



KAREX BERHAD

(Incorporated in Malaysia)

(Registration no: 201201034091 (1018579-U))

Interim Financial Report for the Fourth Quarter Ended 30 June 2023

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(Incorporated in Malaysia)

Interim financial report for the fourth quarter ended 30 June 2023

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS ⁽¹⁾

	3 MONTHS ENDED		PERIOD-TO-DATE		
	Note	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000
Revenue		134,865	122,654	532,066	421,642
Cost of goods sold		(99,747)	(100,197)	(396,214)	(329,062)
Gross profit		35,118	22,457	135,852	92,580
Other income		4,453	1,717	6,210	4,182
Distribution expenses		(12,914)	(10,327)	(53,942)	(45,307)
Administrative expenses		(17,846)	(12,232)	(64,328)	(50,807)
Other expenses		(837)	(3,204)	(1,367)	(3,511)
Result from operating activities		7,974	(1,589)	22,425	(2,863)
Interest income		30	70	134	309
Finance costs		(2,465)	(1,342)	(7,428)	(3,934)
Net finance cost		(2,435)	(1,272)	(7,294)	(3,625)
Profit/ (Loss) before tax		5,539	(2,861)	15,131	(6,488)
Tax expense	B6	(1,599)	(540)	(4,653)	297
Profit/ (Loss) for the period	B13	3,940	(3,401)	10,478	(6,191)
Profit/ (Loss) for the period attributable to:					
Owners of the Company		3,940	(3,401)	10,478	(6,191)
Profit/ (Losses) per share attributable to owners of the Company (sen):					
- Basic	B11	0.37	(0.32)	0.99	(0.59)
- Diluted	B11	0.37	(0.32)	0.99	(0.59)

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.

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

	3 MONTHS ENDED		PERIOD-TO-DATE		
	Note	30.6.2023 RM'000	30.6.2022 RM'000	30.6.2023 RM'000	30.6.2022 RM'000
Profit/ (Loss) for the period		<u>3,940</u>	<u>(3,401)</u>	<u>10,478</u>	<u>(6,191)</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>7,105</u>	<u>(277)</u>	<u>8,307</u>	<u>(1,783)</u>
Total comprehensive income/ (expenses) for the period		<u>11,045</u>	<u>(3,678)</u>	<u>18,785</u>	<u>(7,974)</u>
Total comprehensive income/ (expenses) attributable to:					
Owners of the Company		<u>11,045</u>	<u>(3,678)</u>	<u>18,785</u>	<u>(7,974)</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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	<u>Note</u>	AS AT 30.6.2023 RM'000	AS AT 30.6.2022 RM'000
Assets			
Property, plant and equipment		270,988	267,299
Right-of-use assets		27,411	27,017
Intangible assets		98,791	97,166
Deferred tax assets		4,208	2,876
Total non-current assets		401,398	394,358
Inventories		157,748	152,359
Trade and other receivables		128,093	118,217
Contract assets		-	542
Tax recoverable		2,701	3,266
Cash and cash equivalents		31,785	21,871
Total current assets		320,327	296,255
Total assets		721,725	690,613
Equity			
Share capital		324,244	324,244
Reserves		152,323	133,538
Total equity attributable to owners of the Company/ Total equity		476,567	457,782
Liabilities			
Loan and borrowings	B8	70,098	69,049
Deferred tax liabilities		3,250	2,814
Total non-current liabilities		73,348	71,863
Trade and other payables		74,242	94,645
Contract liabilities		6,410	9,249
Loan and borrowings	B8	86,485	54,519
Derivative financial liabilities		796	1,266
Taxation		3,877	1,289
Total current liabilities		171,810	160,968
Total liabilities		245,158	232,831
Total equity and liabilities		721,725	690,613
Net assets per share attributable to owners of the Company (RM)		0.45	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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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

	← Attributable to owners of the Company →					Total equity RM'000	
	← Non-distributable →				Distributable		Total equity RM'000
	Share capital RM'000	Merger reserve RM'000	Translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000		
30 June 2023							
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	-	-	8,307	-	-	8,307	
Profit for the period	-	-	-	-	10,478	10,478	
Total comprehensive income for the period	-	-	8,307	-	10,478	18,785	
At 30 June 2023	324,244	63,511	16,894	718	71,200	476,567	
30 June 2022							
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	-	-	(1,783)	-	-	(1,783)	
Loss for the period	-	-	-	-	(6,191)	(6,191)	
Total comprehensive expenses for the period	-	-	(1,783)	-	(6,191)	(7,974)	
At 30 June 2022	324,244	63,511	8,587	718	60,722	457,782	

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.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	PERIOD-TO-DATE	
	30.6.2023 RM'000	30.6.2022 RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit/ (Loss) before tax	15,131	(6,488)
Adjustment for:		
Non-cash items	37,017	31,508
Operating profit before changes in working capital	52,148	25,020
Net changes in current assets	(24,216)	(37,723)
Net changes in current liabilities	(18,608)	14,531
Cash generated from operations	9,324	1,828
Tax paid	(2,396)	(1,274)
Net cash from operating activities	6,928	554
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of:		
- Property, plant and equipment	(21,958)	(35,508)
- Intangible asset	(510)	(75)
Proceed from disposal of:		
- Property, plant and equipment	408	499
Interest received	134	309
Net cash used in investing activities	(21,926)	(34,775)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Net drawdown of borrowings and interest paid	21,091	1,819
Net placement in fixed deposits pledged to licensed banks	1,327	(70)
Net cash from financing activities	22,418	1,749
Effect of exchange rate fluctuations on cash held	518	144
Net changes in cash and cash equivalents	7,938	(32,328)
Cash and cash equivalents at beginning of the period	20,410	52,738
Cash and cash equivalents at end of the period	28,348	20,410

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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	
	30.6.2023	30.6.2022
	RM'000	RM'000
Cash and bank balances	31,721	20,276
Short-term deposits	64	1,595
	31,785	21,871
Less: Fixed deposits pledged	(64)	(1,461)
Bank Overdraft	(3,373)	-
	28,348	20,410

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.

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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 2022.

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 101, Presentation of Financial Statements – 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 annual periods beginning on or after 1 January 2024

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

Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current

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.

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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>12 months ended 30.6.2023</u>					
<u>Revenue</u>					
External revenue	484,240	37,979	9,847	-	532,066
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>484,240</u>	<u>37,979</u>	<u>9,847</u>	<u>-</u>	<u>532,066</u>
<u>Results</u>					
Segment profit/ (loss)	23,458	(2,603)	1,402	-	22,257
Interest income					96
Finance cost					(7,428)
Unallocated amounts					206
Profit before tax					<u>15,131</u>
Tax expense					(4,653)
Profit after tax					<u>10,478</u>
<u>Total Assets</u>					
Reportable segment assets	617,935	91,837	8,822	-	718,594
Unallocated assets					3,131
Total Assets					<u>721,725</u>
<u>12 months ended 30.6.2022</u>					
<u>Revenue</u>					
External revenue	382,817	29,937	8,888	-	421,642
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>382,817</u>	<u>29,937</u>	<u>8,888</u>	<u>-</u>	<u>421,642</u>
<u>Results</u>					
Segment (loss)/ profit	(5,079)	151	2,016	-	(2,912)
Interest income					33
Finance cost					(3,927)
Unallocated amounts					318
Loss before tax					<u>(6,488)</u>
Tax expense					297
Loss after tax					<u>(6,191)</u>
<u>Total Assets</u>					
Reportable segment assets	580,708	95,878	10,410	-	686,996
Unallocated assets					3,617
Total Assets					<u>690,613</u>

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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	
	30.6.2023	30.6.2022
	RM'000	RM'000
Asia	134,451	108,661
Africa	79,600	55,062
Americas	219,771	176,974
Europe	98,244	80,945
	<u>532,066</u>	<u>421,642</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			
	30.6.2023 RM'000	30.6.2022 RM'000	Variance		30.6.2023 RM'000	30.6.2022 RM'000	Variance	
		RM'000	%			RM'000	%	
Revenue	134,865	122,654	12,211	10.0	532,066	421,642	110,424	26.2
Result from operating activities	7,974	(1,589)	9,563	601.8	22,425	(2,863)	25,288	883.3
Profit/ (Loss) before tax	5,539	(2,861)	8,400	293.6	15,131	(6,488)	21,619	333.2
Profit/ (Loss) after tax	3,940	(3,401)	7,341	215.8	10,478	(6,191)	16,669	269.2
Profit/ (Loss) attributable to owners of the Company	<u>3,940</u>	<u>(3,401)</u>	<u>7,341</u>	215.8	<u>10,478</u>	<u>(6,191)</u>	<u>16,669</u>	269.2

During the fourth quarter ended 30 June 2023 ("4QFY2023"), the Group recorded a revenue of RM134.9 million marking an increase of approximately 10.0% in comparison to the corresponding quarter from the previous financial year. This was achieved through improved sales of condoms, personal lubricants as well as medical products such as catheters and probe covers. Favorable foreign exchange rate movements combined with the continued normalization of raw material prices and freight rates also resulted in an improvement in profit before tax of RM5.5 million in comparison to the fourth quarter of the financial year ended 30 June 2022.

The total revenue for the twelve months under review ("12MFY2023") of RM532.1 million represents an improvement of 26.2% in comparison to the previous financial year. This increase in revenue is primarily attributed to the improvement in sales of condoms and personal lubricants across all regions. The resolution of some of the logistic disruptions caused by the pandemic resulted in a normalization of raw material prices and freight rates that had negatively affected profitability during the previous financial year. As a result of the improvement in sales and normalization of costs highlighted above, profit before tax for the 12MFY2023 increased to RM15.1 million in comparison to the previous financial year.

B2. Variance of results for the current quarter ended 30 June 2023 against the immediately preceding quarter

	3 MONTHS ENDED			
	30.6.2023 RM'000	31.3.2023 RM'000	Variance	
		RM'000	%	
Revenue	134,865	123,661	11,204	9.1
Result from operating activities	7,974	5,930	2,044	34.5
Profit before tax	5,539	3,938	1,601	40.7
Profit after tax	3,940	2,220	1,720	77.5
Profit attributable to owners of the Company	<u>3,940</u>	<u>2,220</u>	<u>1,720</u>	77.5

The revenue of RM134.9 million for the 4QFY2023 represented an increase of approximately 9.1% compared to the previous quarter driven largely by increased condom sales to the Americas and Africa regions. A record quarter of sales for personal lubricants also bolstered overall sales from the Sexual Wellness division. This increase in sales combined with further normalization of raw material prices and freight rates resulted in an improvement in profitability. Profit after tax improved to RM3.9 million, representing an increase of approximately 77.5% in comparison to the immediately preceding 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 2023 ("FYE 2023")

Whilst the global economy continued to recover from the Covid-19 pandemic, the Russia-Ukraine war caused heightened inflationary pressures and uncertainty that led to renewed recession risks. Central banks responded by ramping up global interest rates to decades-high levels, adding further pressure on businesses and contributing to the closure of several condom manufacturers around the world. This coincides with a period when global humanitarian aid efforts are re-shifting their focus on the fight against HIV/AIDS to make up ground on the targets set out by the Joint United Nations Programme. In combination, these factors have resulted in an unprecedented demand for condoms and lubricants with a decreasing number of qualified manufacturers.

The Group has capitalized on this demand to expand sales both via the capture of new markets from the consolidation of the sexual health industry as well as through higher pricing from urgent orders to address inventory shortfalls. This revenue growth is expected to continue on a promising trajectory as the Group continues to release new products that increasingly incorporate distinguishing features and proprietary new materials. An improvement in Group profitability will however be predicated on the success of managing costs stemming from the global uncertainty that resulted in supply chain disruptions and inflationary pressures that continue to persist around the world.

The pandemic also continues to highlight the importance of sustainability in enabling businesses to deliver value without compromising long term prospects. The Group accordingly continues to prioritise improving all aspects of its economic, environmental, social and governance sustainability efforts in order to access new markets, attract talent, improve efficiencies and meet the changing needs of consumers around the world. These efforts are increasingly acknowledged by our customers, suppliers and investors, distinguishing Karex from many of its peers within the industry.

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

	<u>3 MONTHS ENDED</u>		<u>PERIOD-TO-DATE</u>	
	<u>30.6.2023</u>	<u>30.6.2022</u>	<u>30.6.2023</u>	<u>30.6.2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expenses				
- Current period	1,617	1,398	5,118	1,465
- Prior period	(28)	(258)	531	(203)
	<u>1,589</u>	<u>1,140</u>	<u>5,649</u>	<u>1,262</u>
Deferred taxation:				
- Origination and reversal of temporary differences	(1,006)	(959)	(1,028)	(1,719)
- Prior period	1,016	359	32	160
	<u>10</u>	<u>(600)</u>	<u>(996)</u>	<u>(1,559)</u>
	<u>1,599</u>	<u>540</u>	<u>4,653</u>	<u>(297)</u>

The Group effective tax rate for the period-to-date and the current quarter 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.

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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 (secured)

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

	Denominated in	30.6.2023		30.6.2022	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Non-current					
Term Loan	RM	N/A	34,004	N/A	27,482
	USD ⁽¹⁾	4,048	18,902	5,972	25,144
			52,906		52,626
Hire Purchase	RM	N/A	438	N/A	304
Lease Liabilities	RM	N/A	1,814	N/A	1,956
	USD ⁽¹⁾	284	1,325	-	-
	Thai Baht ⁽¹⁾	85,190	11,194	81,298	10,268
	GBP ⁽¹⁾	411	2,421	706	3,895
			16,754		16,119
			70,098		69,049
Current					
Term Loan	RM	N/A	5,445	N/A	2,525
	USD ⁽¹⁾	1,529	7,141	1,355	5,704
			12,586		8,229
Hire Purchase	RM	N/A	265	N/A	226
Banker acceptance	RM	N/A	4,527	N/A	7,790
	Thai Baht ⁽¹⁾	247,481	32,519	226,778	28,642
			37,046		36,432
Export Financing	USD ⁽¹⁾	4,033	18,832	1,433	6,035
	GBP ⁽¹⁾	54	318	-	-
			19,150		6,035
Revolving Credit	RM ⁽¹⁾	N/A	10,000	-	-
Bank Overdraft	RM	N/A	3,056	N/A	-
	Thai Baht ⁽¹⁾	2,412	317	-	-
			3,373		-
Lease Liabilities	RM	N/A	117	N/A	794
	Thai Baht ⁽¹⁾	1,688	222	285	36
	USD ⁽¹⁾	553	2,584	458	1,928
	GBP ⁽¹⁾	194	1,142	152	839
			4,065		3,597
			86,485		54,519

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Interim financial report for the fourth quarter ended 30 June 2023

(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	30.6.2023		30.6.2022	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Total					
Term Loan	RM	N/A	39,449	N/A	30,007
	USD ⁽¹⁾	5,577	26,043	7,327	30,848
			65,492		60,855
Hire Purchase	RM	N/A	703	N/A	530
Banker acceptance	RM	N/A	4,527	N/A	7,790
	Thai Baht ⁽¹⁾	247,481	32,519	226,778	28,642
			37,046		36,432
Export Financing	USD ⁽¹⁾	4,033	18,832	1,433	6,035
	GBP ⁽¹⁾	54	318	-	-
			19,150		6,035
Revolving Credit	RM ⁽¹⁾	N/A	10,000	-	-
Bank Overdraft	RM	N/A	3,056	N/A	-
	Thai Baht ⁽¹⁾	2,412	317	-	-
			3,373		-
Lease Liabilities	RM	N/A	1,931	N/A	2,750
	USD ⁽¹⁾	837	3,909	458	1,928
	Thai Baht ⁽¹⁾	86,878	11,416	81,583	10,304
	GBP ⁽¹⁾	605	3,563	858	4,734
			20,819		19,716
			<u>156,583</u>		<u>123,568</u>
	100 Thai Baht to RM		13.14		12.63
	1 USD to RM		4.67		4.21
	1 GBP to RM		5.88		5.52

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

On 28 August 2023, the Board of Directors had proposed a first interim dividend of 0.5 sen per ordinary share amounting to RM5,267,304.00 for the financial year ended 30 June 2023 payable on 6 November 2023. The entitlement date has been fixed on 23 October 2023.

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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

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	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
Profit/ (Losses) per share attributable to owners of the Company (sen): (RM'000)	3,940	(3,401)	10,478	(6,191)
Weighted average number of ordinary shares ('in million)	1,053	1,053	1,053	1,053
Basic EPS (sen)	0.37	(0.32)	0.99	(0.59)

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	
	30.6.2023	30.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	30	70	134	309
(b) Other income including investment income	-	-	-	-
(c) Interest expense	(2,465)	(1,342)	(7,428)	(3,934)
(d) Depreciation and amortization	(5,311)	(5,419)	(21,465)	(19,162)
Amortisation for right-of-use assets	(608)	(902)	(3,091)	(3,739)
(e) Provision of impairment loss on receivables	(342)	148	(726)	(86)
(f) Allowance for slow moving inventories	(346)	117	(4,217)	(1,007)
(g) Gain on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange gain	4,249	220	5,521	1,724
(j) Loss on derivatives	(817)	(1,235)	(813)	(1,266)
(k) Rental expenses	(1,511)	(407)	(2,787)	(2,182)
(l) Exceptional items	-	-	-	-

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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

B14. Realised and unrealised profit/ (losses) disclosure

	AS AT 30.6.2023 RM'000	AS AT 30.6.2022 RM'000
Total retained earnings of the Company and subsidiary companies:		
- Realised	190,688	187,798
- Unrealised	3,467	(3,466)
	194,155	184,332
Consolidated adjustments	(122,955)	(123,610)
Total retained earnings	71,200	60,722

By order of the Board
28 August 2023