



# **KAREX BERHAD**

(Incorporated in Malaysia)

(1018579-U)

## **Interim Financial Report for the First Quarter Ended 30 September 2013**

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**KAREX BERHAD** (1018579-U)  
(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2013  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**

	Note	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
		30.9.2013 <sup>(2)</sup> RM'000	30.9.2012 <sup>(3)</sup> RM'000	30.9.2013 <sup>(2)</sup> RM'000	30.9.2012 <sup>(3)</sup> RM'000
Revenue		-	N/A	-	N/A
Cost of goods sold		-	N/A	-	N/A
<b>Gross profit</b>		-	N/A	-	N/A
Other income		-	N/A	-	N/A
Distribution expenses		-	N/A	-	N/A
Administrative expenses		(457)	N/A	(457)	N/A
Other expenses		-	N/A	-	N/A
<b>Result from operating activities</b>		<b>(457)</b>	<b>N/A</b>	<b>(457)</b>	<b>N/A</b>
Finance costs		-	N/A	-	N/A
Interest income		-	N/A	-	N/A
Net finance costs		-	N/A	-	N/A
<b>Loss before tax</b>	B13	<b>(457)</b>	<b>N/A</b>	<b>(457)</b>	<b>N/A</b>
Tax expense	B6	-	N/A	-	N/A
<b>Loss for the period/ Total comprehensive loss for the period</b>		<b>(457)</b>	<b>N/A</b>	<b>(457)</b>	<b>N/A</b>
Loss/ Total Comprehensive loss attributable to:					
- Owners of the Company		(457)	N/A	(457)	N/A
Loss per share attributable to owners of the Company (sen):					
- Basic		(2.29)	N/A	(2.29)	N/A
- Diluted		(2.29)	N/A	(2.29)	N/A

Notes:

N/A Not applicable

(1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Proforma Consolidated Financial Information and Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Prospectus of the Company dated 11 October 2013 and the accompanying explanatory notes as attached to this interim financial statements.

(2) As the Acquisitions (as detailed in Note B7 (i)) were completed on 23 September 2013, the Group did not consolidate the financial performance of these subsidiaries due to impracticability of an accounting cut-off date other than month end and the effect is not significant to the expected results for financial year ending 30 June 2014. The Group will consolidate the results from 1 October 2013 onwards. If the Group had existed since last financial year, management estimated the consolidated results as disclosed in Note B1.

(3) No comparative figures for the preceding quarter and preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 30 September 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

**KAREX BERHAD** (1018579-U)  
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(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**

	<u>Note</u>	AS AT 30.9.2013 RM'000	AS AT 30.6.2013 RM'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		79,333	-
Deferred tax assets		706	-
		<u>80,039</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Inventories		47,798	-
Trade and other receivables		60,308	945
Tax recoverable		131	-
Cash and cash equivalents		26,736	-
		<u>134,973</u>	<u>945</u>
<b>TOTAL ASSETS</b>		<u><b>215,012</b></u>	<u><b>945</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital		57,375	- <sup>(4)</sup>
Reserves		62,422	(632)
		<u>119,797</u>	<u>(632)</u>
<b>TOTAL EQUITY</b>		<u>119,797</u>	<u>(632)</u>
<b>NON-CURRENT LIABILITIES</b>			
Loan and borrowings	B8	10,421	-
Deferred tax liabilities		5,034	-
		<u>15,455</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>			
Loan and borrowings	B8	34,603	-
Trade and other payables		42,862	1,577
Provision for taxation		2,295	-
		<u>79,760</u>	<u>1,577</u>
<b>TOTAL LIABILITIES</b>		<u>95,215</u>	<u>1,577</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>215,012</b></u>	<u><b>945</b></u>
Net assets per share attributable to owners of the Company (RM)		<u>0.52 <sup>(2)</sup></u>	<u>(79,000.00) <sup>(3)</sup></u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Proforma Consolidated Financial Information and Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Prospectus of the Company dated 11 October 2013 and the accompanying explanatory notes as attached to this interim financial statements.
- (2) Based on the issued share capital of 229,500,000 shares after the completion of the Acquisitions (as detailed in Note B7 (i)) but prior to the Public Issue (as detailed in Note B7 (ii)).
- (3) Based on 8 shares before the completion of the Acquisitions (as detailed in Note B7 (i)).
- (4) This represent RM2.00 for 8 ordinary shares of RM 0.25 each.

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(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>**

	<u>Note</u>	← Attributable to owners of the Company →			
		Share capital	Merger reserve	Accumulated losses	Total equity
		RM'000	RM'000	RM'000	RM'000
<b>30 September 2013</b>					
At 1 July 2013		- <sup>(2)</sup>	-	(632)	(632)
Effect arising from Acquisitions	B7 (i)	57,375	63,511	-	120,886
Loss for the period/ Total comprehensive loss for the period		-	-	(457)	(457)
<b>At 30 September 2013</b>		<b>57,375</b>	<b>63,511</b>	<b>(1,089)</b>	<b>119,797</b>

## Notes:

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Prospectus of the Company dated 11 October 2013 and the accompanying explanatory notes as attached to this interim financial statements.

(2) This represent RM2.00 for 8 ordinary shares of RM 0.25 each.

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(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>**

	Note	YEAR-TO-DATE ENDED	
		30.9.2013 RM'000	30.9.2012 <sup>(2)</sup> RM'000
<b>OPERATING ACTIVITIES</b>			
Loss before tax/			
Operating loss before changes in working capital		(457)	N/A
Changes in working capital:			
Net changes in current assets		193	N/A
Net changes in current liabilities		264	N/A
<b>Net cash from operating activities</b>		<b>-</b>	<b>N/A</b>
<b>INVESTING ACTIVITY</b>			
Net cash arising from Acquisitions	B7 (i)	26,736	N/A
<b>Net cash from investing activity</b>		<b>26,736</b>	<b>N/A</b>
Net changes in cash and cash equivalents		26,736	N/A
Effects of changes in exchange rate		-	N/A
Cash and cash equivalents at beginning of the period		- <sup>(3)</sup>	N/A
<b>Cash and cash equivalents at end of the period</b>		<b>26,736</b>	<b>N/A</b>

## Notes:

N/A Not applicable

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Proforma Consolidated Financial Information and Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Prospectus of the Company dated 11 October 2013 and the accompanying explanatory notes as attached to this interim financial statements.
- (2) No comparative figures for the preceding year are available as this is the first interim report on the consolidation results for the first quarter ended 30 September 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (3) This represent RM2.00.

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(The figures have not been audited)

**A. EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD  
("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A1. Accounting policies and methods of computation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB"), International Accounting Standard ("IAS") 34: "Interim Financial Reporting" issued by the International Accounting Standard Board ("IASB") and paragraph 9.22 (Appendix 9B Part 9A) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

This is the first interim financial statements on the consolidation results for the first quarter ended 30 September 2013 announced by the Company in compliance with the Listing Requirements and as such, there are no comparative figures to the preceding years' corresponding period.

The interim financial statements should be read in conjunction with the Proforma Consolidated financial Information and the Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Prospectus of the Company dated 11 October 2013.

These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2013.

The Group has adopted merger method for the preparation of this interim financial statements. The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Accountants' Report in the Prospectus of the Company dated 11 October 2013, except for the adoption of the following:

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013***

MFRS 10, *Consolidated Financial Statements*

MFRS 11, *Joint Arrangements*

MFRS 12, *Disclosure of Interests in Other Entities*

MFRS 13, *Fair Value Measurement*

MFRS 119, *Employee Benefits* (2011)

MFRS 127, *Separate Financial Statements* (2011)

MFRS 128, *Investments in Associates and Joint Ventures* (2011)

IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*

Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*

Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards – Government Loans*

Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*

Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009- 2011 Cycle)*

Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*

Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*

Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*

Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*

Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*

Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014***

Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*

Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*

Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*

Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

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**A. EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD  
("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A1. Accounting policies and methods of computation (continued)**

*MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014 (continued)*

Amendments to MFRS 136, *Recoverable Amount Disclosures for Non-Financial Assets*  
Amendments to MFRS 139, *Novation of Derivatives and Continuation of Hedge Accounting*  
IC Interpretation 21, *Levies*

*MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015*

MFRS 9, *Financial Instruments (2009)*  
MFRS 9, *Financial Instruments (2010)*  
Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations in the respective financial year when the above standards, amendments and interpretations become effective.

**A2. Comments about seasonal or cyclical factors**

The Group's performance is not affected by any material seasonal or cyclical factors.

**A3. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year-to-date.

**A4. Changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter and financial year-to-date results.

**A5. Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial year-to-date except for those disclosed in Note B7.

**A6. Dividends paid**

No dividend was paid by the Company in the current quarter.

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**A. EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD  
("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A7. Segmental information**

As the Acquisitions (as detailed in Note B7 (i)) were completed on 23 September 2013, the Group did not consolidate the financial performance of these subsidiaries nor present segmental information due to impracticability of an accounting cut-off date other than month end and the effect is not significant to the expected results for the financial year ending 30 June 2014. The Group will consolidate the results from 1 October 2013 onwards. Comparative figures for the preceding financial year-to-date are not presented as this is the first interim report for the first quarter ended 30 September 2013 being announced by the Company.

**A8. Subsequent events**

Other than as disclosed in Note B7, there were no material events subsequent to the end of the current quarter.

**A9. Changes in composition of the Group**

Upon completion of the Acquisitions as disclosed under Note B7 (i) on the Status of corporate proposals, the group structure is as follows:

- Karex Industries Sdn Bhd, Innolatex Sdn Bhd, Innolatex (Thailand) Limited and Hevea Medical Sdn Bhd are wholly-owned subsidiaries of the Company.
- Uro Technology Sdn Bhd is a wholly-owned subsidiaries of the Karex Industries Sdn Bhd.

The Acquisitions were accounted for using the Merger Method whereby the difference between the acquisition costs and the nominal value of the share capital of the subsidiaries is taken to the merger reserve or deficit, where applicable. The Acquisitions have resulted in a merger reserve amounting to RM 63.51 million.

**A10. Changes in contingent liabilities and contingent assets**

There were no material changes in contingent liabilities or contingent assets since 30 June 2013.



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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING  
REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD**

**B1. Performance review**

As the Acquisitions (as detailed in Note B7 (i)) were completed on 23 September 2013, the Group did not consolidate the financial performance of these subsidiaries due to impracticability of an accounting cut-off date other than month end and the effect is not significant to the expected results for the financial year ending 30 June 2014. The Group will consolidate the results from 1 October 2013 onwards.

If the Group had existed since last financial year, management estimated the consolidated results would have been as follows:-

	<u>3 MONTHS ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>30.9.2013</u>	<u>30.9.2012</u>	<u>30.9.2013</u>	<u>30.9.2012</u>
	RM'000	RM'000	RM'000	RM'000
Revenue	65,405	55,112	65,405	55,112
Result from operating activities	13,003	7,034	13,003	7,034
Profit before tax	12,430	6,548	12,430	6,548
Profit after tax	<u>10,126</u>	<u>5,501</u>	<u>10,126</u>	<u>5,501</u>

For the current quarter ended 30 September 2013 (1Q2014), the Group's revenue was higher by 18.7% or RM10.3 million as compared to the corresponding quarter of the preceding year. The increase in revenue is attributable to higher volume of condom sales achieved. Accordingly, a higher profit before tax of RM12.4 million was reported.

**B2. Variance of results for the current quarter ended 30 September 2013 against the immediate preceding quarter**

No comparative figures are presented for the immediate preceding quarter as these are the first interim financial statements on the consolidated results for the first quarter ended 30 September 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

**B3. a) Group's Prospects for the financial year ending 30 June 2014 ("FYE 2014")**

The Group's prospects for the FYE 2014 are expected to be favourable as we foresee an increase in orders from our clients. In addition, the Group remains active in marketing our condoms by attending global trade fairs and exhibitions.

**b) Forecast or target previously announced**

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING  
REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD**

**B4. Statement of the Board of Directors' opinion on achievement of forecast or target**

The disclosure requirements are not applicable for the current quarter and financial year-to-date.

**B5. Profit forecast or profit guarantee**

No profit forecast or profit guarantee was published.

**B6. Tax expense**

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.9.2013 RM'000	30.9.2012 <sup>(1)</sup> RM'000	30.9.2013 RM'000	30.9.2012 <sup>(1)</sup> RM'000
Estimated tax payable:				
- Current provision	-	N/A	-	N/A
- Under provision in prior years	-	N/A	-	N/A
Deferred taxation:				
- Current provision	-	N/A	-	N/A
- Under provision in prior years	-	N/A	-	N/A
	-	N/A	-	N/A

Note:

N/A Not applicable

(1) No comparative figures for the preceding quarter and preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 30 September 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

No estimated tax payable was made in the current quarter as the Group incurred an operating loss on a consolidated basis.

**B7. Status of corporate proposals**

In conjunction with, and as an integral part of the Company's listing on Main Market of Bursa Securities, the following listing scheme was undertaken by the Company:

**i) Acquisitions**

The acquisitions of Karex Industries Sdn Bhd ("KISB"), Innolatex (Thailand) Limited ("ITL"), Innolatex Sdn Bhd ("ISB") and Hevea Medical Sdn Bhd ("HMSB") by the Company and Uro Technology Sdn Bhd ("UTSB") by KISB, for an aggregated consideration of approximately RM57.4 million to be settled via the issuance of approximately 229.5 million shares of the Company to their respective shareholders on 23 September 2013. Details of the Acquisitions are as follows:

- (a) The Company acquired the entire issued and paid-up share capital of KISB for a purchase consideration of RM35,474,998 to be satisfied via the issuance of 141,899,992 shares of the Company;
- (b) The Company acquired the entire issued and paid-up share capital of ITL for a purchase consideration of RM12,500,000 to be satisfied via the issuance of 50,000,000 shares of the Company;
- (c) The Company acquired the entire issued and paid-up share capital of ISB for a purchase consideration of RM4,750,000 to be satisfied via the issuance of 19,000,000 shares of the Company;
- (d) The Company acquired the entire issued and paid-up share capital of HMSB for a purchase consideration of RM3,300,000 to be satisfied via the issuance of 13,200,000 shares of the Company; and
- (e) KISB acquired the remaining 40% equity interest in UTSB not already owned by KISB for a purchase consideration of RM1,350,000 to be satisfied via the issuance of 5,400,000 shares of the Company.

(the above transactions are collectively refer to as "Acquisitions")

The Acquisitions were completed on 23 September 2013.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING  
REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD**

**B7. Status of corporate proposals (continued)**

**i) Acquisitions (continued)**

	RM'000
Identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	79,333
Deferred tax assets	706
Inventories	47,798
Trade and other receivables	58,676
Tax recoverable	131
Cash and cash equivalents	26,736
Loan and borrowings	(45,024)
Deferred tax liabilities	(5,034)
Trade and other payables	(40,141)
Provision for taxation	(2,295)
Net assets acquired	120,886
Merger reserve	(63,511)
Consideration paid by issuance of shares of the Company	57,375
Net cash arising from Acquisitions are as follows:	
Cash and cash equivalents acquired	26,736

**ii) Initial Public Offering**

The IPO comprises the Institutional Offering and Retail Offering for a total of 67,500,000 Shares. These IPO Shares will be issued/offered based on the terms and conditions set out in this Prospectus of the Company dated 11 October 2013 and will be allocated and allotted in the following manner:

**a) Institutional Offering**

The institutional offering of 47,250,000 Shares representing 17.5% of our enlarged issued and paid-up share capital, comprising 27,000,000 Offer Shares and 20,250,000 Issue Shares to institutional and selected investors of Malaysia, Singapore and Hong Kong.

**b) Retail Offering**

Retail Offering of 20,250,000 Issue Shares, representing 7.5% of our enlarged issued and paid-up share capital and allocated in the following manner:

- (i) 13,500,000 Issue Shares, representing 5.0% of the enlarged issued and paid-up share capital of our Company, are available for application by the Malaysian Public, of which 6,750,000 Issue Shares, representing 2.5% of the enlarged issued and paid-up share capital of our Company, are set aside for Bumiputera investors. Any Issue Shares not subscribed by such Bumiputera investors will be made available for application by other Malaysian investors under the Retail Offering; and
- (ii) 6,750,000 Issue Shares, representing 2.5% of our enlarged issued and paid-up share capital, are made available for application by our eligible Directors, employees, business associates and persons who have contributed to the success of our Group.

**c) Listing on Bursa Securities**

The listing and quotation of the Company's entire enlarged issued and paid-up share capital of RM67,500,000 comprising 270,000,000 ordinary shares of RM0.25 each on the Main Market of Bursa Malaysia Securities Berhad which has taken place on 6 November 2013.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING  
REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD**

**B7. Status of corporate proposals (continued)**

**iii) Status of utilisation of proceeds**

Subsequent to the listing on the Main Market of Bursa Securities, the gross proceeds from the Public Issue amounting to RM74.93 million will be utilised in the following manner:

Purposes	RM'000	%	Intended timeframe for utilisation
Research and Development	4,000	5.3	Within 36 months
Capital expenditure	41,750	55.7	Within 36 months
Working capital	13,675	18.3	Within 36 months
Repayment of bank borrowing	10,000	13.3	Within 6 months
Listing expenses	5,500	7.4	Within 6 months
<b>Total gross proceeds</b>	<b>74,925</b>	<b>100.0</b>	

Other than the aforementioned, there were no corporate proposals pending completion at the date of this report.

**B8. Loans and borrowings**

The Group's loans and borrowings as at end of the reporting period were as follows :

	Short-Term RM'000	Long-Term RM'000	Total RM'000
Secured	34,603	10,421	45,024

The Group's loans and borrowings were denominated in the following currencies:

	Foreign Currency	RM'000
- Ringgit Malaysia	000	24,053
- US Dollar	N/A	12,160
- Thai Baht	3,783	8,811
	85,784	45,024

Note:

N/A Not applicable

**B9. Changes in material litigation**

There was no material litigation since 30 June 2013.

**B10. Dividend proposed**

No dividend was proposed in respect of the current financial period.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING  
REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD**

**B11. Loss per share ("LPS")**

Basic LPS is calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares of the Company in issue during the financial period.

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.9.2013	30.9.2012 <sup>(1)</sup>	30.9.2013	30.9.2012 <sup>(1)</sup>
Loss attributable to ordinary shareholders of the Company (RM'000)	(457)	N/A	(457)	N/A
Weighted average number of ordinary shares in issue ('000)	19,964	N/A	19,964	N/A
Basic LPS (sen)	(2.29)	N/A	(2.29)	N/A

Note:

N/A Not applicable

<sup>(1)</sup> No comparative figures for the preceding quarter and preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 30 September 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

The basic LPS and the diluted LPS are the same for the period as the Company has no dilutive potential ordinary shares as of the end of the reporting period.

**B12. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements of the Company and its subsidiaries for the financial year ended 30 June 2013 were not qualified.

**B13. Loss before tax**

Profit before tax is arrived at after crediting/(charging) the following income/(expenses):

	3 MONTHS ENDED		YEAR-TO-DATE ENDED	
	30.9.2013	30.9.2012 <sup>(1)</sup>	30.9.2013	30.9.2012 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	-	N/A	-	N/A
(b) Other income including investment income	-	N/A	-	N/A
(c) Interest expense	-	N/A	-	N/A
(d) Depreciation and amortization	-	N/A	-	N/A
(e) Impairment loss on receivables / Bad debt written off	-	N/A	-	N/A
(f) Provision for and write off of inventories	-	N/A	-	N/A
(g) Gain/(Loss) on investments or properties	-	N/A	-	N/A
(h) Impairment of assets	-	N/A	-	N/A
(i) Foreign exchange gain/(loss)	-	N/A	-	N/A
(j) Gain/(Loss) on derivatives	-	N/A	-	N/A
(k) Exceptional items	-	N/A	-	N/A

Note:

N/A Not applicable

<sup>(1)</sup> No comparative figures for the preceding quarter and preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 30 September 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

**KAREX BERHAD** (1018579-U)  
(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2013  
(The figures have not been audited)

**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING  
REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD**

**B14. Realised and unrealised losses disclosure**

	AS AT 30.9.2013 RM'000	AS AT 30.6.2013 RM'000
Total accumulated losses of the Company and subsidiary companies:		
- Realised	(1,089)	(632)
- Unrealised	-	-
Total accumulated losses	<u>(1,089)</u>	<u>(632)</u>

By order of the Board  
14 November 2013