



KAREX BERHAD

(Incorporated in Malaysia)

(Registration no: 201201034091 (1018579-U))

Interim Financial Report for the Third Quarter Ended 31 March 2020

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(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2020

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS ⁽¹⁾

	Note	3 MONTHS ENDED		PERIOD-TO-DATE	
		31.3.2020 RM'000	31.3.2019 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
Revenue		99,153	85,116	303,977	290,824
Cost of goods sold		(77,294)	(64,207)	(238,327)	(220,884)
Gross profit		21,859	20,909	65,650	69,940
Other income		138	823	1,685	1,366
Distribution expenses		(8,629)	(8,502)	(26,925)	(28,812)
Administrative expenses		(12,721)	(12,593)	(37,605)	(36,971)
Other expenses		(43)	(929)	(157)	(1,428)
Result from operating activities		604	(292)	2,648	4,095
Interest income		85	217	477	769
Finance costs		(657)	(442)	(1,739)	(1,123)
Net finance expense		(572)	(225)	(1,262)	(354)
Profit/(loss) before tax		32	(517)	1,386	3,741
Tax expense	B6	(385)	769	(692)	(243)
(Loss)/ Profit for the period	B13	(353)	252	694	3,498
(Loss)/ Profit for the period attributable to:					
Owners of the Company		(1,134)	165	(1,199)	3,539
Non-controlling interests		781	87	1,893	(41)
(Loss)/ Profit for the period		(353)	252	694	3,498
(Loss)/ Earning per share attributable to owners of the Company (sen):					
- Basic	B11	(0.11)	0.02	(0.12)	0.35
- Diluted	B11	(0.11)	0.02	(0.12)	0.35

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 2019 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	31.3.2020 RM'000	31.3.2019 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
(Loss)/ Profit for the period		(353)	252	694	3,498
Other comprehensive (expense)/ income, net of tax Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(1,537)	25	(1,427)	5,347
Total comprehensive (expense)/ income for the period		(1,890)	277	(733)	8,845
Total comprehensive (expense)/ income attributable to:					
Owners of the Company		(2,834)	194	(2,758)	8,870
Non-controlling interests		944	83	2,025	(25)
Total comprehensive (expense)/ income for the period		(1,890)	277	(733)	8,845

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 2019 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 31.3.2020 RM'000	AS AT 30.6.2019 RM'000
Assets			
Property, plant and equipment		221,185	220,735
Right-of-use assets		17,386	-
Intangible assets		97,795	96,562
Deferred tax assets		609	1,914
Total non-current assets		336,975	319,211
Inventories		118,188	119,628
Trade and other receivables		107,162	82,785
Tax recoverable		3,194	9,837
Cash and cash equivalents		44,568	63,635
Total current assets		273,112	275,885
Total assets		610,087	595,096
Equity			
Share capital		281,980	281,980
Reserves		191,258	209,052
Total equity attributable to owners of the Company		473,238	491,032
Non-controlling interest		3,601	1,576
Total equity		476,839	492,608
Liabilities			
Loan and borrowings	B8	20,063	9,056
Deferred tax liabilities		5,374	8,064
Total non-current liabilities		25,437	17,120
Trade and other payables		70,800	60,339
Loan and borrowings	B8	33,317	24,612
Derivative financial liabilities		3,469	3
Taxation		225	414
Total current liabilities		107,811	85,368
Total liabilities		133,248	102,488
Total equity and liabilities		610,087	595,096
Net assets per share attributable to owners of the Company (RM)		0.47	0.49

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 2019 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	
	31.3.2020 RM'000	31.3.2019 RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	1,386	3,741
Adjustment for:		
Non-cash items	16,395	10,511
Operating profit before changes in working capital	17,781	14,252
Net changes in current assets	(22,686)	16,565
Net changes in current liabilities	9,394	(12,911)
Cash generated from operations	4,489	17,906
Tax refund/ (paid)	4,377	(2,940)
Net cash from operating activities	8,866	14,966
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of:		
- Property, plant and equipment	(14,867)	(13,302)
- Intangible asset	-	(166)
Proceed from disposal of property, plant and equipment	33	591
Interest received	477	769
Net cash used in investing activities	(14,357)	(12,108)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Dividend paid to owners of the Company	(15,036)	(5,012)
Net drawdown of borrowings and interest paid	1,293	9,076
Net placement in fixed deposits pledged to licensed banks	97	(192)
Net cash (used in)/ from financing activities	(13,646)	3,872
Effect of exchange rate fluctuations on cash held	167	5
Net changes in cash and cash equivalents	(18,970)	6,735
Cash and cash equivalents at beginning of the period	62,243	46,334
Cash and cash equivalents at end of the period	43,273	53,069

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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	
	31.3.2020	31.3.2019
	RM'000	RM'000
Cash and bank balances	38,545	32,451
Deposits with licensed banks	1,295	1,250
Deposits with other corporations	4,728	20,618
	44,568	54,319
Less: Fixed deposits pledged	(1,295)	(1,250)
	43,273	53,069

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 2019 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 2019 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 2019.

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 2019, except for the adoption of the following new/revised MFRSs and clarifications/amendments to MFRS:

- MFRS 16, Leases
- IC Interpretation 23, Uncertainty over Income Tax Treatments
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation
- Amendments to MFRS 11, Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 119, Employee Benefits – Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 128, Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company except as mentioned below:

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.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group has assessed the estimated impact that the initial application of MFRS 16 will have on its consolidated financial statements as at 1 July 2019 as below.

	Statement of financial position as at	
	1 July 2019	
	As currently stated	After expected restatement
	RM'000	RM'000
Property, plant and equipment	220,735	219,781
Right-of-use assets	-	19,491
Trade and other receivables	82,785	82,322
Loan and Borrowings		
- Finance lease liabilities	807	-
- Lease liabilities	-	18,881
	-	18,881

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)

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 2020

Amendments to MFRS 3, Business Combinations – Definition of a Business

Amendments to MFRS 7, Financial Instrument Disclosures, MFRS 9, Financial Instruments and MFRS 139, Financial Instruments: Recognition and Measurement

Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material

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 annual periods beginning on or after 1 January 2022

Amendments to MFRS 101, Presentation of Financial Statements - 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 period-to-date.

A6. Dividends paid

Since the end of the previous financial year, the Company paid a final single tier dividend of 1.0 sen per ordinary share totalling RM 10,023,750 in respect of the financial year ended 30 June 2019 on 23 December 2019.

During the current financial year, the Company paid a single tier interim dividend of 0.5 sen per ordinary share totalling RM 5,011,875 in respect of the financial year ending 30 June 2020 on 25 March 2020.

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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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 31.3.2020</u>					
<u>Revenue</u>					
External revenue	277,135	21,187	5,655	-	303,977
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>277,135</u>	<u>21,187</u>	<u>5,655</u>	<u>-</u>	<u>303,977</u>
<u>Results</u>					
Segment profit	2,049	924	637	-	3,610
Interest income					48
Finance cost					(1,739)
Unallocated amounts					(533)
Profit before tax					<u>1,386</u>
Tax expense					(692)
Profit after tax					<u>694</u>
<u>Total Assets</u>					
Reportable segment assets	571,213	29,228	4,005	-	604,446
Unallocated assets					5,641
Total Assets					<u>610,087</u>
<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>

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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	
	31.3.2020	31.3.2019
	RM'000	RM'000
Asia	71,523	87,275
Africa	82,767	75,587
Americas	93,760	80,303
Europe	55,927	47,659
	<u>303,977</u>	<u>290,824</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 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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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance review

	3 MONTHS ENDED				PERIOD-TO-DATE			
	31.3.2020	31.3.2019	Variance		31.3.2020	31.3.2019	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	99,153	85,116	14,037	16.5	303,977	290,824	13,153	4.5
Result from operating activities	604	(292)	896	(306.8)	2,648	4,095	(1,447)	(35.3)
Profit before tax	32	(517)	549	(106.2)	1,386	3,741	(2,355)	(63.0)
(Loss)/ Profit after tax	(353)	252	(605)	(240.1)	694	3,498	(2,804)	(80.2)
(Loss)/ Profit attributable to owners of the Company	<u>(1,134)</u>	<u>165</u>	<u>(1,299)</u>	<u>(787.3)</u>	<u>(1,199)</u>	<u>3,539</u>	<u>(4,738)</u>	<u>(133.9)</u>

For the third quarter ended 31 March 2020 ("3QFY2020"), revenue increased by 16.5% in comparison to the third quarter in the preceding year, anchored by a 15.9% higher contribution from the Sexual Wellness segment. This has partly been attributable to the completion of the final social audits, allowing customers from both Tenders and Commercial segments to place orders to replenish previously depleted stocks.

The recent Movement Control Order in Malaysia restricted our facilities from operating at full capacity causing idle operational expenses which pressured the profitability during the quarter. Profit before tax for the quarter stood at RM 32,000 and loss after tax for the quarter stood at RM 353,000 after the provision on tax for profitable subsidiaries.

For the nine months period under review (9MFY2020), revenue remains resilient supported by a stable contribution from Sexual Wellness segment. Nevertheless, profitability was held back by a less favourable sales mix in addition to the ongoing social compliance payments and idle operational cost incurred during the Movement Control Order. Results from operating activities and profit before tax have correspondingly decreased.

B2. Variance of results for the current quarter ended 31 March 2020 against the immediately preceding quarter

	3 MONTHS ENDED			
	31.3.2020	31.12.2019	Variance	
	RM'000	RM'000	RM'000	%
Revenue	99,153	109,094	(9,941)	(9.1)
Result from operating activities	604	1,647	(1,043)	(63.3)
Profit before tax	32	1,093	(1,061)	(97.1)
(Loss)/ Profit after tax	(353)	892	(1,245)	(139.6)
(Loss)/ Profit attributable to owners of the Company	<u>(1,134)</u>	<u>102</u>	<u>(1,236)</u>	<u>(1,211.8)</u>

Revenue in 3QFY2020 scaled back by 9.1% to RM 99.2 million as compared to the preceding quarter due to limited operating capacity during the Movement Control Order, which had an impact on both production volume as well as export capabilities. Tender volume was also lower as is typical immediately following the peak season in December. The lower condom sales volume coupled with additional operational expenses incurred have resulted a lower profit before tax of RM 32,000 and loss after tax of RM 353,000 in the current 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 2020 ("FYE 2020")

The global condom industry is expected to remain challenging with shifting trends in condom purchasing patterns and uncertainty surrounding humanitarian aid budgets around the world. Erratic raw material prices as well as the rising cost of social compliance are major factors that are expected to challenge condom manufacturers around the world.

The ongoing Covid-19 pandemic has also presented unique challenges to the sexual health and medical devices industries, having caused disruption in operations and logistic networks around the world. Nevertheless, the Group continues to strive to overcome the adversity presented and remain confident that we are poised to take advantage of potential opportunities presented by the renewed global emphasis on hygiene and disease prevention.

We intend to achieve growth through our continued commitment to our strategies by leveraging on our cost advantages via the implementation of automation, as well as persisting with the investment into our branded segment to enable us to capture a greater share of the value 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	
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
	RM'000	RM'000	RM'000	RM'000
Current tax expenses				
- Current period	462	(4)	2,105	1,259
- Prior period	(15)	(682)	(15)	(682)
	447	(686)	2,090	577
Deferred taxation:				
- Origination and reversal of temporary differences	(37)	(111)	(1,373)	(362)
- (Over)/ Under provision for prior year	(25)	28	(25)	28
	(62)	(83)	(1,398)	(334)
	385	(769)	692	243

The Group effective tax rate for the current quarter and period-to-date are higher than statutory tax rate mainly due to profit generated by foreign subsidiaries with higher tax rates for the current quarter.

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	31.3.2020		31.3.2019	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Non-current					
Term Loan	RM	N/A	1,525	N/A	1,760
	Thai Baht ⁽¹⁾	-	-	3,885	500
	USD ⁽¹⁾	1,238	5,334	1,945	7,955
			6,859		10,215
Hire Purchase	RM	N/A	-	N/A	571
Lease Liabilities	RM	N/A	1,450		-
	Thai Baht	20,875	2,743		-
	USD	868	3,739		-
	GBP	993	5,272		-
			13,204		-
			20,063		10,786
Current					
Term Loan	RM	N/A	234	N/A	5,881
	Thai Baht ⁽¹⁾	N/A	-	21,601	2,780
	USD ⁽¹⁾	674	2,906	909	3,719
			3,140		12,380
Hire Purchase	RM	N/A	-	N/A	264
Banker acceptance	Thai Baht ⁽¹⁾	174,178	22,887	78,446	10,096
Trust Receipt	USD ⁽¹⁾	188	810	114	467
Export Financing	USD ⁽¹⁾	477	2,058	310	1,267
Revolving Credit	USD ⁽¹⁾	125	539	474	1,940
Lease Liabilities	RM	N/A	770		-
	Thai Baht	2,861	376		-
	USD	441	1,900		-
	GBP	158	837		-
			3,883		-
			33,317		26,414

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B8. Loans and borrowings (secured) (continued)

	Denominated in	31.3.2020		31.3.2019	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Total					
Term Loan	RM	N/A	1,759	N/A	7,641
	Thai Baht ⁽¹⁾	N/A	-	25,486	3,280
	USD ⁽¹⁾	1,912	8,240	2,854	11,674
			9,999		22,595
Hire Purchase	RM	N/A	-	N/A	835
Banker acceptance	Thai Baht ⁽¹⁾	174,178	22,887	78,446	10,096
Trust Receipt	USD ⁽¹⁾	188	810	114	467
Export Financing	USD ⁽¹⁾	477	2,058	310	1,267
Revolving Credit	USD ⁽¹⁾	125	539	474	1,940
Lease Liabilities	RM	N/A	2,220		-
	Thai Baht	23,736	3,119		-
	USD	1,309	5,639		-
	GBP	1,151	6,109		-
			17,087		-
			53,380		37,200
	100 Thai Baht to RM		13.14		12.87
	1 USD to RM		4.31		4.09
	1 GBP to RM		5.31		5.35

Notes:

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

Loans and borrowings were paid based on the agreed instalments. Hire Purchase has been reclassified to lease liabilities upon adoption of MFRS 16, Leases

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.

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(Incorporated in Malaysia)

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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

B11. (Loss)/ Earnings per share ("EPS")

Basic EPS is calculated by dividing the (loss)/ 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	
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
(Loss)/ Profit attributable to ordinary shareholders of the Company (RM'000)	(1,134)	165	(1,199)	3,539
Weighted average number of ordinary shares ('in million)	1,002	1,002	1,002	1,002
Basic EPS (sen)	(0.11)	0.02	(0.12)	0.35

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 2019 were not qualified.

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

	3 MONTHS ENDED		PERIOD-TO-DATE	
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	85	217	477	769
(b) Other income including investment income	-	-	-	-
(c) Interest expense	(657)	(442)	(1,739)	(1,123)
(d) Depreciation and amortization	(4,164)	(3,630)	(12,958)	(11,368)
Amortisation for right-of-use assets	(1,036)	-	(2,851)	-
(e) Impairment loss on receivables	(31)	15	(97)	(120)
(f) Provision for and write off of inventories	(1,372)	741	(2,337)	(170)
(g) Gain on loss on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange gain/ (loss)	4,530	(1,066)	4,749	(1,308)
(j) (Loss)/ Gain on derivatives	(4,521)	891	(3,469)	1,078
(k) Rental expenses	(407)	(1,132)	(1,086)	(3,214)
(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 31.3.2020 RM'000	AS AT 30.6.2019 RM'000
Total retained earnings of the Company and subsidiary companies:		
- Realised	239,368	252,007
- Unrealised	(5,537)	(2,611)
	233,831	249,396
Consolidated adjustments	(119,267)	(118,597)
Total retained earnings	114,564	130,799

By order of the Board
29 May 2020