gain)/loss – unrealised	(8)	(160)	32	(30)
Property, plant and equipment written off	3	9	6	16
Interest income	(312)	(191)	(1,022)	(414)
Interest expense	86	64	282	252

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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit attributable to owners of the parent (RM'000)	1,154	787	6,409	6,007
Weighted average number of ordinary shares in issue ('000)	475,713	475,713	475,713	475,713
Basic EPS (sen)	0.24	0.17	1.35	1.26

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 period as there were no outstanding dilutive potential ordinary shares at the end of each reporting period.