

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 30 JUNE 2024**
(The figures have not been audited)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	CURRENT YEAR QUARTER 30/06/24 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/23 RM'000	CURRENT YEAR TO DATE 30/06/24 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/23 RM'000
Revenue	46,542	40,318	46,542	40,318
Cost of Sales	(39,903)	(34,745)	(39,903)	(34,745)
Gross Profit	6,639	5,573	6,639	5,573
Other Income	174	535	174	535
Administrative and Operating Expenses	(4,239)	(3,391)	(4,239)	(3,391)
Finance Costs	(97)	(66)	(97)	(66)
Profit Before Tax	2,477	2,651	2,477	2,651
Tax expense	(804)	(866)	(804)	(866)
PROFIT FOR THE FINANCIAL YEAR/ TOTAL COMPREHENSIVE INCOME	1,673	1,785	1,673	1,785
Profit attributable to:				
Owners of the parent	1,673	1,785	1,673	1,785
Total comprehensive income attributable to:				
Owners of the parent	1,673	1,785	1,673	1,785
Earnings per share (sen):				
- Basic	0.35	0.38	0.35	0.38
- Diluted	0.35	0.38	0.35	0.38

(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 2024 and the accompanying explanatory notes attached to this interim financial statements on page 5-10)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

(The figures have not been audited)

	UNAUDITED	AUDITED
	As at 30/06/24	As at 31/03/24
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	51,630	51,550
Right-of-use assets	219	162
	<u>51,849</u>	<u>51,712</u>
Current assets		
Inventories	29,208	28,579
Trade and other receivables	36,728	34,604
Current tax assets	700	848
Cash and bank balances	32,678	36,220
	<u>99,314</u>	<u>100,251</u>
TOTAL ASSETS	<u>151,163</u>	<u>151,963</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	47,609	47,609
Retained earnings	74,282	72,609
TOTAL EQUITY	<u>121,891</u>	<u>120,218</u>
Non-current liabilities		
Borrowings	7,938	8,190
Lease liabilities	107	36
Deferred tax liabilities	3,539	3,549
	<u>11,584</u>	<u>11,775</u>
Current liabilities		
Trade and other payables	16,444	18,892
Borrowings	986	926
Lease liabilities	114	129
Current tax liability	144	23
	<u>17,688</u>	<u>19,970</u>
TOTAL LIABILITIES	<u>29,272</u>	<u>31,745</u>
TOTAL EQUITY AND LIABILITIES	<u>151,163</u>	<u>151,963</u>
Net assets per share attributable to owners of the parent (RM)	<u>0.26</u>	<u>0.25</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 2024 and the accompanying explanatory notes attached to this interim financial statements on page 5-10)

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 30 JUNE 2024**

(The figures have not been audited)

Quarter ended 30 June 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 01.04.2024	47,609	72,609	120,218
Total comprehensive income for the period	-	1,673	1,673
Balance as at 30.06.2024	47,609	74,282	121,891

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 01.04.2023	47,609	67,865	115,474
Total comprehensive income for the period	-	1,785	1,785
Balance as at 30.06.2023	47,609	69,650	117,259

(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 2024 and the accompanying explanatory notes attached to this interim financial statements on page 5-10)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 30 JUNE 2024
(The figures have not been audited)

	CURRENT YEAR TO DATE 30/06/24 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/23 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,477	2,651
Adjustments for:		
Depreciation of:		
- property, plant and equipment	421	377
- right-of-use assets	38	38
Gain on lease modification	(1)	(1)
Interest expense	98	66
Interest income	(174)	(310)
Property, plant and equipment written off	-	2
Reversal of impairment loss on a trade receivable	-	(60)
Unrealised loss/(gain) on foreign exchange	92	(8)
Operating profit before changes in working capital	2,951	2,755
Net changes in inventories	(629)	413
Net changes in trade and other receivables	(2,170)	(826)
Net changes in trade and other payables	(2,492)	(989)
CASH GENERATED FROM OPERATIONS	(2,340)	1,353
Interest received	12	32
Tax paid	(557)	(680)
Tax refunded	12	-
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(2,873)	705
CASH FLOWS FROM INVESTING ACTIVITIES		
three months	72	6,199
Interest received	162	278
Purchase of property, plant and equipment	(501)	(2,034)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(267)	4,443
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of:		
- lease liabilities	(40)	(44)
- term loans	(192)	(152)
Interest paid	(96)	(63)
NET CASH USED IN FINANCING ACTIVITIES	(328)	(259)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,468)	4,889
EFFECTS OF EXCHANGE RATE CHANGES ON CASH & CASH EQUIVALENTS	(2)	61
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	24,672	36,807
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD (Note 1)	21,202	41,757

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	32,678
Less: Deposits with licensed banks (more than three months)	(11,476)
Cash and bank balances at the end of the financial period	21,202

(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 2024 and the accompanying explanatory notes attached to this interim financial statements on page 5-10)

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

(Registration No: 200301010377 (612797-T))

(Incorporated in Malaysia)

UNAUDITED QUARTERLY REPORT FOR THE 4TH QUARTER ENDED 30 JUNE 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 2024.

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 2024 except for the MFRS, Amendments to MFRS and IC Interpretations which are effective for the annual period beginning on 1 January 2024. 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 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosure	1 January 2027
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 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

No dividend was paid for the current financial quarter and cumulative financial period-to-date, as well as the preceding year corresponding period.

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 30 June 2024

	Investment Holding	Manufacturing and Trading of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	4,182	48,760	-	52,942
Inter-Segment sales	(4,170)	(2,230)	-	(6,400)
External	12	46,530	-	46,542
RESULT				
Segment result	(1,263)	3,838	(1)	2,574
Finance costs	-	(97)	-	(97)
(Loss)/Profit before tax	(1,263)	3,741	(1)	2,477
Tax expense	(202)	(602)	-	(804)
(Loss)/Profit after tax	(1,465)	3,139	(1)	1,673
Consolidated Statement of Financial Position				
Segment assets	3,780	147,316	67	151,163
Segment liabilities	1,585	27,687	-	29,272

9. Segmental Reporting (cont'd)

3 months ended 30 June 2023

	Investment Holding	Manufacturing and Trading of Polymeric Product	Others	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales (Gross)	3,172	41,454	-	44,626
Inter-Segment sales	(3,140)	(1,168)	-	(4,308)
External	32	40,286	-	40,318
RESULT				
Segment result	(1,124)	3,841	-	2,717
Finance costs	-	(66)	-	(66)
(Loss)/Profit before tax	(1,124)	3,775	-	2,651
Tax expense	(184)	(682)	-	(866)
(Loss)/Profit after tax	(1,308)	3,093	-	1,785
Consolidated Statement of Financial Position				
Segment assets	5,787	137,699	103	143,589
Segment liabilities	1,372	24,957	1	26,330

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 July 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 30 June 2024 is as follows:

	RM
Capital expenditure in respect of purchase of property, plant and equipment:	
Contracted but not provided for	1,238,000

15. Performance Review

Current Financial Quarter as compared with Previous Year Corresponding Quarter

	3 Months Ended		Variance	
	30.06.2024	30.06.2023	Amount	%
	RM'000	RM'000	RM'000	
Revenue	46,542	40,318	6,224	15.44
Profit before tax ("PBT")	2,477	2,651	(174)	(6.56)

The Group's revenue had increased by RM6.22 million in the current quarter under review, as compared to the corresponding quarter in the preceding financial period. The increase in the Group's revenue was due mainly to the increase in sales of polymeric products by approximately 432 metric tons as well as the increase in average selling price by 6.36%.

Notwithstanding the increase in revenue, the Group's PBT had decreased slightly by RM0.17 million in the current quarter under review, as compared to corresponding quarter last year ended 30 June 2023. The decrease in PBT was due mainly to higher operating expenses attributed from higher freight cost incurred, lower foreign exchange gain and interest income earned.

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

	3 Months Ended		Variance	
	30.06.2024	31.03.2024	Amount	%
	RM'000	RM'000	RM'000	
Revenue	46,542	41,705	4,837	11.60
PBT	2,477	1,689	788	46.65

The Group's revenue and PBT had increased by RM4.84 million and RM0.79 million respectively, as compared to the immediate preceding quarter ended 31 March 2024. The increase in the Group's revenue and PBT were attributed mainly by the increase in average selling price of polymeric products by approximately 6.52% as a result of increase in cost of raw materials purchased.

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 30.06.2024 RM'000	Financial Year-To- Date 30.06.2024 RM'000
Current income tax	805	805
Deferred tax	(10)	(10)
	<u>804</u>	<u>804</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 30 June 2024 are shown below:

	As at 30.06.2024 RM'000	As at 30.06.2023 RM'000
Long Term Borrowings - secured		
Term loans	7,938	4,952
Short Term Borrowings - secured		
Term loans	986	730
Total	<u>8,924</u>	<u>5,682</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

On 28 August 2024, the Board declared an interim single tier dividend of RM0.0038 per ordinary share in respect of the financial year ending 31 March 2025. The interim single tier dividend will be paid on 26 September 2024 to the shareholders whose names appear in the Record of Depositors on 11 September 2024.

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		3 Months Ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	421	377	421	377
Depreciation of right-of-use assets	38	38	38	38
Gain on lease modification	(1)	(1)	(1)	(1)
Net foreign exchange loss/(gain) – realised	28	(173)	28	(173)
Net foreign exchange loss/(gain) – unrealised	92	(8)	92	(8)
Property, plant and equipment written off	-	2	-	2
Reversal of impairment loss on a trade receivable	-	(60)	-	(60)
Interest income	(162)	(278)	(162)	(278)
Interest expense	98	66	98	66

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 3-months financial period, divided by the weighted average number of ordinary shares of KIB during the current financial quarter and the 3-months financial period.

	Current Quarter Ended		3 Months Ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Profit attributable to owners of the parent (RM'000)	1,673	1,785	1,673	1,785
Weighted average number of ordinary shares in issue ('000)	475,713	475,713	475,713	475,713
Basic EPS (sen)	0.35	0.38	0.35	0.38

Diluted

The diluted EPS for the current financial quarter and the 3-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.