



KAREX BERHAD

(Incorporated in Malaysia)

(Registration no: 201201034091 (1018579-U))

Interim Financial Report for the First Quarter Ended 30 September 2022

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

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Interim financial report for the first quarter ended 30 September 2022

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS ⁽¹⁾

	3 MONTHS ENDED		PERIOD-TO-DATE		
	Note	30.9.2022 RM'000	30.9.2021 RM'000	30.9.2022 RM'000	30.9.2021 RM'000
Revenue		145,027	95,984	145,027	95,984
Cost of goods sold		(110,678)	(71,082)	(110,678)	(71,082)
Gross profit		34,349	24,902	34,349	24,902
Other income		662	415	662	415
Distribution expenses		(16,089)	(10,861)	(16,089)	(10,861)
Administrative expenses		(14,692)	(12,505)	(14,692)	(12,505)
Other expenses		(190)	(34)	(190)	(34)
Result from operating activities		4,040	1,917	4,040	1,917
Interest income		73	92	73	92
Finance costs		(1,292)	(840)	(1,292)	(840)
Net finance cost		(1,219)	(748)	(1,219)	(748)
Profit before tax		2,821	1,169	2,821	1,169
Tax expense	B6	(528)	(400)	(528)	(400)
Profit for the period	B13	2,293	769	2,293	769
Profit for the period attributable to: Owners of the Company		2,293	769	2,293	769
Profit per share attributable to owners of the Company (sen):					
- Basic	B11	0.22	0.07	0.22	0.07
- Diluted	B11	0.22	0.07	0.22	0.07

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 2022 and the accompanying explanatory notes as attached to this interim financial statements.

KAREX BERHAD

201201034091 (1018579-U)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2022

(The figures have not been audited)

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

	3 MONTHS ENDED		PERIOD-TO-DATE		
	Note	30.9.2022 RM'000	30.9.2021 RM'000	30.9.2022 RM'000	30.9.2021 RM'000
Profit for the period		<u>2,293</u>	<u>769</u>	<u>2,293</u>	<u>769</u>
Other comprehensive income/ (expenses), net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		<u>59</u>	<u>(4,418)</u>	<u>59</u>	<u>(4,418)</u>
Total comprehensive income/ (expenses) for the period		<u>2,352</u>	<u>(3,649)</u>	<u>2,352</u>	<u>(3,649)</u>
Total comprehensive income/ (expenses) attributable to:					
Owners of the Company		<u>2,352</u>	<u>(3,649)</u>	<u>2,352</u>	<u>(3,649)</u>

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 2022 and the accompanying explanatory notes as attached to this interim financial statements.

KAREX BERHAD

201201034091 (1018579-U)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2022

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	<u>Note</u>	AS AT 30.9.2022 RM'000	AS AT 30.6.2022 RM'000
Assets			
Property, plant and equipment		262,714	267,299
Right-of-use assets		26,199	27,017
Intangible assets		98,721	97,166
Deferred tax assets		3,270	2,876
Total non-current assets		390,904	394,358
Inventories		151,654	152,359
Trade and other receivables		136,613	118,217
Contract assets		1,929	542
Tax recoverable		1,631	3,266
Cash and cash equivalents		26,360	21,871
Total current assets		318,187	296,255
Total assets		709,091	690,613
Equity			
Share capital		324,244	324,244
Reserves		135,890	133,538
Total equity attributable to owners of the Company/ Total equity		460,134	457,782
Liabilities			
Loan and borrowings	B8	67,751	69,049
Deferred tax liabilities		2,783	2,814
Total non-current liabilities		70,534	71,863
Trade and other payables		92,861	94,645
Contract liabilities		6,755	9,249
Loan and borrowings	B8	77,612	54,519
Derivative financial liabilities		1,129	1,266
Taxation		66	1,289
Total current liabilities		178,423	160,968
Total liabilities		248,957	232,831
Total equity and liabilities		709,091	690,613
Net assets per share attributable to owners of the Company (RM)		0.44	0.43

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 2022 and the accompanying explanatory notes as attached to this interim financial statements.

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Interim financial report for the first quarter ended 30 September 2022

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

	← Attributable to owners of the Company →					Total equity RM'000
	← Non-distributable →			Distributable		
	Share capital RM'000	Merger reserve RM'000	Translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	
30 September 2022						
At 1 July 2022	324,244	63,511	8,587	718	60,722	457,782
Foreign currency translation differences for foreign operations/						
Total other comprehensive income for the period	-	-	59	-	-	59
Profit for the period	-	-	-	-	2,293	2,293
Total comprehensive income for the period	-	-	59	-	2,293	2,352
At 30 September 2022	324,244	63,511	8,646	718	63,015	460,134
30 September 2021						
At 1 July 2021	324,244	63,511	10,370	718	66,913	465,756
Foreign currency translation differences for foreign operations/						
Total other comprehensive expenses for the period	-	-	(4,418)	-	-	(4,418)
Profit for the period	-	-	-	-	769	769
Total comprehensive (expenses)/ income for the period	-	-	(4,418)	-	769	(3,649)
At 30 September 2021	324,244	63,511	5,952	718	67,682	462,107

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 2022 and the accompanying explanatory notes as attached to this interim financial statements.

KAREX BERHAD

201201034091 (1018579-U)
(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2022

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	PERIOD-TO-DATE	
	30.9.2022 RM'000	30.9.2021 RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	2,821	1,169
Adjustment for:		
Non-cash items	8,702	6,751
Operating profit before changes in working capital	11,523	7,920
Net changes in current assets	(21,384)	(440)
Net changes in current liabilities	1,224	(5,701)
Cash (used in)/ generated from operations	(8,637)	1,779
Tax paid	(541)	(560)
Net cash (used in)/ from operating activities	(9,178)	1,219
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of:		
- Property, plant and equipment	(8,590)	(10,378)
Proceed from disposal of:		
- Property, plant and equipment	41	-
Interest received	73	92
Net cash used in investing activities	(8,476)	(10,286)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Net drawdown/ (repayment) of borrowings and interest paid	20,523	(1,298)
Net placement in fixed deposits pledged to licensed banks	(58)	(63)
Net cash from/ (used in) financing activities	20,465	(1,361)
Effect of exchange rate fluctuations on cash held	191	(289)
Net changes in cash and cash equivalents	3,002	(10,717)
Cash and cash equivalents at beginning of the period	20,410	52,738
Cash and cash equivalents at end of the period	23,412	42,021

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(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2022
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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	
	30.9.2022	30.9.2021
	RM'000	RM'000
Cash and bank balances	25,464	27,899
Short-term deposits	896	15,653
	26,360	43,552
Less: Fixed deposits pledged	(1,449)	(1,454)
Bank Overdraft	(1,499)	(77)
	23,412	42,021

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 2022 and the accompanying explanatory notes as attached to this interim financial statements.

KAREX BERHAD (1018579-U)
201201034091 (1018579-U)
(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2022

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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 2022 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 2022.

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
- Amendment to MFRS 17, Insurance Contracts - Initial Application of MFRS 17 and MFRS 9—Comparative Information
- 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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201201034091 (1018579-U)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2022

(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

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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Interim financial report for the first quarter ended 30 September 2022

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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 30.9.2022</u>					
<u>Revenue</u>					
External revenue	134,290	8,069	2,668	-	145,027
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>134,290</u>	<u>8,069</u>	<u>2,668</u>	<u>-</u>	<u>145,027</u>
<u>Results</u>					
Segment profit/ (loss)	4,638	(3,140)	722	-	2,220
Interest income					66
Finance cost					(1,292)
Unallocated amounts					1,827
Profit before tax					2,821
Tax expense					(528)
Profit after tax					<u>2,293</u>
<u>Total Assets</u>					
Reportable segment assets	606,777	92,478	8,120	-	707,375
Unallocated assets					1,716
Total Assets					<u>709,091</u>
<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					1,169
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>

KAREX BERHAD (1018579-U)

201201034091 (1018579-U)

(Incorporated in Malaysia)

Interim financial report for the first quarter ended 30 September 2022

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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 (continued)

Geographical Segments

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

	PERIOD-TO-DATE	
	30.9.2022	30.9.2021
	RM'000	RM'000
Asia	34,989	22,582
Africa	30,483	15,125
Americas	54,341	41,763
Europe	25,214	16,514
	<u>145,027</u>	<u>95,984</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.

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

Interim financial report for the first quarter ended 30 September 2022

(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

B1. Performance review

	3 MONTHS ENDED				PERIOD-TO-DATE			
	30.9.2022 RM'000	30.9.2021 RM'000	Variance RM'000	%	30.9.2022 RM'000	30.9.2021 RM'000	Variance RM'000	%
Revenue	145,027	95,984	49,043	51.1	145,027	95,984	49,043	51.1
Result from operating activities	4,040	1,917	2,123	110.7	4,040	1,917	2,123	110.7
Profit before tax	2,821	1,169	1,652	141.3	2,821	1,169	1,652	141.3
Profit after tax	2,293	769	1,524	198.2	2,293	769	1,524	198.2
Profit attributable to owners of the Company	<u>2,293</u>	<u>769</u>	<u>1,524</u>	198.2	<u>2,293</u>	<u>769</u>	<u>1,524</u>	198.2

A record revenue of RM145.0 million was achieved during the first quarter ended 30 September 2022 ("1QFY2023") representing an increase of 51.1% over the same quarter in the previous period. A significant increase in condom sales from both the Commercial and Tender markets contributed to higher sales from the Sexual Wellness segment. Although the foreign exchange impact was favourable, volatile raw material prices and the implementation of a higher minimum wage represented headwinds for profitability. The profit before tax rose to RM 2.3 million for the current quarter.

B2. Variance of results for the current quarter ended 30 June 2022 against the immediately preceding quarter

	3 MONTHS ENDED			
	30.9.2022 RM'000	30.6.2022 RM'000	Variance RM'000	%
Revenue	145,027	122,654	22,373	18.2
Result from operating activities	4,040	(1,589)	5,629	354.2
Profit/ (Loss) before tax	2,821	(2,861)	5,682	198.6
Profit/ (Loss) after tax	2,293	(3,401)	5,694	167.4
Profit/ (Loss) attributable to owners of the Company	<u>2,293</u>	<u>(3,401)</u>	<u>5,694</u>	167.4

In 1Q2023, revenue reached RM 145.0 million, an increase of approximately 18.2% from the immediately preceding quarter. The increase was primarily due to increased condom sales across all markets and an increase in personal lubricants sales. Although raw material prices remained elevated and an increase in minimum wage was introduced, improved sales led to improved profitability amounting to RM2.3 million profit after tax.

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

Interim financial report for the first quarter ended 30 September 2022

(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

B3. a) Group's Prospects for the financial year ending 30 June 2023 ("FYE 2023")

The global economy was hit hard by the Covid-19 pandemic over the past two years with lockdowns and quarantine measures dramatically affecting social interactions around the world, which in turn had a dramatic impact on the sexual wellness industry. Nevertheless, as vaccination rates ramp up and economies begin to embrace post-pandemic life, condom demand has already begun to recover.

With consumer goods distributors beginning to address their inventory shortfalls and new avenues of sale having opened up during the pandemic, the Group has already begun to experience an exceptional demand for products in certain markets. In order to capitalize on the opportunities presented, it will be critical for the Group to leverage on our manufacturing expertise and portfolio of product offerings as demand for condoms continues to rapidly shift from a social welfare model towards the private sector.

In spite of the aforementioned opportunities, the lingering effects of the pandemic also continue to present unique challenges for our Group. Supply chain disruptions that have been built up over the past two years have resulted in unprecedented volatility in raw material prices as well as logistics disruptions and manpower shortages that pose unique challenges to our production capabilities. Ultimately, it is how the Group handles this adversity in order to seize the opportunities presented as society transitions into the endemic that will determine our success moving forward.

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	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Current tax expenses				
- Current period	953	227	953	227
Deferred taxation:				
- Origination and reversal of temporary differences	(425)	173	(425)	173
	528	400	528	400

The Group effective tax rate for the period-to-date are lower than the statutory tax rate mainly due to recognition of deferred tax assets in relation to unutilised business losses by foreign subsidiaries at the lower effective tax rates. Over the same quarter in the previous period, the Group effective tax rate are higher than statutory tax rate mainly due to profit generated by foreign subsidiaries with higher tax rates.

B7. Status of corporate proposals

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

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

Interim financial report for the first quarter ended 30 September 2022

(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

B8. Loans and borrowings (secured)

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

	Denominated in	30.9.2022		30.9.2021	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Non-current					
Term Loan	RM	N/A	25,537	N/A	28,874
	USD ⁽¹⁾	5,517	25,547	1,066	4,436
			51,084		33,310
Hire Purchase	RM	N/A	30	N/A	236
Lease Liabilities	RM	N/A	2,210		2,221
	Thai Baht ⁽¹⁾	85,835	10,532	83,573	10,338
	USD ⁽¹⁾	-	-	237	984
	GBP ⁽¹⁾	728	3,895	754	4,242
			16,637		17,785
			67,751		51,331
Current					
Term Loan	RM	N/A	12,329	N/A	1,961
	USD ⁽¹⁾	927	4,290	1,066	4,436
			16,619		6,397
Hire Purchase	RM	N/A	419	N/A	236
Banker acceptance	RM	N/A	8,255	N/A	6,113
	Thai Baht ⁽¹⁾	295,713	36,284	250,792	31,023
			44,539		37,136
Export Financing	USD ⁽¹⁾	1,869	8,662	2,478	10,805
	GBP ⁽¹⁾	-	-	357	2,007
	USD ⁽¹⁾	1,262	8,662	1,658	12,812
Trust Receipt	RM		3,000		4,000
Bank Overdraft	RM	N/A	1,499	N/A	-
	Thai Baht ⁽¹⁾	-	-	622	77
			1,499	622	77
Lease Liabilities	RM	N/A	764	N/A	705
	Thai Baht ⁽¹⁾	1,688	207	299	37
	USD ⁽¹⁾	240	1,113	458	1,905
	GBP ⁽¹⁾	152	790	152	855
			2,874		3,502
			77,612		64,160

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

Interim financial report for the first quarter ended 30 September 2022

(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

B8. Loans and borrowings (secured) (continued)

	Denominated in	30.9.2022		30.9.2021	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Total					
Term Loan	RM	N/A	37,866	N/A	30,835
	USD ⁽¹⁾	6,444	29,837	2,132	8,872
			67,703		39,707
Hire Purchase	RM	N/A	449	N/A	472
Banker acceptance	RM	N/A	8,255	N/A	6,113
	Thai Baht ⁽¹⁾	295,713	36,284	250,792	31,023
			44,539		37,136
Export Financing	USD ⁽¹⁾	1,869	8,662	2,478	10,805
	GBP ⁽¹⁾	-	-	357	2,007
Export Financing	USD ⁽¹⁾	1,262	8,662	1,658	12,812
Revolving Credit	RM	N/A	3,000	N/A	4,000
Bank Overdraft	RM	N/A	1,499	N/A	-
	Thai Baht ⁽¹⁾	-	-	622	77
			1,499	622	77
Lease Liabilities	RM	N/A	2,974	N/A	2,926
	Thai Baht ⁽¹⁾	87,523	10,739	83,872	10,375
	USD ⁽¹⁾	240	1,113	695	2,889
	GBP ⁽¹⁾	880	4,685	906	5,097
			19,511		21,287
			<u>145,363</u>		<u>115,491</u>
	100 Thai Baht to RM		12.27		12.37
	1 USD to RM		4.63		4.16
	1 GBP to RM		5.20		5.63

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 2022

(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	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
Profit attributable to ordinary shareholders of the Company (RM'000)	2,293	769	2,293	769
Weighted average number of ordinary shares ('in million)	1,053	1,053	1,053	1,028
Basic EPS (sen)	0.22	0.07	0.22	0.07

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 2022 were not qualified.

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

	3 MONTHS ENDED		PERIOD-TO-DATE	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	73	92	73	92
(b) Other income including investment income	-	-	-	-
(c) Interest expense	(1,292)	(840)	(1,292)	(840)
(d) Depreciation and amortization	(4,372)	(4,716)	(4,372)	(4,716)
Amortisation for right-of-use assets	(835)	(907)	(835)	(907)
(e) Provision of impairment loss				
on receivables	(82)	(38)	(82)	(38)
(f) Allowance for slow moving inventories	(1,089)	(219)	(1,089)	(219)
(g) Gain on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange gain	1,849	284	1,849	284
(j) Loss on derivatives	(1,058)	(144)	(1,058)	(144)
(k) Rental expenses	(522)	(407)	(522)	(407)
(l) Exceptional items	-	-	-	-

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

Interim financial report for the first quarter ended 30 September 2022

(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 30.9.2022 RM'000	AS AT 30.6.2022 RM'000
Total retained earnings of the Company and subsidiary companies:		
- Realised	188,148	187,798
- Unrealised	(1,253)	(3,466)
	186,895	184,332
Consolidated adjustments	(123,880)	(123,610)
Total retained earnings	<u>63,015</u>	<u>60,722</u>

By order of the Board
25 Nov 2022