



KAREX BERHAD

(Incorporated in Malaysia)

(Registration no: 201201034091 (1018579-U))

Interim Financial Report for the First Quarter Ended 30 September 2021

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(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2021

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS ⁽¹⁾

	Note	3 MONTHS ENDED		PERIOD-TO-DATE	
		30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
Revenue		95,984	101,733	95,984	101,733
Cost of goods sold		(71,082)	(73,342)	(71,082)	(73,342)
Gross profit		24,902	28,391	24,902	28,391
Other income		415	728	415	728
Distribution expenses		(10,861)	(8,883)	(10,861)	(8,883)
Administrative expenses		(12,505)	(12,728)	(12,505)	(12,728)
Other expenses		(34)	(118)	(34)	(118)
Result from operating activities		1,917	7,390	1,917	7,390
Interest income		92	39	92	39
Finance costs		(840)	(416)	(840)	(416)
Net finance cost		(748)	(377)	(748)	(377)
Profit before tax		1,169	7,013	1,169	7,013
Tax expense	B6	(400)	(1,805)	(400)	(1,805)
Profit for the period	B13	769	5,208	769	5,208
Profit for the period attributable to:					
Owners of the Company		769	4,458	769	4,458
Non-controlling interests		-	750	-	750
Profit for the period		769	5,208	769	5,208
Earnings per share attributable to owners of the Company (sen):					
- Basic	B11	0.07	0.44	0.07	0.44
- Diluted	B11	0.07	0.44	0.07	0.44

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 2021 and the accompanying explanatory notes as attached to this interim financial statements.

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

Note	3 MONTHS ENDED		PERIOD-TO-DATE	
	30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
Profit for the period	769	5,208	769	5,208
Other comprehensive expenses, net of tax Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(4,418)	(6,712)	(4,418)	(6,712)
Total comprehensive expenses for the period	(3,649)	(1,504)	(3,649)	(1,504)
Total comprehensive (expenses)/ income attributable to:				
Owners of the Company	(3,649)	(2,254)	(3,649)	(2,254)
Non-controlling interests	-	750	-	750
Total comprehensive expenses for the period	(3,649)	(1,504)	(3,649)	(1,504)

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 2021 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 30.9.2021 RM'000	AS AT 30.6.2021 RM'000
Assets			
Property, plant and equipment		254,032	254,812
Right-of-use assets		28,039	30,646
Intangible assets		95,888	95,546
Deferred tax assets		1,554	1,335
Total non-current assets		379,513	382,339
Inventories		138,601	131,232
Trade and other receivables		100,190	104,618
Tax recoverable		2,871	2,490
Cash and cash equivalents		43,552	54,129
Total current assets		285,214	292,469
Total assets		664,727	674,808
Equity			
Share capital		324,244	324,244
Reserves		137,863	141,512
Total equity attributable to owners of the Company/ Total equity		462,107	465,756
Liabilities			
Loan and borrowings	B8	51,331	48,476
Deferred tax liabilities		3,550	2,832
Total non-current liabilities		54,881	51,308
Trade and other payables		83,156	89,448
Loan and borrowings	B8	64,160	67,396
Derivative financial liabilities		176	375
Taxation		247	525
Total current liabilities		147,739	157,744
Total liabilities		202,620	209,052
Total equity and liabilities		664,727	674,808
Net assets per share attributable to owners of the Company (RM)		0.44	0.44

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 2021 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-distributable →				Distributable		Non-	
	Share capital RM'000	Merger reserve RM'000	Translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000	controlling interests RM'000	Total equity RM'000
30 September 2021								
At 1 July 2021	324,244	63,511	10,370	718	66,913	465,756	-	465,756
Foreign currency translation differences for foreign operations/ Total other comprehensive expenses for the period	-	-	(4,418)	-	-	(4,418)	-	(4,418)
Profit for the period	-	-	-	-	769	769	-	769
Total comprehensive (expenses)/ income for the period	-	-	(4,418)	-	769	(3,649)	-	(3,649)
At 30 September 2021	324,244	63,511	5,952	718	67,682	462,107	-	462,107
30 September 2020								
At 1 July 2020	281,980	63,511	17,949	718	115,991	480,149	4,951	485,100
Foreign currency translation differences for foreign operations/ Total other comprehensive expenses for the period	-	-	(6,559)	-	-	(6,559)	(153)	(6,712)
Profit for the period	-	-	-	-	4,458	4,458	750	5,208
Total comprehensive (expenses)/ income for the period	-	-	(6,559)	-	4,458	(2,101)	597	(1,504)
At 30 September 2020	281,980	63,511	11,390	718	120,449	478,048	5,548	483,596

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 2021 and the accompanying explanatory notes as attached to this interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	PERIOD-TO-DATE	
	30.9.2021	30.9.2020
	RM'000	RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	1,169	7,013
Adjustment for:		
Non-cash items	6,751	4,681
Operating profit before changes in working capital	7,920	11,694
Net changes in current assets	(440)	(21,675)
Net changes in current liabilities	(5,701)	6,772
Cash generated/ (used in) from operations	1,779	(3,209)
Tax paid	(560)	(67)
Net cash from/ (used in) operating activities	1,219	(3,276)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of:		
- Property, plant and equipment	(10,378)	(4,818)
Proceed from disposal of property, plant and equipment	-	293
Interest received	92	39
Net cash used in investing activities	(10,286)	(4,486)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Net drawdown of borrowings and interest paid	(1,298)	4,603
Net placement in fixed deposits pledged to licensed banks	(63)	107
Net cash (used in)/ from financing activities	(1,361)	4,710
Effect of exchange rate fluctuations on cash held	(289)	257
Net changes in cash and cash equivalents	(10,717)	(2,795)
Cash and cash equivalents at beginning of the period	52,738	45,017
Cash and cash equivalents at end of the period	42,021	42,222

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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	
	30.9.2021	30.9.2020
	RM'000	RM'000
Cash and bank balances	27,899	42,222
Short-term deposits	15,653	1,399
	43,552	43,621
Less: Fixed deposits pledged	(1,454)	(1,399)
Bank Overdraft	(77)	-
	42,021	42,222

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 2021 and the accompanying explanatory notes as attached to this interim financial statements.

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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 2021 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 2021.

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 2021, except for the adoption of the following new/revised MFRSs and clarifications/amendments to MFRS:

Amendments to MFRS 9, Financial Instruments and MFRS 139, Financial Instruments: Recognition and Measurement,
MFRS 7, Financial Instrument Disclosures, MFRS 4, Insurance Contracts, MFRS 16, Leases – Interest Rate Benchmark Reform,
Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021

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 2022

Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)

Amendments MFRS 3, Business Combinations - Reference to the Conceptual Framework

Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)

Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)

Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts—Cost of Fulfilling a Contract

Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

MFRS 17, Insurance Contracts

Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies

Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

Amendments to MFRS 112, Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 plans to apply these accounting standards, amendments and interpretations in the respective financial year when these standards, amendments and interpretations become effective.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

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

No dividends were proposed in respect of the current financial period.

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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 operating segmental report for the financial period-to-date was as follows:-

<u>Segment</u>	<u>Composition</u>
Sexual Wellness	Sale of condoms, personal lubricants and sex toys.
Medical	Sale of catheters, probe covers, HIV & pregnancy testkits and other medical related products.
Other segment	Sale of products not related to Sexual Wellness and Medical.

	Sexual Wellness RM'000	Medical RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<u>3 months ended 30.9.2021</u>					
<u>Revenue</u>					
External revenue	87,927	5,755	2,302	-	95,984
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>87,927</u>	<u>5,755</u>	<u>2,302</u>	<u>-</u>	<u>95,984</u>
<u>Results</u>					
Segment profit	747	630	641	-	2,018
Interest income					2
Finance cost					(840)
Unallocated amounts					(11)
Profit before tax					<u>1,169</u>
Tax expense					(400)
Profit after tax					<u>769</u>
<u>Total Assets</u>					
Reportable segment assets	610,678	29,959	5,539	-	646,176
Unallocated assets					18,551
Total Assets					<u>664,727</u>
<u>3 months ended 30.9.2020</u>					
<u>Revenue</u>					
External revenue	91,324	8,353	2,056	-	101,733
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>91,324</u>	<u>8,353</u>	<u>2,056</u>	<u>-</u>	<u>101,733</u>
<u>Results</u>					
Segment profit	5,991	1,629	495	-	8,115
Interest income					7
Finance cost					(416)
Unallocated amounts					(693)
Profit before tax					<u>7,013</u>
Tax expense					(1,805)
Profit after tax					<u>5,208</u>
<u>Total Assets</u>					
Reportable segment assets	593,469	31,081	4,810	-	629,360
Unallocated assets					6,315
Total Assets					<u>635,675</u>

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

A7. Segmental information (continued)

Geographical Segments

The Group's geographical revenue for the financial period-to-date is as follows:-

	PERIOD-TO-DATE	
	30.9.2021	30.9.2020
	RM'000	RM'000
Asia	22,582	20,906
Africa	15,125	23,702
Americas	41,763	35,729
Europe	16,514	21,396
	<u>95,984</u>	<u>101,733</u>

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

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

	3 MONTHS ENDED				PERIOD-TO-DATE			
	30.9.2021	30.9.2020	Variance		30.9.2021	30.9.2020	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	95,984	101,733	(5,749)	(5.7)	95,984	101,733	(5,749)	(5.7)
Result from operating activities	1,917	7,390	(5,473)	(74.1)	1,917	7,390	(5,473)	(74.1)
Profit before tax	1,169	7,013	(5,844)	(83.3)	1,169	7,013	(5,844)	(83.3)
Profit after tax	769	5,208	(4,439)	(85.2)	769	5,208	(4,439)	(85.2)
Profit attributable to owners of the Company	769	4,458	(3,689)	(82.8)	769	4,458	(3,689)	(82.8)

The Covid-19 restrictions in Malaysia and persisting disruptions in global logistics network continued to affect our sales contribution from Sexual Wellness and Medical segments. Revenue for the first quarter ended 30 September 2021 ("1QFY2022") totalled RM96.0 million, representing a reduction of 5.7% in comparison from the same period in the previous year. Higher own brand sales contributed to improving gross profit margins during the quarter. Notwithstanding the aforementioned contribution, the tail end of the third Movement Control Order in Malaysia continued to result in unavoidable operational expenses of RM 3.5 million during the quarter, which was further compounded by the logistics disruptions that caused additional distribution expenses of RM 1.5 million during the quarter. Despite these factors, profit before tax of RM 1.2 million for the quarter was achieved.

B2. Variance of results for the current quarter ended 30 September 2021 against the immediately preceding quarter

	3 MONTHS ENDED			
	30.9.2021	30.6.2021	Variance	
	RM'000	RM'000	RM'000	%
Revenue	95,984	106,724	(10,740)	(10.1)
Result from operating activities	1,917	(6,781)	8,698	(128.3)
Profit/ (Loss) before tax	1,169	(7,794)	8,963	(115.0)
Profit/ (Loss) after tax	769	(5,099)	5,868	(115.1)
Profit/ (Loss) attributable to owners of the Company	769	(5,099)	5,868	(115.1)

In 1Q2021, revenue totals reduced by approximately 10.1% to RM 96.0 million in comparison to the immediately preceding quarter. The combination of government controls to address the worsening Covid-19 situation in Malaysia and shortage of shipment containers resulted in an adverse impact on our Group's operations during the quarter. Although we continued to experience disruption to our operation, we recorded a lower distribution expenses as well as a higher contribution from our own brand sales that contributed to an improvement in profitability margin compared to the previous quarter. This resulted in the Group recording a profit before tax of RM 1.2 million for the quarter.

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

B3. a) Group's Prospects for the financial year ending 30 June 2022 ("FYE 2022")

The exceptional measures that governments and health authorities around the world implemented during the COVID-19 pandemic, such as lockdowns, quarantines or reorganizing health services drastically impacted the sexual health and medical devices industries. According to the World Health Organization, access to birth control is one of the sexual and reproductive health issues that has been most impacted by the pandemic.

Yet, in spite of this, the Group continues to make strides in establishing its position as a global leader in these industries with a commendable sales growth during the last few years. We continue to leverage on our manufacturing expertise and cost competitiveness to capture orders in markets where many governments have shifted the onus of family planning from a state-provided model to the private sector in recent years.

As vaccination rates ramp up around the world, more economies continue to relax restrictions and societies begin to adapt to post-pandemic life. The recommencement of social interactions that have been absent for over a year in many countries is expected to drive the immediate term demand for condoms and lubricants. This transition is also expected to present unique opportunities arising from greater e-commerce literacy as well as a heightened awareness of personal hygiene and disease prevention. In order to capitalize on new market trends that are expected to arise, the Group is poised to expand its product portfolio in terms of capacity as well as variety to offer products such as medical gloves in the near future.

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	
	30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
Current tax expenses				
- Current period	227	2,582	227	2,582
Deferred taxation:				
- Origination and reversal of temporary differences	173	(777)	173	(777)
	400	1,805	400	1,805

The Group effective tax rate for the period-to-date are higher than statutory tax rate mainly due to profit generated by foreign subsidiaries with higher tax rates for the period.

B7. Status of corporate proposals

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

B8. Loans and borrowings (secured)

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

	Denominated in	30.9.2021		30.9.2020	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Non-current					
Term Loan	RM	N/A	28,874	N/A	-
	USD ⁽¹⁾	1,066	4,436	858	3,571
			33,310		3,571
Hire Purchase	RM	N/A	236	N/A	335
Lease Liabilities	RM	N/A	2,221		915
	Thai Baht	83,573	10,338	65,663	8,615
	USD	237	984	692	2,877
	GBP	754	4,242	933	4,970
			17,785		17,377
			51,331		21,283
Current					
Term Loan	RM	N/A	1,961	N/A	233
	USD ⁽¹⁾	1,066	4,436	858	3,570
			6,397		3,803
Hire Purchase	RM	N/A	236	N/A	335
Banker acceptance	RM	N/A	6,113	N/A	-
	Thai Baht ⁽¹⁾	250,792	31,023	171,486	22,499
			37,136		22,499
Export Financing	USD ⁽¹⁾	2,478	10,805	1,261	5,242
	GBP ⁽¹⁾	357	2,007	-	-
			12,812		5,242
Revolving Credit	RM	N/A	4,000	-	-
	USD ⁽¹⁾	-	-	125	519
			4,000	N/A	519
Bank Overdraft	Thai Baht ⁽¹⁾	622	77	-	-
Lease Liabilities	RM	N/A	705	N/A	961
	Thai Baht ⁽¹⁾	299	37	1,349	177
	USD ⁽¹⁾	458	1,905	444	1,847
	GBP ⁽¹⁾	152	855	159	847
			3,502		3,832
			64,160		36,230

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

B8. Loans and borrowings (secured) (continued)

	Denominated in	30.9.2021		30.9.2020	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Total					
Term Loan	RM	N/A	30,835	N/A	233
	USD ⁽¹⁾	2,132	8,872	1,716	7,141
			39,707		7,374
Hire Purchase	RM	N/A	472	N/A	670
Banker acceptance	RM	N/A	6,113	N/A	-
	Thai Baht ⁽¹⁾	250,792	31,023	171,486	22,499
			37,136		22,499
Export Financing	USD ⁽¹⁾	2,478	10,805	1,261	5,242
	GBP ⁽¹⁾	357	2,007	-	-
			12,812		5,242
Revolving Credit	RM ⁽¹⁾	N/A	4,000	N/A	-
	USD ⁽¹⁾	-	-	125	519
			4,000		519
Bank Overdraft	Thai Baht ⁽¹⁾	622	77	0	-
Lease Liabilities	RM	N/A	2,926	N/A	1,876
	Thai Baht	83,872	10,375	67,012	8,792
	USD	695	2,889	1,136	4,724
	GBP	906	5,097	1,092	5,817
			21,287		21,209
			115,491		57,513
	100 Thai Baht to RM		12.37		13.12
	1 USD to RM		4.16		4.16
	1 GBP to RM		5.63		5.33

Notes:

(1) Converted at the respective exchange rate prevailing as at period ended

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.

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

Interim financial report for the first quarter ended 30 September 2021

(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

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	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
Profit attributable to ordinary shareholders of the Company (RM'000)	769	4,458	769	4,458
Weighted average number of ordinary shares ('in million)	1,053	1,002	1,053	1,002
Basic EPS (sen)	0.07	0.44	0.07	0.44

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 2020 were not qualified.

B13. Profit for the period is arrived at after crediting/ (charging)

	3 MONTHS ENDED		PERIOD-TO-DATE	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	92	39	92	39
(b) Other income including investment income	-	-	-	-
(c) Interest expense	(840)	(416)	(840)	(416)
(d) Depreciation and amortization	(4,716)	(4,457)	(4,716)	(4,457)
Amortisation for right-of-use assets	(907)	(932)	(907)	(932)
(e) Provision of impairment loss on receivables	(38)	(8)	(38)	(8)
(f) Provision for and write off of inventories	(219)	(845)	(219)	(845)
(g) Gain on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange gain/ (loss)	284	(1,412)	284	(1,412)
(j) (Loss)/Gain on derivatives	(144)	2,056	(144)	2,056
(k) Rental expenses	(1,077)	(1,484)	(1,077)	(1,484)
(l) Exceptional items	-	-	-	-

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

Interim financial report for the first quarter ended 30 September 2021

(The figures have not been audited)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

B14. Realised and unrealised profit/ (losses) disclosure

	AS AT 30.9.2021 RM'000	AS AT 30.6.2021 RM'000
Total retained earnings of the Company and subsidiary companies:		
- Realised	193,373	192,822
- Unrealised	(3,669)	(2,299)
	189,704	190,523
Consolidated adjustments	(122,022)	(123,610)
Total retained earnings	67,682	66,913

By order of the Board
26 November 2021