



# **KAREX BERHAD**

(Incorporated in Malaysia)

(Registration no: 201201034091 (1018579-U))

## **Interim Financial Report for the Second Quarter Ended 31 December 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 - 15

# KAREX BERHAD

201201034091 (1018579-U)  
(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2022

(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS <sup>(1)</sup>

	3 MONTHS ENDED		PERIOD-TO-DATE		
	Note	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
<b>Revenue</b>		<b>128,513</b>	103,511	<b>273,540</b>	199,495
Cost of goods sold		<b>(95,230)</b>	(81,050)	<b>(205,908)</b>	(152,132)
<b>Gross profit</b>		<b>33,283</b>	22,461	<b>67,632</b>	47,363
Other income		<b>24</b>	587	<b>686</b>	1,002
Distribution expenses		<b>(12,929)</b>	(12,891)	<b>(29,018)</b>	(23,752)
Administrative expenses		<b>(15,673)</b>	(12,698)	<b>(30,365)</b>	(25,203)
Other expenses		<b>(224)</b>	(202)	<b>(414)</b>	(236)
<b>Result from operating activities</b>		<b>4,481</b>	(2,743)	<b>8,521</b>	(826)
Interest income		<b>15</b>	75	<b>88</b>	167
Finance costs		<b>(1,663)</b>	(944)	<b>(2,955)</b>	(1,784)
<b>Net finance cost</b>		<b>(1,648)</b>	(869)	<b>(2,867)</b>	(1,617)
<b>Profit/ (Loss) before tax</b>		<b>2,833</b>	(3,612)	<b>5,654</b>	(2,443)
Tax expense	B6	<b>(808)</b>	801	<b>(1,336)</b>	401
<b>Profit/ (Loss) for the period</b>	<b>B13</b>	<b>2,025</b>	(2,811)	<b>4,318</b>	(2,042)
<b>Profit/ (Loss) for the period attributable to:</b>					
Owners of the Company		<b>2,025</b>	(2,811)	<b>4,318</b>	(2,042)
<b>Profit/ (Losses) per share attributable to owners of the Company (sen):</b>					
- Basic	B11	<b>0.19</b>	(0.27)	<b>0.41</b>	(0.19)
- Diluted	B11	<b>0.19</b>	(0.27)	<b>0.41</b>	(0.19)

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 second quarter ended 31 December 2022

(The figures have not been audited)

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

	3 MONTHS ENDED		PERIOD-TO-DATE		
	Note	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
<b>Profit/ (Loss) for the period</b>		<u>2,025</u>	<u>(2,811)</u>	<u>4,318</u>	<u>(2,042)</u>
<b>Other comprehensive income/ (expenses), net of tax</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		<u>1,143</u>	<u>185</u>	<u>1,202</u>	<u>(4,233)</u>
<b>Total comprehensive income/ (expenses) for the period</b>		<u>3,168</u>	<u>(2,626)</u>	<u>5,520</u>	<u>(6,275)</u>
<b>Total comprehensive income/ (expenses) attributable to:</b>					
Owners of the Company		<u>3,168</u>	<u>(2,626)</u>	<u>5,520</u>	<u>(6,275)</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 second quarter ended 31 December 2022

(The figures have not been audited)

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

	<u>Note</u>	AS AT 31.12.2022 RM'000	AS AT 30.6.2022 RM'000
<b>Assets</b>			
Property, plant and equipment		266,607	267,299
Right-of-use assets		25,660	27,017
Intangible assets		97,062	97,166
Deferred tax assets		2,981	2,876
<b>Total non-current assets</b>		<b>392,310</b>	<b>394,358</b>
Inventories		158,711	152,359
Trade and other receivables		124,113	118,217
Contract assets		-	542
Derivative financial assets		604	-
Tax recoverable		1,856	3,266
Cash and cash equivalents		23,992	21,871
<b>Total current assets</b>		<b>309,276</b>	<b>296,255</b>
<b>Total assets</b>		<b>701,586</b>	<b>690,613</b>
<b>Equity</b>			
Share capital		324,244	324,244
Reserves		139,058	133,538
<b>Total equity attributable to owners of the Company/ Total equity</b>		<b>463,302</b>	<b>457,782</b>
<b>Liabilities</b>			
Loan and borrowings	B8	61,263	69,049
Deferred tax liabilities		3,031	2,814
<b>Total non-current liabilities</b>		<b>64,294</b>	<b>71,863</b>
Trade and other payables		73,906	94,645
Contract liabilities		7,355	9,249
Loan and borrowings	B8	92,476	54,519
Derivative financial liabilities		-	1,266
Taxation		253	1,289
<b>Total current liabilities</b>		<b>173,990</b>	<b>160,968</b>
<b>Total liabilities</b>		<b>238,284</b>	<b>232,831</b>
<b>Total equity and liabilities</b>		<b>701,586</b>	<b>690,613</b>
Net assets per share attributable to owners of the Company (RM)		<b>0.44</b>	<b>0.43</b>

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.

# KAREX BERHAD

201201034091 (1018579-U)

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2022

(The figures have not been audited)

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

	← Attributable to owners of the Company →					Total equity RM'000
	Share capital RM'000	Merger reserve RM'000	Translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	
<b>31 December 2022</b>						
<b>At 1 July 2022</b>	324,244	63,511	8,587	718	60,722	457,782
Foreign currency translation differences for foreign operations/						
<b>Total other comprehensive income for the period</b>	-	-	1,202	-	-	1,202
Profit for the period	-	-	-	-	4,318	4,318
<b>Total comprehensive income for the period</b>	-	-	1,202	-	4,318	5,520
<b>At 31 December 2022</b>	<b>324,244</b>	<b>63,511</b>	<b>9,789</b>	<b>718</b>	<b>65,040</b>	<b>463,302</b>
<b>31 December 2021</b>						
<b>At 1 July 2021</b>	324,244	63,511	10,370	718	66,913	465,756
Foreign currency translation differences for foreign operations/						
<b>Total other comprehensive expenses for the period</b>	-	-	(4,233)	-	-	(4,233)
Loss for the period	-	-	-	-	(2,042)	(2,042)
<b>Total comprehensive expenses for the period</b>	-	-	(4,233)	-	(2,042)	(6,275)
<b>At 31 December 2021</b>	<b>324,244</b>	<b>63,511</b>	<b>6,137</b>	<b>718</b>	<b>64,871</b>	<b>459,481</b>

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 second quarter ended 31 December 2022  
(The figures have not been audited)

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

	PERIOD-TO-DATE	
	31.12.2022 RM'000	31.12.2021 RM'000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Profit/ (Loss) before tax	5,654	(2,443)
Adjustment for:		
Non-cash items	17,752	13,651
<b>Operating profit before changes in working capital</b>	<b>23,406</b>	<b>11,208</b>
Net changes in current assets	(26,602)	12,699
Net changes in current liabilities	(22,426)	(12,578)
Cash (used in)/ generated from operations	(25,622)	11,329
Tax paid	(850)	(1,164)
<b>Net cash (used in)/ from operating activities</b>	<b>(26,472)</b>	<b>10,165</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of:		
- Property, plant and equipment	(13,718)	(23,849)
Proceed from disposal of:		
- Property, plant and equipment	81	-
Interest received	88	167
<b>Net cash used in investing activities</b>	<b>(13,549)</b>	<b>(23,682)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Net drawdown of borrowings and interest paid	37,004	12,166
Net placement in fixed deposits pledged to licensed banks	1,327	(69)
<b>Net cash from financing activities</b>	<b>38,331</b>	<b>12,097</b>
Effect of exchange rate fluctuations on cash held	89	(130)
<b>Net changes in cash and cash equivalents</b>	<b>(1,601)</b>	<b>(1,550)</b>
Cash and cash equivalents at beginning of the period	20,410	52,738
<b>Cash and cash equivalents at end of the period</b>	<b>18,809</b>	<b>51,188</b>

# KAREX BERHAD

201201034091 (1018579-U)  
(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 2022  
(The figures have not been audited)

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

### Cash and cash equivalents

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

	PERIOD-TO-DATE	
	31.12.2022	31.12.2021
	RM'000	RM'000
Cash and bank balances	23,792	40,727
Short-term deposits	200	12,222
	23,992	52,949
Less: Fixed deposits pledged	(64)	(1,460)
Bank Overdraft	(5,119)	(301)
	18,809	51,188

### 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 second quarter ended 31 December 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**

**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 2023**

MFRS 17, Insurance Contracts

Amendment to MFRS 17, Insurance Contracts - Initial Application of MFRS 17 and MFRS 9—Comparative Information

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

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024**

Amendments to MFRS 16, Leases - Lease Liability in a Sale and Leaseback

Amendments to MFRS 101, Presentation of Financial Statements - Non-current Liabilities with Covenants

**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.

**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

**A6. Dividends paid**

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



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

Interim financial report for the second quarter ended 31 December 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**

**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
<b>6 months ended 31.12.2022</b>					
<u>Revenue</u>					
External revenue	251,065	17,683	4,792	-	273,540
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>251,065</u>	<u>17,683</u>	<u>4,792</u>	<u>-</u>	<u>273,540</u>
<u>Results</u>					
Segment profit/ (loss)	9,033	(33)	974	-	9,974
Interest income					73
Finance cost					(2,955)
Unallocated amounts					(1,438)
Profit before tax					<u>5,654</u>
Tax expense					(1,336)
Profit after tax					<u>4,318</u>
<u>Total Assets</u>					
Reportable segment assets	618,242	71,672	9,310	-	699,224
Unallocated assets					2,362
Total Assets					<u>701,586</u>
<b>6 months ended 31.12.2021</b>					
<u>Revenue</u>					
External revenue	180,556	14,572	4,367	-	199,495
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>180,556</u>	<u>14,572</u>	<u>4,367</u>	<u>-</u>	<u>199,495</u>
<u>Results</u>					
Segment profit	(3,176)	1,989	1,084	-	(103)
Interest income					6
Finance cost					(1,777)
Unallocated amounts					(569)
Profit before tax					<u>(2,443)</u>
Tax expense					401
Profit after tax					<u>(2,042)</u>
<u>Total Assets</u>					
Reportable segment assets	590,084	52,078	6,583	-	648,745
Unallocated assets					23,254
Total Assets					<u>671,999</u>

**KAREX BERHAD (1018579-U)**

201201034091 (1018579-U)

(Incorporated in Malaysia)

Interim financial report for the second quarter ended 31 December 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**

**A7. Segmental information (continued)**

**Geographical Segments**

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

	PERIOD-TO-DATE	
	31.12.2022	31.12.2021
	RM'000	RM'000
Asia	75,427	46,969
Africa	49,100	32,416
Americas	101,291	81,640
Europe	47,722	38,470
	<u>273,540</u>	<u>199,495</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 second quarter ended 31 December 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			
	31.12.2022 RM'000	31.12.2021 RM'000	Variance		31.12.2022 RM'000	31.12.2021 RM'000	Variance	
			RM'000	%			RM'000	%
Revenue	128,513	103,511	25,002	24.2	273,540	199,495	74,045	37.1
Result from operating activities	4,481	(2,743)	7,224	263.4	8,521	(826)	9,347	1131.6
Profit/ (Loss) before tax	2,833	(3,612)	6,445	178.4	5,654	(2,443)	8,097	331.4
Profit/ (Loss) after tax	2,025	(2,811)	4,836	172.0	4,318	(2,042)	6,360	311.5
Profit/ (Loss) attributable to owners of the Company	2,025	(2,811)	4,836	172.0	4,318	(2,042)	6,360	331.5

In the second quarter ended 31 December 2022 ("2QFY2023"), the Group recorded a revenue of RM128.5 million, representing a 24.2% increase over the same quarter in the previous year. A product mix comprising of a higher proportion of Commercial market orders combined with the continued normalization of certain raw material prices to result in an improvement in profitability during the quarter. As a result, profit before tax improved to RM 2.8 million during the quarter.

The revenue total for the six months under review (6MFY2023) of RM273.5 million, representing an improvement of 37.1% in comparison to the corresponding period from the previous year. This has been achieved due to improved sales of both condoms and personal lubricants with sales to the Asia and Americas regions performing particularly well during this period. The easing of global logistic disruptions and raw material price volatility have also led to an improvement in profitability during this period. The profit before tax of RM5.7 million for 6MFY2023 represents an improvement of over 8.0 million from the corresponding period from the previous year.

**B2. Variance of results for the current quarter ended 31 December 2022 against the immediately preceding quarter**

	3 MONTHS ENDED			
	31.12.2022 RM'000	30.9.2022 RM'000	Variance	
			RM'000	%
Revenue	128,513	145,027	(16,514)	(11.4)
Result from operating activities	4,481	4,040	441	10.9
Profit before tax	2,833	2,821	12	0.4
Profit after tax	2,025	2,293	(268)	(11.7)
Profit attributable to owners of the Company	2,025	2,293	(268)	(11.7)

In 2QFY2023, the Group recorded lower sales of approximately 11.4% in comparison to the record setting sales total from the previous quarter. This was due to lower condom sales with several Tender market orders experiencing delivery delays during 2QFY2023. Nevertheless, higher catheter and probe cover sales resulted in an increased contribution from the Medical division during the quarter. An easing of freight rates and normalization of raw material prices contributed to an improvement in profitability margins from the previous quarter.

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

Interim financial report for the second quarter ended 31 December 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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Current tax expenses				
- Current period	271	35	1,224	262
Deferred taxation:				
- Origination and reversal of temporary differences	537	(836)	112	(663)
	808	(801)	1,336	(401)

The Group effective tax rate for the period-to-date are approximate to the statutory tax rate. 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 second quarter ended 31 December 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	31.12.2022		31.12.2021	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
<b>Non-current</b>					
Term Loan	RM	N/A	24,696	N/A	25,186
	USD <sup>(1)</sup>	4,697	20,621	6,750	28,147
			45,317		53,333
Hire Purchase	RM	N/A	-	N/A	110
Lease Liabilities	RM	N/A	2,055		262
	Thai Baht <sup>(1)</sup>	83,703	10,647	81,949	10,219
	USD <sup>(1)</sup>	-	-	559	2,330
	GBP <sup>(1)</sup>	613	3,244	733	4,127
			15,946		16,938
			61,263		70,381
<b>Current</b>					
Term Loan	RM	N/A	3,383	N/A	6,971
	USD <sup>(1)</sup>	1,405	6,168	1,102	4,597
			9,551		11,568
Hire Purchase	RM	N/A	482	N/A	558
Banker acceptance	RM	N/A	6,940	N/A	7,591
	Thai Baht <sup>(1)</sup>	283,113	36,012	201,965	25,185
			42,952		32,776
Export Financing	USD <sup>(1)</sup>	2,685	11,785	2,477	10,317
	GBP <sup>(1)</sup>	-	-	356	2,007
			11,785		12,324
Trust Receipt	RM	N/A	-	N/A	4,000
	USD <sup>(1)</sup>	2,664	11,697	-	-
			11,697		4,000
Revolving Credit	USD <sup>(1)</sup>	1,834	8,050	N/A	-
Bank Overdraft	RM	N/A	4,416	N/A	232
	Thai Baht <sup>(1)</sup>	5,527	703	553	69
			5,119		301
Lease Liabilities	RM	N/A	1,261	N/A	665
	Thai Baht <sup>(1)</sup>	1,688	215	289	36
	USD <sup>(1)</sup>	128	560	458	1,910
	GBP <sup>(1)</sup>	152	804	152	856
			2,840		3,467
			92,476		64,994

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

Interim financial report for the second quarter ended 31 December 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	31.12.2022		31.12.2021	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Total					
Term Loan	RM	N/A	28,079	N/A	32,157
	USD <sup>(1)</sup>	6,102	26,789	7,852	32,744
			54,868		64,901
Hire Purchase	RM	N/A	482	N/A	668
Banker acceptance	RM	N/A	6,940	N/A	7,591
	Thai Baht <sup>(1)</sup>	283,113	36,012	201,965	25,185
			42,952		32,776
Export Financing	USD <sup>(1)</sup>	2,685	11,785	2,477	10,317
	GBP <sup>(1)</sup>	-	-	356	2,007
			11,785		12,324
Trust Receipt	RM	N/A	-	N/A	4,000
	USD <sup>(1)</sup>	2,664	11,697	-	-
			11,697		4,000
Revolving Credit	USD <sup>(1)</sup>	1,834	8,050	N/A	-
Bank Overdraft	RM	N/A	4,416	N/A	232
	Thai Baht <sup>(1)</sup>	5,527	703	553	69
			5,119		301
Lease Liabilities	RM	N/A	3,316	N/A	927
	Thai Baht <sup>(1)</sup>	85,391	10,862	82,238	10,255
	USD <sup>(1)</sup>	128	560	1,017	4,240
	GBP <sup>(1)</sup>	765	4,048	885	4,983
			18,786		20,405
			<u>153,739</u>		<u>135,375</u>
	100 Thai Baht to RM		12.72		12.47
	1 USD to RM		4.39		4.17
	1 GBP to RM		5.29		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 second quarter ended 31 December 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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit/ (Losses) per share attributable to owners of the Company (sen): (RM'000)	<b>2,025</b>	(2,811)	<b>4,318</b>	(2,042)
Weighted average number of ordinary shares ('in million)	<b>1,053</b>	1,053	<b>1,053</b>	1,053
Basic EPS (sen)	<b>0.19</b>	(0.27)	<b>0.41</b>	(0.19)

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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	15	75	88	167
(b) Other income including investment income	-	-	-	-
(c) Interest expense	(1,663)	(944)	(2,955)	(1,784)
(d) Depreciation and amortization	(5,009)	(4,501)	(9,381)	(9,217)
Amortisation for right-of-use assets	(877)	(917)	(1,712)	(1,824)
(e) Provision of impairment loss on receivables	(167)	(175)	(249)	(213)
(f) Allowance for slow moving inventories	(727)	(430)	(1,816)	(649)
(g) Gain on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange (loss)/ gain	(2,439)	33	(590)	317
(j) Gain on derivatives	1,663	379	605	235
(k) Rental expenses	(305)	(407)	(827)	(896)
(l) Exceptional items	-	-	-	-

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

Interim financial report for the second quarter ended 31 December 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**

	<b>AS AT 31.12.2022 RM'000</b>	<b>AS AT 30.6.2022 RM'000</b>
Total retained earnings of the Company and subsidiary companies:		
- Realised	<b>190,008</b>	187,798
- Unrealised	<b>(3,226)</b>	(3,466)
	<b>186,782</b>	184,332
Consolidated adjustments	<b>(121,742)</b>	(123,610)
Total retained earnings	<b>65,040</b>	60,722

By order of the Board  
24 February 2023