



KAREX BERHAD

(Incorporated in Malaysia)

(1018579-U)

Interim Financial Report for the Second Quarter Ended 31 December 2015

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

Interim financial report for the second quarter ended 31 December 2015
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS ⁽¹⁾

	Note	3 MONTHS ENDED		PERIOD-TO-DATE	
		31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Revenue		96,579	76,998	172,672	147,131
Cost of goods sold		(60,569)	(51,758)	(109,148)	(100,851)
Gross profit		36,010	25,240	63,524	46,280
Other income		4,382	3,898	13,587	4,704
Distribution expenses		(5,125)	(3,445)	(9,920)	(6,012)
Administrative expenses		(9,324)	(6,280)	(15,854)	(9,414)
Other expenses		-	(8)	-	(8)
Result from operating activities		25,943	19,405	51,337	35,550
Interest income		1,361	413	2,952	908
Finance costs		(330)	(410)	(689)	(680)
Net finance income		1,031	3	2,263	228
Profit before tax	B13	26,974	19,408	53,600	35,778
Tax expense	B6	(4,761)	(4,717)	(9,283)	(8,255)
Profit for the period		22,213	14,691	44,317	27,523
Profit for the period attributable to:					
Owners of the Company		22,649	14,547	44,937	27,379
Non-controlling interests		(436)	144	(620)	144
Profit for the period		22,213	14,691	44,317	27,523
Earnings per share attributable to owners of the Company (sen): ⁽²⁾					
- Basic	B11	3.39	2.39	6.72	4.51
- Diluted	B11	3.39	2.39	6.72	4.51

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 2015 and the accompanying explanatory notes as attached to this interim financial statements.
- (2) The earnings per share for the corresponding quarter and period-to-date were restated to reflect the retrospective adjustments arising from the bonus issue completed on 21 April 2015, in accordance with "MFRS 133, Earnings per Share".

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

	3 MONTHS ENDED		PERIOD-TO-DATE		
	Note	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Profit for the period		22,213	14,691	44,317	27,523
Other comprehensive (losses)/profit, net of tax Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(1,917)	114	4,897	690
Total comprehensive income for the period		20,296	14,805	49,214	28,213
Total comprehensive income attributable to:					
Owners of the Company		20,754	14,592	49,722	28,000
Non-controlling interests		(458)	213	(508)	213
Total comprehensive income for the period		20,296	14,805	49,214	28,213

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 2015 and the accompanying explanatory notes as attached to this interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	<u>Note</u>	AS AT 31.12.2015 RM'000	AS AT 30.6.2015 RM'000
Assets			
Property, plant and equipment		160,764	129,295
Intangible assets		28,746	25,067
Deferred tax assets		134	126
Total non-current assets		<u>189,644</u>	<u>154,488</u>
Inventories		70,805	51,031
Trade and other receivables		93,287	85,136
Tax recoverable		170	-
Cash and cash equivalents		181,867	207,718
Total current assets		<u>346,129</u>	<u>343,885</u>
Total assets		<u>535,773</u>	<u>498,373</u>
Equity			
Share capital		167,063	167,063
Reserves		297,550	264,534
Total equity attributable to owners of the Company		<u>464,613</u>	<u>431,597</u>
Non-controlling interest		<u>285</u>	<u>793</u>
Total equity		<u>464,898</u>	<u>432,390</u>
Liabilities			
Loan and borrowings (secured)	B8	14,984	9,391
Deferred tax liabilities		7,582	5,351
Total non-current liabilities		<u>22,566</u>	<u>14,742</u>
Trade and other payables		34,481	35,889
Loan and borrowings (secured)	B8	9,124	13,491
Taxation		4,704	1,861
Total current liabilities		<u>48,309</u>	<u>51,241</u>
Total liabilities		<u>70,875</u>	<u>65,983</u>
Total equity and liabilities		<u>535,773</u>	<u>498,373</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.70</u>	<u>0.65</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 2015 and the accompanying explanatory notes as attached to this interim financial statements.

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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	RM'000	
31 December 2015									
At 1 July 2015	167,063	114,917	63,511	2,725	718	82,663	431,597	793	432,390
Contributions by and distributions to owners of the Company									
Dividend to owners of the Company/ Total transactions with owners of the Company						(16,706)	(16,706)	-	(16,706)
Foreign currency translation differences for foreign operations/ Total other comprehensive income for the period	-	-	-	4,785	-	-	4,785	112	4,897
Profit for the period	-	-	-	-	-	44,937	44,937	(620)	44,317
Total comprehensive income for the period	-	-	-	4,785	-	44,937	49,722	(508)	49,214
At 31 December 2015	167,063	114,917	63,511	7,510	718	110,894	464,613	285	464,898

	← 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	RM'000	
31 December 2014									
At 1 July 2014	101,250	25,540	63,511	(922)	718	33,235	223,332	-	223,332
Contributions by and distributions to owners of the Company									
Dividend to owners of the Company/ Total transactions with owners of the Company	-	-	-	-	-	(10,125)	(10,125)	-	(10,125)
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
At 31 December 2014	101,250	25,540	63,511	(301)	718	50,489	241,207	213	241,420

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 2015 and the accompanying explanatory notes as attached to this interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	Notes	PERIOD-TO-DATE	
		31.12.2015	31.12.2014
		RM'000	RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		53,600	35,778
Adjustment for:			
Non-cash items		(8,023)	610
Operating profit before changes in working capital		45,577	36,388
Net changes in current assets		(14,976)	(15,767)
Net changes in current liabilities		(5,287)	(1,998)
Cash generated from operations		25,314	18,623
Tax paid		(6,049)	(6,015)
Net cash from operating activities		19,265	12,608
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of:			
- Property, plant and equipment		(17,354)	(20,233)
- Subsidiaries, net cash and cash equivalents, acquired	B7(A)(i)	(13,000)	(20,870)
Proceed from disposal of property, plant and equipment		183	36
Interest received		2,952	908
Net cash used in investing activities		(27,219)	(40,159)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Dividend paid to owners of the Company		(16,706)	(10,125)
Net (repayment)/drawdown of borrowings and interest paid		(1,506)	13,414
(Increase)/ Decrease placement in fixed deposits pledged to licensed banks		(703)	532
Net cash (used in) / from financing activities		(18,915)	3,821
Net changes in cash and cash equivalents		(26,869)	(23,730)
Effect of exchange rate fluctuations on cash held		315	277
Cash and cash equivalents at beginning of the period		207,481	77,180
Cash and cash equivalents at end of the period		180,927	53,727

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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	
	31.12.2015	31.12.2014
	RM'000	RM'000
Cash and bank balances	58,981	15,866
Deposits with licensed banks	940	9,880
Deposit with other corporation	121,946	36,288
	181,867	62,034
Less: Bank Overdraft	-	(427)
	181,867	61,607
Less: Fixed deposit pledged	(940)	(7,880)
	180,927	53,727

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 2015 and the accompanying explanatory notes as attached to this interim financial statements.

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 2015 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 2015.

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 2015. 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 5, Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)

Amendments to MFRS 7, Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)

Amendments to MFRS 10, Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 101, Presentation of Financial Statements – Disclosure Initiative

Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets

– Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture

– Agriculture: Bearer Plants

Amendments to MFRS 119, Employee Benefits (Annual Improvements 2012-2014 Cycle)

Amendments to MFRS 127, Separate Financial Statements – Equity Method in Separate Financial Statements

Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)

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

MFRS 15, Revenue from Contract with Customers

MFRS 9, Financial Instruments (2014)

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of 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 sen per ordinary share totalling RM 16,706,250 in respect of the financial year ended 30 June 2015 on 18 December 2015

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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 31.12.2015</u>					
<u>Revenue</u>					
External revenue	159,355	7,438	5,879	-	172,672
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>159,355</u>	<u>7,438</u>	<u>5,879</u>	<u>-</u>	<u>172,672</u>
<u>Results</u>					
Segment profit	43,859	2,113	2,733	-	48,705
Interest income					2,952
Finance cost					(689)
Unallocated amounts					2,632
Profit before tax					<u>53,600</u>
Tax expenses					(9,283)
Profit after tax					<u>44,317</u>
<u>Total Assets</u>					
Reportable segment assets	376,617	10,641	7,874	-	395,132
Unallocated assets					140,641
Total Assets					<u>535,773</u>
<u>6 months ended 31.12.2015</u>					
<u>Revenue</u>					
External revenue	135,364	6,441	5,236	-	147,131
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>135,364</u>	<u>6,441</u>	<u>5,236</u>	<u>-</u>	<u>147,131</u>
<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					<u>35,778</u>
Tax expenses					(8,255)
Profit after tax					<u>27,523</u>
<u>Total Assets</u>					
Reportable segment assets	276,176	8,330	4,160	-	288,666
Unallocated assets					41,369
Total Assets					<u>330,035</u>

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

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

- a) On 13 October 2015, the Group has acquired 100% of the issued and paid-up share capital in Medical-Latex (DUA) Sdn Bhd for a cash consideration of RM13.0 million from Beiersdorf Aktiengesellschaft.
- b) On 21 October 2015, the Group has incorporated Karex Marketing Sdn Bhd ("KMSB") with the paid up share capital of RM100.00 representing 100 shares of RM1.00 each. The intended principal activity of KMSB is to serve as a vehicle to facilitate marketing activities for Karex Group.
- c) On 11 January 2016, the Group has incorporated Karex Holdings Sdn Bhd ("KHSB") with the paid up share capital of RM100.00 representing 100 shares of RM1.00 each. The intended principal activity of KHSB is to serve as a vehicle to hold the Group's properties including intellectual properties.
- d) On 15 January 2016, the Group has acquired the entire share capital of Project Trillion Sdn Bhd ("PTSB") for a total cash consideration of RM2.00. The intended principal activity of PTSB is to serve as a vehicle to hold the Group's properties including intellectual properties. On 16 February 2016, the Company has changed its name from Project Trillian Sdn Bhd to Karex International Sdn Bhd.

A10. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities or contingent assets as at date of this report.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

B1. Performance review

	<u>3 MONTHS ENDED</u>		<u>PERIOD-TO-DATE</u>	
	<u>31.12.2015</u>	<u>31.12.2014</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
	RM'000	RM'000	RM'000	RM'000
Revenue	96,579	76,998	172,672	147,131
Result from operating activities	25,943	19,405	51,337	35,550
Profit before tax	26,974	19,408	53,600	35,778
Profit after tax	<u>22,213</u>	<u>14,691</u>	<u>44,317</u>	<u>27,523</u>

For the second quarter ended 31 December 2015 (2QFY2016), revenue was higher by 25.4% or RM19.6 million as compared to the corresponding quarter in the previous year due to higher volume from condom tender sales segment. Result from operating activities has further improved by 33.7% or RM6.5 million as compared to the corresponding quarter in the previous year attributable to higher profit margin products, lower raw material prices and one-off gain from a bargain purchase of RM4.7 million. Profit before tax increased by 39.0% to RM27.0 million, while profit after tax also increased by 51.2% to RM22.2 million as compared to the corresponding quarter in the previous year.

For the six months period under review (6MF2016), revenue increased by 17.4% to RM172.7 million while profit before tax increased by RM17.8 million to RM53.6 million as compared to the previous year.

B2. Variance of results for the current quarter ended 31 December 2015 against the immediate preceding quarter

	<u>3 MONTHS ENDED</u>	
	<u>31.12.2015</u>	<u>30.9.2015</u>
	RM'000	RM'000
Revenue	96,579	76,093
Result from operating activities	25,943	25,394
Profit before tax	26,974	26,626
Profit after tax	<u>22,213</u>	<u>22,104</u>

Revenue in 2QFY2016 grew by 26.9% or RM 20.5 million as compared to the previous quarter due to higher volume from condom tender sales were delivered during the quarter. Result from operating activities grew marginally by 2.2% or RM0.6 million as compared to the previous quarter attributable to higher profit margin products, lower raw material prices and one-off gain from a bargain purchase of RM4.7 million. In previous quarter, there were also more favourable foreign exchange gains. Profit after tax was higher by 0.5% or RM0.1 million as compared to the previous quarter.

B3. a) Group's Prospects for the financial year ending 30 June 2016 ("FYE 2016")

The Group is optimistic of the prospect for FYE2016 due to continuous strong demand of our products.

b) Forecast or target previously announced

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

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES 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 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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable:				
- Current provision	4,994	4,933	8,722	8,344
Deferred taxation:				
- Current provision	(233)	(216)	561	(89)
	4,761	4,717	9,283	8,255

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

B7. Status of corporate proposals

(A) Corporate proposals

i) Acquisition

On 13 October 2015, the Group has acquired 100% of the issued and paid-up share capital in Medical-Latex (DUA) Sdn Bhd for a cash consideration of RM13.0 million from Beiersdorf Aktiengesellschaft.

	RM'000
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	14,854 ⁽¹⁾
Inventories	4,240
Trade and other receivables	4,911
Trade and other payables	(4,128)
Borrowings	(531)
Deferred tax liabilities	(1,662) ⁽¹⁾
Net assets acquired	17,684
Gain from a bargain purchase	(4,684)
Consideration paid by the Group	13,000

Net cash arising from Acquisitions are as follows:-

Consideration paid by the Group	13,000
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⁽¹⁾ In accordance with MFRS 3, Business Combination, a fair value adjustment for land and building amounting RM 6.5 million and deferred tax liabilities of RM1.6 million were recognised upon Acquisition. The Group has recognised a bargain purchase gain of RM 4.7 million to Consolidated Statement of Profit or Loss.

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

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

B7. Status of corporate proposals (continued)

(B) Status of utilisation of proceeds

i) Initial Public Offering

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	(4,000)	-	-	Within 36 months
Capital expenditure	41,750	(22,786)	-	18,964	Within 36 months
Working capital	13,675	(8,201)	(728) ⁽²⁾	4,746	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	74,925	(51,215)	-	23,710	

Note:

- (1) The proposed utilisation of proceeds as disclosed above should be read in conjunction 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.

ii) Private Placement

The Private Placement ("PP") involved 40.5 million ordinary shares at an issue price of RM3.90. The gross proceeds raised from the Private Placement amounting to RM158.0 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
Development and business expansion	110,000	(25,149)	-	84,851	Within 24 months ⁽³⁾
Working capital	44,450	(12,098)	740 ⁽²⁾	33,092	Within 24 months ⁽³⁾
Listing expenses	3,500	(2,760)	(740) ⁽²⁾	-	Upon completion of PP
Total gross proceeds	157,950	(40,007)	-	117,943	

Note:

- (1) The proposed utilisation of proceeds as disclosed above should be read in conjunction with the announcement by CIMB on 26 February 2015.
(2) Actual listing expenses incurred were less than the estimated listing expenses by approximately RM0.7 million mainly due to lower professional fee charges as well as other incidental costs incurred in connection to the private placement. In accordance to the Proposal announced on 26 February 2015, the excess are allocated for working capital purposes.
(3) The Group is in the midst of identifying suitable development and business opportunities and intends to extend the utilization timeframe for 24 months from 11 March 2015.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

B8. Loans and borrowings

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

	Short-Term	Long-Term	Total
	RM'000	RM'000	RM'000
Secured	9,124	14,984	24,108

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

	Foreign Currency	'000	RM'000
- Ringgit Malaysia	N/A		7,607
- US Dollar	630		2,705
- Thai Baht	115,672		13,796
			24,108

B9. Changes in material litigation

There was no material litigation as at the date of this report.

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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Profit attributable to ordinary shareholders of the Company (RM'000)	22,649	14,547	44,937	27,379
Weighted average number of ordinary shares in issue ('000)	668,250	607,500	668,250	607,500
Basic EPS (sen) ⁽¹⁾	3.39	2.39	6.72	4.51

Note:

(1) The earnings per share for the corresponding quarter and period-to-date were restated to reflect the retrospective adjustments arising from the bonus issue completed on 21 April 2015, in accordance with "MFRS 133, Earnings per Share".

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.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

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 2015 were not qualified.

B13. Profit before tax

	3 MONTHS ENDED		PERIOD-TO-DATE	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	1,361	413	2,952	908
(b) Other income including investment income	-	-	-	-
(c) Interest expense	(330)	(410)	(689)	(680)
(d) Depreciation and amortization	(2,360)	(1,881)	(4,392)	(3,755)
(e) Impairment loss on receivables	(27)	-	(27)	-
(f) Provision for and write off of inventories	-	15	-	15
(g) Gain on loss on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange gain/(loss)	(3,561)	4,790	8,555	5,489
(j) Gain/(loss) on derivatives	3,250	(1,030)	137	(1,025)
(k) Rental expenses	(317)	(585)	(737)	(912)
(l) Exceptional items	-	-	-	-
	-	-	-	-

B14. Realised and unrealised profit/(losses) disclosure

	AS AT 31.12.2015 RM'000	AS AT 30.6.2015 RM'000
Total retained earnings of the Company and subsidiary companies:		
- Realised	104,824	80,171
- Unrealised	8,905	5,241
	113,729	85,412
Consolidated adjustments	(2,835)	(2,749)
Total retained earnings	110,894	82,663

By order of the Board
23 February 2016