



**Interim Financial Report for the
Third Quarter Ended
31 March 2019**

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

Interim financial report for the third quarter ended 31 March 2019

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS ⁽¹⁾

	3 MONTHS ENDED		PERIOD-TO-DATE	
<u>Note</u>	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	RM'000	RM'000	RM'000	RM'000
Revenue	85,116	96,490	290,824	314,598
Cost of goods sold	(64,207)	(70,544)	(220,884)	(231,108)
Gross profit	20,909	25,946	69,940	83,490
Other income	823	210	1,366	544
Distribution expenses	(8,502)	(10,857)	(28,812)	(37,091)
Administrative expenses	(12,593)	(11,755)	(36,971)	(33,485)
Other expenses	(929)	(1,428)	(1,428)	(2,325)
Result from operating activities	(292)	2,116	4,095	11,133
Interest income	217	314	769	1,188
Finance costs	(442)	(258)	(1,123)	(817)
Net finance (expense)/ income	(225)	56	(354)	371
(Loss)/ Profit before tax	(517)	2,172	3,741	11,504
Tax expense	B6 769	(1,095)	(243)	(2,921)
Profit for the period	B13 252	1,077	3,498	8,583
Profit for the period attributable to:				
Owners of the Company	165	1,268	3,539	8,648
Non-controlling interests	87	(191)	(41)	(65)
Profit for the period	252	1,077	3,498	8,583
Earnings per share attributable to owners of the Company (sen):				
- Basic	B11 0.02	0.13	0.35	0.86
- Diluted	B11 0.02	0.13	0.35	0.86

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 2018 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	
<u>Note</u>	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	RM'000	RM'000	RM'000	RM'000
Profit for the period	252	1,077	3,498	8,583
Other comprehensive income/ (expense), net of tax				
Items that may be reclassified				
subsequently to profit or loss				
Foreign currency translation differences for foreign operations	25	(2,435)	5,347	(5,018)
Total comprehensive income/ (expense) for the period	277	(1,358)	8,845	3,565
Total comprehensive income/ (expense) attributable to:				
Owners of the Company	194	(1,097)	8,870	3,789
Non-controlling interests	83	(261)	(25)	(224)
Total comprehensive income/ (expense) for the period	277	(1,358)	8,845	3,565

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 2018 and the accompanying explanatory notes as attached to this interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Note	AS AT 31.3.2019 RM'000	AS AT 30.6.2018 RM'000 Restated ⁽²⁾
Assets			
Property, plant and equipment		215,850	210,643
Intangible assets		95,675	95,221
Deferred tax assets		812	841
Total non-current assets		312,337	306,705
Inventories		119,533	119,318
Trade and other receivables		85,301	101,464
Derivatives financial assets		51	-
Tax recoverable		9,996	8,980
Cash and cash equivalents		54,319	48,222
Total current assets		269,200	277,984
Total assets		581,537	584,689
Equity			
Share capital		281,980	281,980
Reserves		205,388	201,530
Total equity attributable to owners of the Company		487,368	483,510
Non-controlling interest		1,005	1,030
Total equity		488,373	484,540
Liabilities			
Loan and borrowings	B8	10,786	10,573
Deferred tax liabilities		7,964	8,327
Total non-current liabilities		18,750	18,900
Trade and other payables		47,950	61,053
Loan and borrowings	B8	26,414	17,258
Derivative financial liabilities		-	1,541
Taxation		50	1,397
Total current liabilities		74,414	81,249
Total liabilities		93,164	100,149
Total equity and liabilities		581,537	584,689
Net assets per share attributable to owners of the Company (RM)		0.49	0.48

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 2018 and the accompanying explanatory notes as attached to this interim financial statements.

(2) The comparative figures have been restated as a result of the adoption of the new accounting standards on the required effective date.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

	Attributable to owners of the Company							
	Non-distributable		Distributable			Non-	Total	
	Share capital	Merger reserve	Translation reserve	Other reserve	Retained earnings	Total	controlling interests	equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2019								
At 1 July 2018, as previously stated	281,980	63,511	3,653	718	133,484	483,346	1,030	484,376
Effect of adopting MFRS 15	-	-	-	-	164	164	-	164
At 1 July 2018, restated	281,980	63,511	3,653	718	133,648	483,510	1,030	484,540
Foreign currency translation differences for foreign operations/								
Total other comprehensive income for the period	-	-	5,331	-	-	5,331	16	5,347
Profit for the period	-	-	-	-	3,539	3,539	(41)	3,498
Total comprehensive income/ (expense) for the period	-	-	5,331	-	3,539	8,870	(25)	8,845
Contributions by and distributions to owners of the Company								
Dividend to owners of the Company/								
Total transactions with owners of the Company	-	-	-	-	(5,012)	(5,012)	-	(5,012)
At 31 March 2019	281,980	63,511	8,984	718	132,175	487,368	1,005	488,373
	Attributable to owners of the Company							
	Non-distributable		Distributable			Non-	Total	
	Share capital	Merger reserve	Translation reserve	Other reserve	Retained earnings	Total	controlling interests	equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2018								
At 1 July 2017	281,980	63,511	9,895	718	140,540	496,644	1,499	498,143
Foreign currency translation differences for foreign operations/								
Total other comprehensive expense for the period	-	-	(4,859)	-	-	(4,859)	(159)	(5,018)
Profit for the period	-	-	-	-	8,648	8,648	(65)	8,583
Total comprehensive (expense)/ income for the period	-	-	(4,859)	-	8,648	3,789	(224)	3,565
Contributions by and distributions to owners of the Company								
Dividend to owners of the Company/								
Increase in ownership interests in a subsidiary	-	-	-	-	(10,024)	(10,024)	-	(10,024)
	-	-	-	-	(7,135)	(7,135)	(398)	(7,533)
Total transactions with owners of the Company	-	-	-	-	(17,159)	(17,159)	(398)	(17,557)
At 31 March 2018	281,980	63,511	5,036	718	132,029	483,274	877	484,151

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 2018 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	
	31.3.2019 RM'000	31.3.2018 RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	3,741	11,504
Adjustment for:		
Non-cash items	10,511	15,220
Operating profit before changes in working capital	14,252	26,724
Net changes in current assets	16,565	(19,992)
Net changes in current liabilities	(12,911)	(4,403)
Cash generated from operations	17,906	2,329
Tax paid	(2,940)	(6,754)
Net cash from / (used in) operating activities	14,966	(4,425)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of:		
- Property, plant and equipment	(13,302)	(20,656)
- Intangible asset	(166)	-
Increase in ownership interests in a subsidiary		(7,642)
Proceed from disposal of property, plant and equipment	591	159
Interest received	769	1,188
Net cash used in investing activities	(12,108)	(26,951)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Dividend paid to owners of the Company	(5,012)	(10,024)
Net drawdown of borrowings and interest paid	9,076	6,622
Increase placement in fixed deposits pledged to licensed banks	(192)	(123)
Net cash from/ (used in) financing activities	3,872	(3,525)
Effect of exchange rate fluctuations on cash held	5	(417)
Net changes in cash and cash equivalents	6,735	(35,318)
Cash and cash equivalents at beginning of the period	46,334	84,379
Cash and cash equivalents at end of the period	53,069	49,061

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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	
	31.3.2019 RM'000	31.3.2018 RM'000
Cash and bank balances	32,451	25,061
Deposits with licensed banks	1,250	828
Deposits with other corporations	20,618	24,000
	54,319	49,889
Less: Fixed deposits pledged	(1,250)	(828)
	53,069	49,061

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 2018 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 2018 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 2018.

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 2018, except for the adoption of the following new/revised MFRSs and clarifications/amendments to MFRS:

MFRS 9, Financial Instruments (2014)

MFRS 15, Revenue from Contract with Customers

Clarification to MFRS 15, Revenue from Contracts with Customers

IC Interpretation 22, Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standard 2014-2016 Cycle)

Amendments to MFRS 2, Share-based Payment - Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4, Insurance Contracts - Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 128, Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standard 2014-2016 Cycle)

Amendments to MFRS 140, Investment Property - Transfers of Investment Property

The adoption of the above MFRSs, amendments/ clarifications to MFRSs and IC Interpretations do not have any significant financial impact on the results and the financial position of the Group for the current quarter except for the following:

MFRS 9, Financial Instruments (2014)

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting. The standard introduces new requirements for classification and measurement, impairment and hedge accounting.

Under MFRS 9, Financial assets are classified according to their cashflow characteristics and business model which they are managed. The Group has categorised its financial assets measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income.

The financial asset held by the Group includes loan and receivables are measured at amortised cost meet the conditions to be classified under MFRS 9.

Classification and measurement of financial liabilities will remain largely unchanged.

For impairment assessment, MFRS 9 replaces the previous Incurred Loss Model with Expected Credit Loss Model. The Expected Credit Loss Model measures financial assets at amortised cost or fair value through other comprehensive income.

The Group has performed an impact assessment of MFRS 9. Based on the assessments, the adoption of MFRS 9 will not have significant financial impact to the Group.

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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 (continued)

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services.

Previously, the Group recognises revenue from contracts with customers upon the transfer of risks and rewards of ownership to the customers. Under MFRS 15, the Group recognises revenue from contracts with customers when a performance obligation is satisfied, which is when control of the goods underlying the particular performance obligation is transferred to the customers.

The Group adopted the new standard on the required effective date using retrospective approach. The initial application of MFRS 15 at the beginning of the earliest period presented on 1 July 2018 as below.

	Statement of financial position as at 30.6.2018	
	As currently stated RM'000	After expected restatement RM'000
Inventories	122,277	119,318
Trade and other receivables	98,289	101,464
Deferred tax liabilities	8,275	8,327
Retained earnings	<u>133,484</u>	<u>133,648</u>

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 2019

MFRS 16, Leases

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

Amendments to MFRS 3, Business Combinations

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

Amendments to MFRS 101, Presentation of Financial Statements

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

MFRS 17, Insurance Contracts

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.

MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

A2. Comments about seasonal or cyclical factors

The Group's performance is not affected by any material seasonal or cyclical factors.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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

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

Since the end of the previous financial year, the Company paid a final single tier dividend of 0.5 sen per ordinary share totalling RM 5,011,875 in respect of the financial year ended 30 June 2018 on 20 December 2018.

A7. Segmental information

The Group's main business activities comprise of investment holding, manufacturing and sale of sexual wellness, medical and other health related products. These activities are principally located in Malaysia, Thailand, United States of America, and Europe. Inter-segment pricing is determined based on negotiated terms.

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.

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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)

	Sexual Wellness RM'000	Medical RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<u>9 months ended 31.3.2019</u>					
<u>Revenue</u>					
External revenue	265,231	21,167	4,426	-	290,824
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>265,231</u>	<u>21,167</u>	<u>4,426</u>	<u>-</u>	<u>290,824</u>
<u>Results</u>					
Segment profit	3,059	2,116	36	-	5,211
Interest income					53
Finance cost					(1,123)
Unallocated amounts					(400)
Profit before tax					<u>3,741</u>
Tax expense					(243)
Profit after tax					<u>3,498</u>
<u>Total Assets</u>					
Reportable segment assets	526,992	27,515	3,751	-	558,258
Unallocated assets					23,279
Total Assets					<u>581,537</u>
<u>9 months ended 31.3.2018</u>					
<u>Revenue</u>					
External revenue	289,663	20,261	4,674	-	314,598
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>289,663</u>	<u>20,261</u>	<u>4,674</u>	<u>-</u>	<u>314,598</u>
<u>Results</u>					
Segment profit	9,911	3,314	160	-	13,385
Interest income					19
Finance cost					(817)
Unallocated amounts					(1,083)
Profit before tax					<u>11,504</u>
Tax expense					(2,921)
Profit after tax					<u>8,583</u>
<u>Total Assets</u>					
Reportable segment assets	519,387	23,930	2,370	-	545,687
Unallocated assets					30,111
Total Assets					<u>575,798</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	
	31.3.2019	31.3.2018
	RM'000	RM'000
Asia	87,275	88,518
Africa	75,587	75,638
Americas	80,303	92,636
Europe	47,659	57,806
	290,824	314,598

A8. Subsequent events

There were no material events subsequent to the end of the current quarter.

A9. Changes in composition of the Group

There were 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			
	31.3.2019 RM'000	31.3.2018 RM'000	Variance RM'000 %		31.3.2019 RM'000	31.3.2018 RM'000	Variance RM'000 %	
Revenue	85,116	96,490	(11,374)	(11.8)	290,824	314,598	(23,774)	(7.6)
Result from operating activities	(292)	2,116	(2,408)	(113.8)	4,095	11,133	(7,038)	(63.2)
(Loss)/ Profit before tax	(517)	2,172	(2,689)	(123.8)	3,741	11,504	(7,763)	(67.5)
Profit after tax	252	1,077	(825)	(76.6)	3,498	8,583	(5,085)	(59.2)
Profit attributable to owners of the Company	165	1,268	(1,103)	(87.0)	3,539	8,648	(5,109)	(59.1)

For the third quarter ended 31 March 2019 (3QFY2019), revenue decreased by 11.8% in comparison to the quarter in the preceding year. This was primarily due to the lower sales volume recorded from the Sexual Wellness segment, which fell by 11.9% following the sluggish tender market environment.

As a result, overall profitability was pressured. Profit after tax stood at RM0.3 million after adjusting for tax that was over provided in the previous financial year.

For the nine months period under review (9MFY2019), revenue decreased by 7.6% to RM290.8 million in comparison to the equivalent period in the preceding year due to lower contributions from the Sexual Wellness segment. Results from operations, and profitability values were also correspondingly lower.

B2. Variance of results for the current quarter ended 31 March 2019 against the immediate preceding quarter

	3 MONTHS ENDED			
	31.3.2019 RM'000	31.12.2018 RM'000	Variance RM'000 %	
Revenue	85,116	113,550	(28,434)	(25.0)
Result from operating activities	(292)	1,988	(2,280)	(114.7)
(Loss)/ Profit before tax	(517)	1,870	(2,387)	(127.6)
Profit after tax	252	1,473	(1,221)	(82.9)
Profit attributable to owners of the Company	165	1,396	(1,231)	(88.2)

Compared to the previous quarter, revenue recorded in 3QFY2019 declined by 25.0% to RM85.1 million. Sales contributed by the Sexual Wellness segment in particular, reduced by 25.9% to RM77.4 million mainly due to the lower tender sales volume being delivered during the festive season. Although administration and distribution expenses reduced in comparison to the previous quarter, result from operating activities, and profitability values were negatively impacted by the lower overall sales volume.

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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 2019 ("FYE 2019")

Global condom demand is expected to continue to maintain an encouraging growth trajectory. However, the Group remains wary of turbulence in the economic environment that has persisted in recent months. Erratic condom purchasing patterns have presented a challenging climate to condom manufacturers around the world. In spite of this, we remain optimistic as our long-term prospects remain intact, as our Group continues to capture orders from new markets whilst implementing additional automation into our manufacturing processes to remain cost competitive. Moreover, our branded segment has continued to develop, both in terms of product offerings and market coverage, providing a platform for sustainable growth in the future.

b) Forecast or target previously announced

The disclosure requirements are not applicable for the current quarter and financial period-to-date.

B4. Statement of the Board of Directors' opinion on achievement of forecast or target

The disclosure requirements are not applicable for the current quarter and financial period-to-date.

B5. Profit forecast or profit guarantee

No profit forecast or profit guarantee was published.

B6. Tax expense

	3 MONTHS ENDED		PERIOD-TO-DATE	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	RM'000	RM'000	RM'000	RM'000
Current tax expenses				
- Current period	(4)	62	1,259	3,222
- Prior period	(682)	318	(682)	318
	(686)	380	577	3,540
Deferred taxation:				
- Origination and reversal of temporary differences	(111)	716	(362)	(618)
- Under/(Over) provision for prior year	28	(1)	28	(1)
	(83)	715	(334)	(619)
	(769)	1,095	243	2,921

The effective tax rates for the current quarter and period-to-date are comparable to the statutory tax rate.

B7. Status of corporate proposals

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

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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)**

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

		31.3.2019		31.3.2018	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Non-current					
Term Loan	RM	N/A	1,760	N/A	1,994
	Thai Baht ⁽¹⁾	3,885	500	23,229	2,878
	USD ⁽¹⁾	1,945	7,955	1,219	4,704
			10,215		9,576
Hire Purchase	RM	N/A	571	N/A	913
			10,786		10,489
Current					
Term Loan	RM	N/A	5,881	N/A	223
	Thai Baht ⁽¹⁾	21,601	2,780	23,567	2,920
	USD ⁽¹⁾	909	3,719	280	1,092
			12,380		4,235
Hire Purchase	RM	N/A	264	N/A	384
Banker acceptance	Thai Baht ⁽¹⁾	78,446	10,096	97,111	12,032
	USD	-	-	450	1,737
Trust Receipt	USD	114	467	-	-
Export Financing	USD	310	1,267	-	-
Revolving Credit	USD	474	1,940	-	-
			26,414		18,388
Total					
Term Loan	RM	N/A	7,641	N/A	2,217
	Thai Baht ⁽¹⁾	25,486	3,280	46,796	5,798
	USD ⁽¹⁾	2,854	11,674	1,499	5,796
			22,595		13,811
Hire Purchase	RM	N/A	835	N/A	1,297
	Thai Baht ⁽¹⁾	78,446	10,096	97,111	12,032
Banker acceptance	USD	-	-	450	1,737
Trust Receipt	USD	114	467	-	-
Export Financing	USD	310	1,267	-	-
Revolving Credit	USD	474	1,940	-	-
			37,200		28,877
	100 Thai Baht to RM		12.87		12.39
	1 USD to RM		4.09		3.86

Notes:

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

Additional term loan of USD 0.93 million was drawdown during the period. Loans and borrowings were paid based on the agreed instalments.

B9. Changes in material litigation

There was no material litigation as at the date of this report.

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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****B10. Dividend proposed**

No dividend was proposed in respect of the current financial period.

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	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
Profit attributable to ordinary shareholders of the Company (RM'000)	165	1,268	3,539	8,648
Weighted average number of ordinary shares ('in million)	1,002	1,002	1,002	1,002
Basic EPS (sen)	0.02	0.13	0.35	0.86

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 2018 were not qualified.

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

	3 MONTHS ENDED		PERIOD-TO-DATE	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	217	314	769	1,188
(b) Other income including investment income	-	-	-	-
(c) Interest expense	(442)	(258)	(1,123)	(817)
(d) Depreciation and amortization	(3,630)	(3,308)	(11,368)	(10,310)
(e) Impairment loss on receivables	15	(45)	(120)	(91)
(f) Provision for and write off of inventories	741	(2,065)	(170)	(2,360)
(g) Gain on loss on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange gain/ (loss)	(1,066)	(2,061)	(1,308)	(4,039)
(j) (Loss)/ Gain on derivatives	891	721	1,078	1,870
(k) Rental expenses	(1,132)	(976)	(3,214)	(2,784)
(l) Exceptional items	-	-	-	-

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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

B14. Realised and unrealised profit/ (losses) disclosure

	AS AT 31.3.2019 RM'000	AS AT 30.6.2018 RM'000 Restated
Total retained earnings of the Company and subsidiary companies:		
- Realised	252,891	258,323
- Unrealised	(1,442)	(4,259)
	251,449	254,064
Consolidated adjustments	(119,274)	(120,416)
Total retained earnings	132,175	133,648

By order of the Board
30 May 2019