



KAREX BERHAD

(Incorporated in Malaysia)

(1018579-U)

Interim Financial Report for the Second Quarter Ended 31 December 2014

Condensed Consolidated Statement of Profit or Loss	1
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5 - 6
Notes to the Condensed Financial Statements	7 - 16

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

Interim financial report for the second quarter ended 31 December 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS ⁽¹⁾

	Note	3 MONTHS ENDED		PERIOD-TO-DATE ENDED	
		31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 ⁽²⁾ RM'000
Revenue		76,998	82,175	147,131	82,175
Cost of goods sold		(51,758)	(58,008)	(100,851)	(58,008)
Gross profit		25,240	24,167	46,280	24,167
Other income		3,898	808	4,704	808
Distribution expenses		(3,445)	(4,533)	(6,012)	(4,533)
Administrative expenses		(6,280)	(4,454)	(9,414)	(4,911)
Other expenses		(8)	(760)	(8)	(760)
Result from operating activities		19,405	15,228	35,550	14,771
Interest income		413	289	908	289
Finance costs		(410)	(577)	(680)	(577)
Net finance income / (cost)		3	(288)	228	(288)
Profit before tax	B13	19,408	14,940	35,778	14,483
Tax expense	B6	(4,717)	(3,644)	(8,255)	(3,644)
Profit for the period		14,691	11,296	27,523	10,839
Profit for the period attributable to:					
Owners of the Company		14,547	11,296	27,379	10,839
Non-controlling interests		144	-	144	-
Profit for the period		14,691	11,296	27,523	10,839
Earnings per share attributable to owners of the Company (sen):					
- Basic	B11	3.59	2.96 ⁽³⁾	6.76	5.27 ⁽³⁾
- Diluted	B11	3.59	2.96 ⁽³⁾	6.76	5.27 ⁽³⁾

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes as attached to this interim financial statements.
- (2) As the acquisitions of subsidiaries were completed on 23 September 2013, the Group did not consolidate the financial performance of these subsidiaries from 23 September 2013 to 30 September 2013 due to impracticability of an accounting cut-off date other than month end and the effect is not significant to the results for financial year ended 30 June 2014. The Group has consolidated the results from 1 October 2013 onwards. If the Group had existed since last financial year, management estimate the consolidated results would be as disclosed in Note B1.
- (3) Restated to reflect the retrospective adjustments arising from the bonus issue completed in the financial year ended 30 June 2014 in accordance with "MFRS 133, Earnings per Share".

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

Interim financial report for the second quarter ended 31 December 2014
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME ⁽¹⁾**

	3 MONTHS ENDED		PERIOD-TO-DATE ENDED		
	Note	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 ⁽²⁾ RM'000
Profit for the period		14,691	11,296	27,523	10,839
Other comprehensive profit/(loss), net of tax Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		114	(645)	690	(645)
Total comprehensive income for the period		14,805	10,651	28,213	10,194
Total comprehensive income attributable to:					
Owners of the Company		14,592	10,651	28,000	10,194
Non-controlling interests		213	-	213	-
Total comprehensive income for the period		14,805	10,651	28,213	10,194

Notes:

- (1) 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 30 June 2014 and the accompanying explanatory notes as attached to this interim financial statements.
- (2) As the acquisitions of subsidiaries were completed on 23 September 2013, the Group did not consolidate the financial performance of these subsidiaries from 23 September 2013 to 30 September 2013 due to impracticability of an accounting cut-off date other than month end and the effect is not significant to the results for financial year ended 30 June 2014. The Group has consolidated the results from 1 October 2013 onwards. If the Group had existed since last financial year, management estimate the consolidated results would be as disclosed in Note B1.

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

Interim financial report for the second quarter ended 31 December 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	Note	AS AT 31.12.2014 RM'000	AS AT 30.6.2014 RM'000
Assets			
Property, plant and equipment		102,867	86,173
Intangible assets		750	-
Goodwill		20,433	-
Deferred tax assets		15	142
Total non-current assets		<u>124,065</u>	<u>86,315</u>
Inventories		50,177	40,470
Trade and other receivables		93,759	77,487
Cash and cash equivalents		62,034	85,592
Total current assets		<u>205,970</u>	<u>203,549</u>
Total assets		<u><u>330,035</u></u>	<u><u>289,864</u></u>
Equity			
Capital and Reserves			
Share capital		101,250	101,250
Reserves		139,957	122,082
Total equity attributable to owners of the Company		<u>241,207</u>	<u>223,332</u>
Non-controlling interest		213	-
Total equity		<u>241,420</u>	<u>223,332</u>
Liabilities			
Loan and borrowings (secured)	B8	10,529	10,380
Deferred tax liabilities		4,272	4,488
Total non-current liabilities		<u>14,801</u>	<u>14,868</u>
Trade and other payables		41,064	38,887
Loan and borrowings (secured)	B8	28,858	11,214
Taxation		3,892	1,563
Total current liabilities		<u>73,814</u>	<u>51,664</u>
Total liabilities		<u>88,615</u>	<u>66,532</u>
Total equity and liabilities		<u><u>330,035</u></u>	<u><u>289,864</u></u>
Net assets per share attributable to owners of the Company (RM)		<u>0.60</u>	<u>0.55</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes as attached to this interim financial statements.

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

Interim financial report for the second quarter ended 31 December 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

	← Attributable to owners of the Company →						Non-controlling interests	Total equity	
	← Non-distributable			→ Distributable					
	Share capital	Share premium	Merger reserve	Translation reserve	Other reserve	Retained Earnings			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
31 December 2014									
At 1 July 2014	101,250	25,540	63,511	(922)	718	33,235	223,332	-	223,332
Foreign currency translation differences for foreign operations/									
Total other comprehensive income for the period	-	-	-	621	-	-	621	69	690
Profit for the period	-	-	-	-	-	27,379	27,379	144	27,523
Total comprehensive income for the period	-	-	-	621	-	27,379	28,000	213	28,213
<i>Contributions by and distributions to owners of the Company</i>									
Dividend to owners of the Company/									
Total transactions with owners of the Company	-	-	-	-	-	(10,125)	(10,125)	-	(10,125)
At 31 December 2014	101,250	25,540	63,511	(301)	718	50,489	241,207	213	241,420

	← Attributable to owners of the Company →						Non-controlling interests	Total equity	
	← Non-distributable			→ Distributable					
	Share capital	Share premium	Merger reserve	Translation reserve	Other reserve	Accumulated losses			Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
31 December 2013									
At 1 July 2013	-	-	-	-	-	(632)	(632)	-	(632)
Effect arising from Acquisitions	57,375	-	63,511	-	-	-	120,886	-	120,886
Public issue of shares	10,125	64,800	-	-	-	-	74,925	-	74,925
Share issue expenses	-	(5,403)	-	-	-	-	(5,403)	-	(5,403)
Foreign currency translation differences for foreign operations/									
Total other comprehensive income for the period	-	-	-	(645)	-	-	(645)	-	(645)
Profit for the period	-	-	-	-	-	10,839	10,839	-	10,839
Total comprehensive income for the period	-	-	-	(645)	-	10,839	10,194	-	10,194
At 31 December 2013	67,500	59,397	63,511	(645)	-	10,207	199,970	-	199,970

Notes:

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 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.

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

Interim financial report for the second quarter ended 31 December 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	Note	PERIOD-TO-DATE ENDED	
		31.12.2014 RM'000	31.12.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		35,778	14,483
Adjustment for:			
Non-cash items		610	1,361
Operating profit before changes in working capital		36,388	15,844
Net changes in current assets		(15,767)	(10,681)
Net changes in current liabilities		(1,998)	(2,614)
Cash generated from operations		18,623	2,549
Tax paid		(6,015)	(1,668)
Net cash from operating activities		12,608	881
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(20,233)	(3,375)
Acquisition of subsidiaries, net cash and cash equivalents acquired	B7 (A)	(20,870)	19,151
Proceed from disposal of property, plant and equipment		36	105
Interest received		908	289
Net cash (used in) / from investing activities		(40,159)	16,170
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from public issue of shares	B7 (B)	-	74,925
Payment for share issue expenses		-	(5,403)
Dividend paid to owners of the Company		(10,125)	-
Net drawdown/ (repayment) of borrowings and interest paid		13,414	(1,884)
Decrease / (Increase) placement in fixed deposits pledged to licensed banks		532	(189)
Net cash from financing activities		3,821	67,449
Net changes in cash and cash equivalents		(23,730)	84,500
Effect of exchange rate fluctuations on cash held		277	100
Cash and cash equivalents at beginning of the period		77,180	- ⁽²⁾
Cash and cash equivalents at end of the period		53,727	84,600

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

Interim financial report for the second quarter ended 31 December 2014
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

Cash and cash equivalents

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

	PERIOD-TO-DATE ENDED	
	31.12.2014	31.12.2013
	RM'000	RM'000
Cash and bank balances	15,866	39,678
Deposits with licensed banks	9,880	7,774
Deposit with other corporation	36,288	45,000
	62,034	92,452
Less: Bank overdraft	(427)	(78)
	61,607	92,374
Less: Fixed deposit pledged	(7,880)	(7,774)
	53,727	84,600

Notes:

(1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes as attached to this interim financial statements.

(2) This represent RM2.00.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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") and paragraph 9.22 (Appendix 9B Part 9A) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes as attached to this interim financial statements.

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 2014.

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 audited financial statements for the financial year ended 30 June 2014. As at the date of authorisation of these interim financial statements, the Group has not adopted the following revised MFRSs, Interpretations and amendments which have been issued but not yet effective as stated below:-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- MFRS 14, Regulatory Deferred Accounts
- Amendments to MFRS 11, Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 10 and MFRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 10, MFRS 12 and MFRS 128, Investment Entities: Applying the Consolidation Exception
- Amendments to MFRS 101, Disclosure Initiative
- Amendments to MFRS 116 and MFRS 138, Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 116 and MFRS 141, Agriculture: Bearer Plants
- Amendments to MFRS 127, Equity method in Separate Financial Statements

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, Revenue from Contract with Customers

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, Financial Instruments (2014)
- Amendments to MFRS 7, Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

A1. Accounting policies and methods of computation (continued)

The initial application of these standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Group upon their first adoption except as mentioned below:

MFRS 15, Revenue from Contracts with Customers

The adoption of MFRS 15 may result in a change in the accounting for revenue by the Group. The Group is currently assessing the impact of adoption MFRS 15.

MFRS 9, Financial Instruments

The adoption of MFRS 9 may result in a change in the accounting policy. The Group is currently assessing the impact of adoption MFRS 9.

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 period-to-date.

A4. Changes in estimates

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

A6. Dividends paid

Since the end of the previous financial year, the Company paid a final single tier dividend of 2.5 per ordinary share totalling RM10,125,000 in respect of the financial year ended 30 June 2014 on 22 December 2014.

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

Interim financial report for the second quarter ended 31 December 2014
(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

A7. Segmental information

The Group's segmental report for the financial period-to-date was as follows:-

	Condoms RM'000	Catheters RM'000	Probe covers, lubricating jelly and others RM'000	Eliminations RM'000	Total RM'000
<u>6 months ended 31.12.2014</u>					
<u>Revenue</u>					
External revenue	135,364	6,441	5,326	-	147,131
Inter-segment revenue	-	-	-	-	-
Total revenue	135,364	6,441	5,326	-	147,131
<u>Results</u>					
Segment profit	33,545	737	2,548	-	36,830
Interest income					908
Finance cost					(680)
Unallocated amounts					(1,280)
Profit before tax					35,778
Tax expenses					(8,255)
Profit after tax					27,523
<u>Total Assets</u>					
Reportable segment assets	276,176	8,330	4,160	-	288,666
Unallocated assets					41,369
Total Assets					330,035
<u>6 months ended 31.12.2013</u>					
<u>Revenue</u>					
External revenue	75,775	2,849	3,551	-	82,175
Inter-segment revenue	-	-	-	-	-
Total revenue	75,775	2,849	3,551	-	82,175
<u>Results</u>					
Segment profit	14,055	868	1,862	-	16,785
Interest income					289
Finance cost					(577)
Unallocated amounts					(2,014)
Profit before tax					14,483
Tax expenses					(3,644)
Profit after tax					10,839
<u>Total Assets</u>					
Reportable segment assets	232,019	7,764	626	-	240,409
Unallocated assets					54,033
Total Assets					294,442

KAREX BERHAD (1018579-U)
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Interim financial report for the second quarter ended 31 December 2014
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NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

A8. Subsequent events

There were no material events subsequent to the end of the current quarter.

A9. Changes in composition of the Group

On 26 September 2014, the Group has acquired ten (10) shares, representing the entire issued and paid-up share capital of Karex Global Limited, for a total cash consideration of HKD 10.00.

On 3 October 2014, the Group has acquired 55% of the issued and paid-up share capital of Global Protection Corp, for a total cash consideration of USD 6.6 million, equivalent to RM 21.5 million.

There are no other changes in the composition of the Group for the current quarter and financial period-to-date.

A10. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities or contingent assets since 30 June 2014.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

B1. Performance review

As the acquisitions of subsidiaries were completed on 23 September 2013, the Group did not consolidate the financial performance of these subsidiaries from 23 September 2013 to 30 September 2013 due to impracticability of an accounting cut-off date other than month end and the effect is not significant to the results for the financial year ended 30 June 2014. The Group has consolidated the results from 1 October 2013 onwards.

If the Group had existed since last financial year, management estimate the consolidated results would be as follows:-

	<u>3 MONTHS ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	<u>31.12.2014</u>	<u>31.12.2013</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
	RM'000	RM'000	RM'000	RM'000
Revenue	76,998	82,175	147,131	147,580
Result from operating activities	19,405	15,228	35,550	28,231
Profit before tax	19,408	14,940	35,778	27,370
Profit after tax	<u>14,691</u>	<u>11,296</u>	<u>27,523</u>	<u>21,422</u>

For the second quarter ended 31 December 2014 (2QFY2015), revenue was slightly lower by 6.3% or RM5.2 million as compared to the corresponding quarter in the previous year. Revenue for 2QFY2014 was higher due to the deliveries of tender orders during that period. However, profit before tax increased by 29.9% to RM19.4 million from RM14.9 million registered in the previous year. Correspondingly, profit after tax in 2QFY2015 increased by 30.1% or RM3.4 million as compared to the corresponding quarter in the previous year attributable to sales of higher profit margin products, favourable currency exchange rates and raw material prices.

For the six months period under review (6MFY2015), revenue remain stable at RM 147.1 million while profit before tax increased by 30.7% to RM35.8 million as compared to the preceding year.

B2. Variance of results for the current quarter ended 31 December 2014 against the immediate preceding quarter

	<u>3 MONTHS ENDED</u>	
	<u>31.12.2014</u>	<u>30.9.2014</u>
	RM'000	RM'000
Revenue	76,998	70,133
Result from operating activities	19,405	16,145
Profit before tax	19,408	16,370
Profit after tax	<u>14,691</u>	<u>12,832</u>

Revenue in 2QFY2015 was 9.8% or RM 6.9 million higher as compared to the previous quarter. In tandem with the increase in revenue, profit before tax increased by 18.6% or RM3.0 million as compared to the previous quarter.

The increase in revenue for 2QFY2015 was mainly driven by higher volume of condom sales and the inclusion of contribution from Global Protection Corp. Accordingly, profit after tax in 2QFY2015 was also higher by 14.5% or RM 1.9 million as compared to the previous quarter attributed to sales of higher profit margin products, favourable currency exchange rates and raw material prices

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

B3. a) Group's Prospects for the financial year ending 30 June 2015 ("FYE 2015")

The demand for condoms remain evident around the world today while the consumption of condom is also expected to rise in tandem with population growth and increasing awareness on the importance of condom usage among the younger generations today. The Group foresees good prospect for FYE 2015 as the Group continue to secure new orders on the back of rising demand.

b) Forecast or target previously announced

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

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 period-to-date.

B5. Profit forecast or profit guarantee

No profit forecast or profit guarantee was published.

B6. Tax expense

	3 MONTHS ENDED		PERIOD-TO-DATE ENDED	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Estimated tax payable:				
- Current provision	4,933	3,768	8,344	3,768
Deferred taxation:				
- Current provision	(216)	(124)	(89)	(124)
	<u>4,717</u>	<u>3,644</u>	<u>8,255</u>	<u>3,644</u>

The Group effective tax rate is lower than statutory tax rate mainly due to profit generated by foreign subsidiary with lower tax rate for the current quarter and financial period-to-date

Interim financial report for the second quarter ended 31 December 2014
(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

B7. Status of corporate proposals

(A) Acquisitions

On 3 October 2014, the Group has acquired 55% of the issued and paid-up share capital of GP for a total cash consideration of USD 6.6 million, equivalent to RM 21.5 million.

	RM'000
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	235
Intangible assets	686
Inventories	8,120
Trade and other receivables	4,248
Cash and cash equivalents	669
Trade and other payables	(9,580)
Borrowings	(3,272)
Net assets acquired	<u>1,106</u>
Goodwill	20,433
Consideration paid by issuance of the Group	<u>21,539</u>
Net cash arising from Acquisitions are as follows:-	
Consideration paid by the Group	21,539
Less: Cash and cash equivalents acquired	(669)
	<u>20,870</u>

There were no corporate proposals pending completion at the date of this report.

(B) Status of utilisation of proceeds

The Initial Public Offering ("IPO") involved 67.5 million ordinary shares which comprises of 40.5 million ordinary shares and an offer for sale of 27.0 million existing shares at an issue price of RM1.85. The gross proceeds raised from the IPO amounting to RM74.93 million and the status of the utilisation of the proceed are as follows:

Purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Deviations RM'000	Balance RM'000	Intended timeframe for utilisation
Research and Development	4,000	(1,209)	-	2,791	Within 36 months
Capital expenditure	41,750	(19,494)	-	22,256	Within 36 months
Working capital	13,675	(5,417)	(728) ⁽²⁾	7,530	Within 36 months
Repayment of bank borrowing	10,000	(10,000)	-	-	Within 6 months
Listing expenses	5,500	(6,228)	728 ⁽²⁾	-	Within 6 months
Total gross proceeds	<u>74,925</u>	<u>(42,348)</u>	<u>-</u>	<u>32,577</u>	

Note:

(1) The proposed utilisation of proceeds as disclosed above should be read in connection with the Prospectus of the Company dated 11 October 2013.

(2) Actual listing expenses incurred were more than the estimated listing expenses by approximately RM0.7 million mainly due to higher professional fee charges as well as other incidental costs incurred in connection to the listing exercise. In accordance to the Prospectus dated 11 October 2013, the excess of listing expenses shall be funded out of the portion allocated for working capital purposes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

B8. Loans and borrowings

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

	Short-Term RM'000	Long-Term RM'000	Total RM'000
Secured	28,858	10,529	39,387

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

	Foreign Currency '000	RM'000
- Ringgit Malaysia	N/A	11,608
- US Dollar	4,287	14,316
- Thai Baht	126,687	13,463
		<u>39,387</u>

B9. Changes in material litigation

There was no material litigation since 30 June 2014.

B10. Dividend proposed

No dividend was proposed in respect of the current financial period

B11. Earnings per share ("EPS")

Basic EPS is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares of the Company during the financial period.

	3 MONTHS ENDED		PERIOD-TO-DATE ENDED	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Profit attributable to ordinary shareholders of the Company (RM'000)	14,547	11,296	27,379	10,839
Weighted average number of ordinary shares in issue ('000)	405,000	381,228	405,000	205,581
Basic EPS (sen)	3.59	2.96	6.76	5.27

The basic EPS and the diluted EPS 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 2014 were not qualified.

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

Interim financial report for the second quarter ended 31 December 2014
(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

B13. Profit before tax

	3 MONTHS ENDED		PERIOD-TO-DATE ENDED	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	413	289	908	289
(b) Other income including investment income	-	-	-	-
(c) Interest expense	(410)	(577)	(680)	(577)
(d) Depreciation and amortization	(1,881)	(1,722)	(3,755)	(1,722)
(e) Impairment loss on receivables	-	29	-	29
(f) Provision for and write off of inventories	15	(558)	15	(558)
(g) Gain on loss on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange gain/(loss)	4,790	528	5,489	528
(j) Gain/(loss) on derivatives	(1,030)	(70)	(1,025)	(70)
(k) Rental expenses	(585)	(179)	(912)	(179)
(l) Exceptional items	-	-	-	-

KAREX BERHAD (1018579-U)

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2014

(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES MALAYSIA BERHAD****B14. Realised and unrealised profit/(losses) disclosure**

	AS AT 31.12.2014 RM'000	AS AT 30.6.2014 RM'000
Total retained earnings of the Company and subsidiary companies:		
- Realised	49,511	35,427
- Unrealised	3,756	(418)
	53,267	35,009
Consolidated adjustments	(2,778)	(1,774)
Total retained earnings	50,489	33,235

By order of the Board
25 February 2015