



KAREX BERHAD

(Incorporated in Malaysia)

(Registration no: 201201034091 (1018579-U))

Interim Financial Report for the Third Quarter Ended 31 March 2024

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(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2024

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS ⁽¹⁾

	3 MONTHS ENDED		PERIOD-TO-DATE		
	Note	31.3.2024 RM'000	31.3.2023 RM'000	31.3.2024 RM'000	31.3.2023 RM'000
Revenue		127,049	123,661	383,927	397,201
Cost of goods sold		(84,269)	(90,559)	(256,385)	(296,467)
Gross profit		42,780	33,102	127,542	100,734
Other income		(397)	1,071	1,859	1,757
Distribution expenses		(14,084)	(12,010)	(42,151)	(41,028)
Administrative expenses		(17,281)	(16,117)	(53,461)	(46,482)
Other expenses		(366)	(116)	(1,390)	(530)
Result from operating activities		10,652	5,930	32,399	14,451
Interest income		63	16	172	104
Finance costs		(2,364)	(2,008)	(6,864)	(4,963)
Net finance cost		(2,301)	(1,992)	(6,692)	(4,859)
Profit before tax		8,351	3,938	25,707	9,592
Tax expense	B6	(2,329)	(1,718)	(7,105)	(3,054)
Profit for the period	B13	6,022	2,220	18,602	6,538
Profit for the period attributable to:					
Owners of the Company		6,022	2,220	18,602	6,538
Profit per share attributable to owners of the Company (sen):					
- Basic	B11	0.57	0.21	1.77	0.62
- Diluted	B11	0.57	0.21	1.77	0.62

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 2023 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	31.3.2024 RM'000	31.3.2023 RM'000	31.3.2024 RM'000	31.3.2023 RM'000
Profit for the period		6,022	2,220	18,602	6,538
Other comprehensive (expenses)/ income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(2,054)	1,772	(1,523)	2,974
Total comprehensive income for the period		3,968	3,992	17,079	9,512
Total comprehensive income attributable to:					
Owners of the Company		3,968	3,992	17,079	9,512

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 2023 and the accompanying explanatory notes as attached to this interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	<u>Note</u>	AS AT 31.3.2024 RM'000	AS AT 30.6.2023 RM'000
Assets			
Property, plant and equipment		267,223	270,988
Right-of-use assets		25,181	27,411
Intangible assets		101,291	98,791
Deferred tax assets		2,312	4,208
Total non-current assets		396,007	401,398
Inventories		158,480	157,748
Trade and other receivables		103,638	128,093
Tax recoverable		1,740	2,701
Cash and cash equivalents		43,622	31,785
Total current assets		307,480	320,327
Total assets		703,487	721,725
Equity			
Share capital		324,244	324,244
Reserves		158,867	152,323
Total equity attributable to owners of the Company/ Total equity		483,111	476,567
Liabilities			
Loan and borrowings	B8	60,009	70,098
Deferred tax liabilities		3,363	3,250
Total non-current liabilities		63,372	73,348
Loan and borrowings	B8	80,562	86,485
Trade and other payables		66,108	71,699
Contract liabilities		7,093	8,953
Derivative financial liabilities		490	796
Taxation		2,751	3,877
Total current liabilities		157,004	171,810
Total liabilities		220,376	245,158
Total equity and liabilities		703,487	721,725
Net assets per share attributable to owners of the Company (RM)		0.46	0.45

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 2023 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 →		
	Share capital RM'000	Merger reserve RM'000	Translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	
31 March 2024						
At 1 July 2023	324,244	63,511	16,894	718	71,200	476,567
Foreign currency translation differences for foreign operations/						
Total other comprehensive expenses for the period	-	-	(1,523)	-	-	(1,523)
Profit for the period	-	-	-	-	18,602	18,602
Total comprehensive income for the period	-	-	(1,523)	-	18,602	17,079
Dividends to owners of the Company/ Total Transactions with owners of the Company	-	-	-	-	(10,535)	(10,535)
At 31 March 2024	324,244	63,511	15,371	718	79,267	483,111
31 March 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	-	-	2,974	-	-	2,974
Profit for the period	-	-	-	-	6,538	6,538
Total comprehensive income for the period	-	-	2,974	-	6,538	9,512
At 31 March 2023	324,244	63,511	11,561	718	67,260	467,294

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 2023 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	
	31.3.2024 RM'000	31.3.2023 RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	25,707	9,592
Adjustment for:		
Non-cash items	28,378	28,663
Operating profit before changes in working capital	54,085	38,255
Net changes in current assets	17,560	(30,698)
Net changes in current liabilities	(5,702)	(17,075)
Cash generated/ (used in) from operations	65,943	(9,518)
Tax paid	(5,261)	(1,915)
Net cash from/(used in) operating activities	60,682	(11,433)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of:		
- Property, plant and equipment	(17,609)	(20,388)
- Intangible asset	(198)	(72)
Proceed from disposal of:		
- Property, plant and equipment	487	83
Interest received	172	104
Net cash used in investing activities	(17,148)	(20,273)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Dividend paid to owners of the Company	(10,535)	-
Net drawdown of borrowings and interest paid	(17,141)	22,801
Net placement in fixed deposits pledged to licensed banks	-	1,327
Net cash (used in)/ from financing activities	(27,676)	24,128
Effect of exchange rate fluctuations on cash held	71	165
Net changes in cash and cash equivalents	15,929	(7,413)
Cash and cash equivalents at beginning of the period	27,629	20,410
Cash and cash equivalents at end of the period	43,558	12,997

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

Cash and cash equivalents

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

	PERIOD-TO-DATE	
	31.3.2024	31.3.2023
	RM'000	RM'000
Cash and bank balances	43,558	13,608
Short-term deposits	64	64
	43,622	13,672
Less: Fixed deposits pledged	(64)	(64)
Bank Overdraft	-	(611)
	43,558	12,997

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 2023 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 2023 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 2023.

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 2023.

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

Amendment to MFRS 107, Statement of Cashflows and MFRS 7, Financial Instruments: Disclosures - Supplier Finance Agreements

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

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

Since the end of the previous financial year, the Company paid a single tier interim dividend of 0.5 sen per ordinary share totalling RM 5,267,304 in respect of the financial year ended 30 June 2023 on 6 November 2023.

During the current financial year, the Company paid a single tier interim dividend of 0.5 sen per ordinary share totalling RM 5,267,304.00 in respect of the financial year ending 30 June 2024 on 19 January 2024.

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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.

	<u>Sexual Wellness RM'000</u>	<u>Medical RM'000</u>	<u>Others RM'000</u>	<u>Eliminations RM'000</u>	<u>Total RM'000</u>
<u>9 months ended 31.3.2024</u>					
<u>Revenue</u>					
External revenue	350,023	24,414	9,490	-	383,927
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>350,023</u>	<u>24,414</u>	<u>9,490</u>	<u>-</u>	<u>383,927</u>
<u>Results</u>					
Segment profit	31,539	1,688	954	-	34,181
Interest income					109
Finance cost					(5,938)
Unallocated amounts					(2,645)
Profit before tax					<u>25,707</u>
Tax expense					(7,105)
Profit after tax					<u>18,602</u>
<u>Total Assets</u>					
Reportable segment assets	621,923	69,912	10,655	-	702,490
Unallocated assets					997
Total Assets					<u>703,487</u>
<u>Revenue</u>					
External revenue	362,582	27,648	6,971	-	397,201
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>362,582</u>	<u>27,648</u>	<u>6,971</u>	<u>-</u>	<u>397,201</u>
<u>Results</u>					
Segment profit/ (loss)	15,649	(734)	1,095	-	16,010
Interest income					86
Finance cost					(4,963)
Unallocated amounts					(1,541)
Profit before tax					<u>9,592</u>
Tax expense					(3,054)
Profit after tax					<u>6,538</u>
<u>Total Assets</u>					
Reportable segment assets	617,774	72,890	9,829	-	700,493
Unallocated assets					1,093
Total Assets					<u>701,586</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	
	31.3.2024	31.3.2023
	RM'000	RM'000
Asia	110,687	106,537
Africa	54,430	61,404
Americas	150,591	156,424
Europe	68,219	72,836
	<u>383,927</u>	<u>397,201</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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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance review

	3 MONTHS ENDED				PERIOD-TO-DATE			
	31.3.2024 RM'000	31.3.2023 RM'000	Variance		31.3.2024 RM'000	31.3.2023 RM'000	Variance	
			RM'000	%			RM'000	%
Revenue	127,049	123,661	3,388	2.7	383,927	397,201	(13,274)	(3.3)
Result from operating activities	10,652	5,930	4,722	79.6	32,399	14,451	17,948	124.2
Profit before tax	8,351	3,938	4,413	112.1	25,707	9,592	16,115	168.0
Profit after tax	6,022	2,220	3,802	171.3	18,602	6,538	12,064	184.5
Profit attributable to owners of the Company	6,022	<u>2,220</u>	<u>3,802</u>	171.3	18,602	<u>6,538</u>	<u>12,064</u>	184.5

During the third quarter ended 31 March 2024 ("3QFY2024"), the Group recorded a revenue of RM127.0 million representing a 2.7% increase from the same quarter in the previous financial year. This quarter's sales were characterised by strong sales from the Tender market as well as personal lubricants. A sales mix that comprised of 20.5% Own Branded Market (OBM) sales and improvement in operations contributed to a gross profit margin of 33.7% during the quarter. For the 3QFY2024, the profit before tax of RM8.4 million and profit after tax of RM6.0 million represent an increase of 112.1% and 171.3% respectively, in comparison to the corresponding quarter in the previous year.

The revenue total for the nine months under review (9MFY2024) of RM383.9 million, represents a decrease of 3.3% in comparison to the corresponding period from the previous year. This decrease is primarily attributed to slower condom sales in the Tender market but was also partially offset by strong personal lubricants sales. Slower Tender market sales also meant that the sales mix during the period was more heavily weighted towards higher margin products leading to an improvement in overall profitability margins during this period. The profit before tax of RM25.7 million for 9MFY2024 represents an improvement in excess of RM16.1 million from the corresponding period from the previous year.

B2. Variance of results for the current quarter ended 31 March 2024 against the immediately preceding quarter

	3 MONTHS ENDED			
	31.3.2024 RM'000	31.12.2023 RM'000	Variance	
			RM'000	%
Revenue	127,049	127,369	(320)	(0.3)
Result from operating activities	10,652	12,509	(1,857)	(14.8)
Profit before tax	8,351	10,184	(1,833)	(18.0)
Profit after tax	6,022	7,324	(1,302)	(17.8)
Profit attributable to owners of the Company	6,022	<u>7,324</u>	<u>(1,302)</u>	(17.8)

The revenue of RM127.0 million for the 3QFY2024 represented a decrease of approximately 0.3% compared to the immediately preceding quarter. The decreased was primarily driven by lower in sales of lubricants and probe covers to the Commercial market, despite an increase in condoms sales owing to deliveries made in the Tender market. The higher contribution from the Tender market also resulted in a decrease in profitability margins in comparison to the immediately preceding quarter. The profit after tax of RM6.0 million for the 3QFY2024 was RM1.3 million lower than 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 2024 ("FYE 2024")

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.

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

	3 MONTHS ENDED		PERIOD-TO-DATE	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
Current tax expenses				
- Current period	1,397	2,277	4,823	3,501
- Prior period	185	559	185	559
	1,582	2,836	5,008	4,060
Deferred taxation	747	(1,118)	2,097	(1,006)
	2,329	1,718	7,105	3,054

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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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	31.3.2024		31.3.2023	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Non-current					
Term Loan	RM	N/A	30,613	N/A	24,201
	USD ⁽¹⁾	2,927	13,814	4,365	19,297
			44,427		43,498
Hire Purchase	RM	N/A	1,702	N/A	66
Lease Liabilities	RM	N/A	866	N/A	1,532
	USD ⁽¹⁾	212	1,001	-	-
	Thai Baht ⁽¹⁾	81,433	10,570	81,974	10,591
	GBP ⁽¹⁾	242	1,443	541	2,954
			13,880		15,077
			60,009		58,641
Current					
Term Loan	RM	N/A	4,583	N/A	3,383
	USD ⁽¹⁾	1,505	7,105	1,317	5,819
			11,688		9,202
Hire Purchase	RM	N/A	311	N/A	365
Banker acceptance	RM	N/A	3,845	N/A	6,692
	Thai Baht ⁽¹⁾	134,206	17,420	278,676	36,005
			21,265		42,697
Export Financing	RM	N/A	494	N/A	-
	USD ⁽¹⁾	1,142	5,390	4,073	18,004
	GBP ⁽¹⁾	434	2,587	-	-
			8,471		18,004
Trust Receipt	USD ⁽¹⁾	-	-	3,128	13,827
Revolving Credit	RM	N/A	3,000	N/A	-
	USD ⁽¹⁾	6,545	30,893	1,357	6,000
	RM ⁽¹⁾	N/A	33,893	1,357	6,000
Bank Overdraft	Thai Baht ⁽¹⁾	-	-	4,729	611
Lease Liabilities	RM	N/A	26	N/A	828
	USD ⁽¹⁾	814	3,842	284	1,254
	Thai Baht ⁽¹⁾	1,764	229	1,688	218
	GBP ⁽¹⁾	140	837	152	830
			4,934		3,130
			80,562		93,836

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(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	31.3.2024		31.3.2023	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Total					
Term Loan	RM	N/A	35,196	N/A	27,584
	USD ⁽¹⁾	4,432	20,919	5,682	25,116
			56,115		52,700
Hire Purchase	RM	N/A	2,013	N/A	431
Banker acceptance	RM	N/A	3,845	N/A	6,692
	Thai Baht ⁽¹⁾	134,206	17,420	278,676	36,005
			21,265		42,697
Export Financing	RM ⁽¹⁾	N/A	494	N/A	-
	USD ⁽¹⁾	1,142	5,390	4,073	18,004
	GBP ⁽¹⁾	434	2,587	-	-
			8,471		18,004
Trust Receipt	USD ⁽¹⁾	-	-	3,128	13,827
Revolving Credit	RM	N/A	3,000	N/A	-
	USD ⁽¹⁾	6,545	30,893	1,357	6,000
	RM ⁽¹⁾	N/A	33,893		6,000
Bank Overdraft	Thai Baht ⁽¹⁾	-	-	4,729	611
Lease Liabilities	RM	N/A	892	N/A	2,360
	USD ⁽¹⁾	1,026	4,843	284	1,254
	Thai Baht ⁽¹⁾	83,197	10,799	83,662	10,809
	GBP ⁽¹⁾	382	2,280	693	3,784
			18,814		18,207
			<u>140,571</u>		<u>152,477</u>
	100 Thai Baht to RM		12.98		12.92
	1 USD to RM		4.72		4.42
	1 GBP to RM		5.96		5.46

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 21 May 2024, the Board of Directors had proposed a second interim dividend of 0.5 sen per ordinary share amounting to RM5,267,304.00 for the financial year ending 30 June 2024 payable on 20 June 2024. The entitlement date has been fixed on 7 June 2024.

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

Interim financial report for the third quarter ended 31 March 2024

(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	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
Profit per share attributable to owners of the Company (sen): (RM'000)	6,022	2,220	18,602	6,538
Weighted average number of ordinary shares ('in million)	1,053	1,053	1,053	1,053
Basic EPS (sen)	0.57	0.21	1.77	0.62

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 2023 were not qualified.

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

	3 MONTHS ENDED		PERIOD-TO-DATE	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	63	16	172	104
(b) Other income including investment income	-	-	-	-
(c) Interest expense	(2,364)	(2,008)	(6,864)	(4,963)
(d) Depreciation and amortization	(5,799)	(6,773)	(17,194)	(16,154)
Amortisation for right-of-use assets	(331)	(771)	(1,610)	(2,483)
(e) Provision of impairment loss on receivables	(245)	(135)	(421)	(384)
(f) Allowance for slow moving inventories	(1,443)	(2,055)	(2,365)	(3,871)
(g) Gain on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange gain/ (loss)	(89)	1,862	941	1,272
(j) Gain on derivatives	(955)	(601)	(490)	4
(k) Rental expenses	(303)	(449)	(2,264)	(2,026)
(l) Exceptional items	-	-	-	-

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

Interim financial report for the third quarter ended 31 March 2024

(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 31.3.2024 RM'000	AS AT 30.6.2023 RM'000
Total retained earnings of the Company and subsidiary companies:		
- Realised	207,054	190,688
- Unrealised	(3,792)	3,467
	203,262	194,155
Consolidated adjustments	(123,995)	(122,955)
Total retained earnings	79,267	71,200

By order of the Board
21 May 2024