



KAREX BERHAD

(Incorporated in Malaysia)

(Registration no: 201201034091 (1018579-U))

Interim Financial Report for the Fourth Quarter Ended 30 June 2021

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Interim financial report for the fourth quarter ended 30 June 2021

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS ⁽¹⁾

	3 MONTHS ENDED		PERIOD-TO-DATE		
	Note	30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
Revenue		106,724	91,090	419,816	395,067
Cost of goods sold		(83,575)	(69,037)	(322,098)	(307,364)
Gross profit		23,149	22,053	97,718	87,703
Other income		1,828	2,101	4,561	3,710
Distribution expenses		(17,705)	(7,376)	(47,989)	(34,301)
Administrative expenses		(11,844)	(12,261)	(50,137)	(49,866)
Other expenses		(2,209)	-	(2,209)	(81)
Result from operating activities		(6,781)	4,517	1,944	7,165
Interest income		85	40	186	517
Finance costs		(1,098)	(751)	(2,664)	(2,490)
Net finance cost		(1,013)	(711)	(2,478)	(1,973)
(Loss)/ Profit before tax		(7,794)	3,806	(534)	5,192
Tax expense	B6	2,695	(1,012)	680	(1,704)
(Loss)/ Profit for the period	B13	(5,099)	2,794	146	3,488
(Loss)/ Profit for the period attributable to:					
Owners of the Company		(5,099)	1,427	(1,020)	228
Non-controlling interests		-	1,367	1,166	3,260
(Loss)/ Profit for the period		(5,099)	2,794	146	3,488
(Loss)/ Earnings per share attributable to owners of the Company (sen):					
- Basic	B11	(0.48)	0.14	(0.10)	0.02
- Diluted	B11	(0.48)	0.14	(0.10)	0.02

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 2020 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	30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
(Loss)/ Profit for the period		<u>(5,099)</u>	<u>2,794</u>	<u>146</u>	<u>3,488</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>19</u>	<u>5,467</u>	<u>(7,902)</u>	<u>4,040</u>
Total comprehensive expenses/ (income) for the period		<u>(5,080)</u>	<u>8,261</u>	<u>(7,756)</u>	<u>7,528</u>
Total comprehensive (expenses)/ income attributable to:					
Owners of the Company		<u>(5,080)</u>	<u>6,911</u>	<u>(8,599)</u>	<u>4,153</u>
Non-controlling interests		<u>-</u>	<u>1,350</u>	<u>843</u>	<u>3,375</u>
Total comprehensive (expenses)/ income for the period		<u>(5,080)</u>	<u>8,261</u>	<u>(7,756)</u>	<u>7,528</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 2020 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 30.6.2021 RM'000	AS AT 30.6.2020 RM'000
Assets			
Property, plant and equipment		254,812	218,872
Right-of-use assets		30,646	30,125
Intangible assets		95,546	97,525
Deferred tax assets		1,335	1,725
Total non-current assets		<u>382,339</u>	<u>348,247</u>
Inventories		131,232	128,884
Trade and other receivables		104,618	95,693
Tax recoverable		2,490	2,378
Cash and cash equivalents		54,129	46,341
		<u>292,469</u>	<u>273,296</u>
Asset classified as held for sale		-	281
Total current assets		<u>292,469</u>	<u>273,577</u>
Total assets		<u>674,808</u>	<u>621,824</u>
Equity			
Share capital		324,244	281,980
Reserves		141,512	198,169
Total equity attributable to owners of the Company		<u>465,756</u>	<u>480,149</u>
Non-controlling interest		-	4,951
Total equity		<u>465,756</u>	<u>485,100</u>
Liabilities			
Loan and borrowings	B8	48,476	22,525
Deferred tax liabilities		2,832	7,239
Total non-current liabilities		<u>51,308</u>	<u>29,764</u>
Trade and other payables		89,448	76,305
Loan and borrowings	B8	67,396	29,992
Derivative financial liabilities		375	361
Taxation		525	302
Total current liabilities		<u>157,744</u>	<u>106,960</u>
Total liabilities		<u>209,052</u>	<u>136,724</u>
Total equity and liabilities		<u>674,808</u>	<u>621,824</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.44</u>	<u>0.48</u>

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 2020 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 →							
	← Non-distributable →				Distributable		Non-	
	Share capital RM'000	Merger reserve RM'000	Translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000	controlling interests RM'000	Total equity RM'000
30 June 2021								
At 1 July 2020	281,980	63,511	17,949	718	115,991	480,149	4,951	485,100
Foreign currency translation differences for foreign operations/								
Total other comprehensive expenses for the period	-	-	(7,579)	-	-	(7,579)	(323)	(7,902)
(Loss)/ Profit for the period	-	-	-	-	(1,020)	(1,020)	1,166	146
Total comprehensive (expenses)/ income for the period	-	-	(7,579)	-	(1,020)	(8,599)	843	(7,756)
<i>Contributions by and distributions to owners of the Company</i>								
Dividend to owners of the Company	-	-	-	-	(5,012)	(5,012)	-	(5,012)
Shares issuance pursuant to the acquisition of non-controlling interest	42,264	-	-	-	-	42,264	-	42,264
Changes in ownership interests in a subsidiary	-	-	-	-	(43,046)	(43,046)	(1,978)	(45,024)
Total transactions with owners of the Company	42,264	-	-	-	(48,058)	(5,794)	(1,978)	(7,772)
Dividend to non-controlling interest	-	-	-	-	-	-	(3,816)	(3,816)
At 30 June 2021	324,244	63,511	10,370	718	66,913	465,756	-	465,756
30 June 2020								
At 1 July 2019	281,980	63,511	14,024	718	130,799	491,032	1,576	492,608
Foreign currency translation differences for foreign operations/								
Total other comprehensive income for the period	-	-	3,925	-	-	3,925	115	4,040
Profit for the period	-	-	-	-	228	228	3,260	3,488
Total comprehensive income for the period	-	-	3,925	-	228	4,153	3,375	7,528
<i>Contributions by and distributions to owners of the Company</i>								
Dividend to owners of the Company/								
Total transactions with owners of the Company	-	-	-	-	(15,036)	(15,036)	-	(15,036)
At 30 June 2020	281,980	63,511	17,949	718	115,991	480,149	4,951	485,100

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 2020 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	
	30.6.2021 RM'000	30.6.2020 RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
(Loss)/ Profit before tax	(534)	5,192
Adjustment for:		
Non-cash items	30,385	26,577
Operating profit before changes in working capital	29,851	31,769
Net changes in current assets	(16,302)	(26,151)
Net changes in current liabilities	6,122	17,398
Cash generated from operations	19,671	23,016
Tax paid	(3,228)	5,007
Net cash from operating activities	16,443	28,023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of:		
- Property, plant and equipment	(56,313)	(24,186)
- Intangible asset	(48)	(26)
Proceed from disposal of property, plant and equipment	380	1,182
Proceed from disposal of asset held for sale	617	-
Interest received	186	517
Net cash used in investing activities	(55,178)	(22,513)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Dividend paid to owners of the Company	(5,012)	(15,036)
Dividend paid to non-controlling interest	(3,816)	-
Net drawdown of borrowings and interest paid	55,428	(7,728)
Net placement in fixed deposits pledged to licensed banks	(67)	68
Net cash from/ (used in) financing activities	46,533	(22,696)
Effect of exchange rate fluctuations on cash held	(69)	(40)
Net changes in cash and cash equivalents	7,729	(17,226)
Cash and cash equivalents at beginning of the period	45,017	62,243
Cash and cash equivalents at end of the period	52,746	45,017

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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	
	30.6.2021	30.6.2020
	RM'000	RM'000
Cash and bank balances	36,261	40,253
Short-term deposits	17,868	6,088
	54,129	46,341
Less: Fixed deposits pledged	(1,383)	(1,324)
	<u>52,746</u>	<u>45,017</u>

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 2020 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 2020 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 2020.

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 2020, except for the adoption of the following new/revised MFRSs and clarifications/amendments to MFRS:

- Amendments to MFRS 3, Business Combinations – Definition of a Business
- Amendments to MFRS 9, Financial Instruments and MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instrument Disclosures – Interest Rate Benchmark Reform
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
- Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions

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 2021

- Amendments to MFRS 9, Financial Instruments and MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instrument Disclosures, MFRS 4, Insurance Contracts, MFRS 16, Leases – Interest Rate Benchmark Reform,

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

- Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)
- Amendments MFRS 3, Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018 –2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts—Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and 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

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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)

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 0.5 sen per ordinary share totalling RM 5,011,875 in respect of the financial year ended 30 June 2020 on 21 December 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.

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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 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.				
	Sexual Wellness RM'000	Medical RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<u>12 months ended 30.6.2021</u>					
<u>Revenue</u>					
External revenue	382,983	28,563	8,270	-	419,816
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>382,983</u>	<u>28,563</u>	<u>8,270</u>	<u>-</u>	<u>419,816</u>
<u>Results</u>					
Segment profit	1,278	2,240	1,054	-	4,572
Interest income					19
Finance cost					(2,644)
Unallocated amounts					(2,481)
Loss before tax					(534)
Tax expense					680
Profit after tax					<u>146</u>
<u>Total Assets</u>					
Reportable segment assets	574,534	69,276	6,587	-	650,397
Unallocated assets					24,411
Total Assets					<u>674,808</u>
<u>12 months ended 30.6.2020</u>					
<u>Revenue</u>					
External revenue	361,747	25,869	7,451	-	395,067
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>361,747</u>	<u>25,869</u>	<u>7,451</u>	<u>-</u>	<u>395,067</u>
<u>Results</u>					
Segment profit	6,494	1,344	760	-	8,598
Interest income					48
Finance cost					(2,439)
Unallocated amounts					(1,015)
Profit before tax					5,192
Tax expense					(1,704)
Profit after tax					<u>3,488</u>
<u>Total Assets</u>					
Reportable segment assets	576,561	29,650	4,549	-	610,760
Unallocated assets					11,064
Total Assets					<u>621,824</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	
	30.6.2021 RM'000	30.6.2020 RM'000
Asia	112,109	92,102
Africa	74,329	99,125
Americas	163,132	131,303
Europe	70,246	72,537
	419,816	395,067

A8. Subsequent events

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

A9. Changes in composition of the Group

On 24 December 2020, the Group has acquired the remaining 30% equity stake in Global Protection Corporation for a purchase consideration of RM 42.28 million satisfied entirely via the issuance of ordinary share of the Company.

Other than as disclosed above, 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			
	30.6.2021	30.6.2020	Variance		30.6.2021	30.6.2020	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	106,724	91,090	15,634	17.2	419,816	395,067	24,749	6.3
Result from operating activities	(6,781)	4,517	(11,298)	(250.1)	1,944	7,165	(5,221)	(72.9)
(Loss)/ Profit before tax	(7,794)	3,806	(11,600)	(304.8)	(534)	5,192	(5,726)	(110.3)
(Loss)/ Profit after tax	(5,099)	2,794	(7,893)	(282.5)	146	3,488	(3,342)	(95.8)
(Loss)/ Profit attributable to owners of the Company	(5,099)	1,427	(6,526)	(457.3)	(1,020)	228	(1,248)	(547.4)

Despite the disruptions faced by operations in Malaysia due to the worsening of the Covid-19 situations, revenue for the fourth quarter ended 30 Jun 2021 ("4QFY2021") rose by 17.2% to RM106.7 million, driven by higher sales contributions from the Sexual Wellness and Medical segments. The implementation of the third Movement Control Order in Malaysia resulted in unavoidable operational expenses of RM 4.2 million during the quarter. The impact of these production cost was further compounded by the continued disruption in global logistics networks, that resulted in the additional distribution expenses of RM 6.5 million and ultimately resulted in a loss before tax of RM 7.8 million for the quarter.

For the twelve months under review (12MFY2021), revenue rose by 6.3% to RM419.8 million in comparison to the same period during the preceding year, primarily due to stronger condom sales to the Commercial market in the Americas and Asia regions. Despite foreign exchange gain of RM 2.6 million, unavoidable operational costs of RM9.4 million coupled with higher distribution expenses impacted profitability and resulted in a marginal profit after tax of RM 0.1 million for the 12MFY2021.

B2. Variance of results for the current quarter ended 30 June 2021 against the immediately preceding quarter

	3 MONTHS ENDED			
	30.6.2021	31.3.2021	Variance	
	RM'000	RM'000	RM'000	%
Revenue	106,724	95,608	11,116	11.6
Result from operating activities	(6,781)	(3,404)	(3,377)	99.2
Loss before tax	(7,794)	(4,112)	(3,682)	89.5
Loss after tax	(5,099)	(3,165)	(1,934)	61.1
Loss attributable to owners of the Company	(5,099)	(3,165)	(1,934)	61.1

In 4Q2021, revenue increased by 11.6% to RM 106.7 million in comparison to the immediately preceding quarter. Several tender orders that were previously delayed by the global logistic disruptions were delivered during the quarter. With the implementation of government controls to address the worsening Covid-19 situation in Malaysia and shortage of shipment containers, our Group's operations were impacted during the quarter. The unavoidable operational expenses and elevated logistic costs resulted in the Group recording a loss before tax of RM 7.8 million for the quarter in spite of the improvement in terms of sales from the previous 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 2022 ("FYE 2022")

The exceptional measures that governments and health authorities around the world implemented during the COVID-19 pandemic, such as lockdowns, quarantines or reorganizing health services drastically impacted the sexual health and medical devices industries. According to the World Health Organization, access to birth control is one of the sexual and reproductive health issues that has been most impacted by the pandemic.

Yet, in spite of this, the Group continues to make strides in establishing its position as a global leader in these industries with a commendable sales growth during the last few years. We continue to leverage on our manufacturing expertise and cost competitiveness to capture orders in markets where many governments have shifted the onus of family planning from a state-provided model to the private sector in recent years.

As vaccination rates ramp up around the world, more economies continue to relax restrictions and societies begin to adapt to post-pandemic life. The recommencement of social interactions that have been absent for over a year in many countries is expected to drive the immediate term demand for condoms and lubricants. This transition is also expected to present unique opportunities arising from greater e-commerce literacy as well as a heightened awareness of personal hygiene and disease prevention. In order to capitalize on new market trends that are expected to arise, the Group is poised to expand its product portfolio in terms of capacity as well as variety to offer products such as medical gloves in the near 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	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expenses				
- Current period	313	376	2,644	2,481
- Prior period	(8)	(126)	(87)	(141)
	305	250	2,557	2,340
Deferred taxation:				
- Origination and reversal of temporary differences	(2,782)	551	(3,034)	(822)
- Prior period	(218)	211	(203)	186
	(3,000)	762	(3,237)	(636)
	(2,695)	1,012	(680)	1,704

The Group has higher tax incomemainly due to higher tax incentive claimed and utilised against taxable income for the period.

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 :

	Denominated in	30.6.2021		30.6.2020	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Non-current					
Term Loan	RM	N/A	13,357	N/A	1,457
	Thai Baht ⁽¹⁾	42,055	5,446	-	-
	USD ⁽¹⁾	2,513	10,430	721	3,083
			29,233		4,540
Hire Purchase	RM	N/A	233	N/A	406
Lease Liabilities	RM	N/A	2,195		3,756
	Thai Baht	83,622	10,829	38,786	5,381
	USD	364	1,512	774	3,311
	GBP	779	4,474	976	5,131
			19,010		17,579
			48,476		22,525
Current					
Term Loan	RM	N/A	2,185	N/A	3,104
	Thai Baht ⁽¹⁾	15,181	1,966	-	-
	USD ⁽¹⁾	863	3,580	931	3,986
			7,731		7,090
Hire Purchase	RM	N/A	203	N/A	203
Banker acceptance	RM	N/A	4,289	N/A	-
	Thai Baht ⁽¹⁾	297,228	38,491	113,006	15,674
			42,780		15,674
Trust Receipt	USD ⁽¹⁾	529	2,196	188	805
	GBP ⁽¹⁾	324	1,864	-	-
			4,060		805
Export Financing	USD ⁽¹⁾	1,536	6,378	558	2,389
Revolving Credit	RM ⁽¹⁾	N/A	2,500	N/A	-
	USD ⁽¹⁾	-	-	125	535
			2,500		535
Lease Liabilities	RM	N/A	764	N/A	435
	Thai Baht ⁽¹⁾	1,598	207	894	124
	USD ⁽¹⁾	458	1,900	444	1,900
	GBP ⁽¹⁾	152	873	159	837
			3,744		3,296
			67,396		29,992

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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) (continued)

	Denominated in	30.6.2021		30.6.2020	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Total					
Term Loan	RM	N/A	15,542	N/A	4,561
	Thai Baht ⁽¹⁾	57,236	7,412	-	-
	USD ⁽¹⁾	3,376	14,010	1,652	7,069
			36,964		11,630
Hire Purchase	RM	N/A	436	N/A	609
	Banker acceptance				
	RM	N/A	4,289	N/A	-
	Thai Baht ⁽¹⁾	297,228	38,491	113,006	15,674
			42,780		15,674
Trust Receipt	USD ⁽¹⁾	529	2,196	188	805
	GBP ⁽¹⁾	324	1,864	-	-
			4,060		805
Export Financing	USD ⁽¹⁾	1,536	6,378	558	2,389
Revolving Credit	USD ⁽¹⁾	N/A	2,500	N/A	-
	USD ⁽¹⁾	-	-	125	535
			2,500		535
Lease Liabilities	RM	N/A	2,959	N/A	4,191
	Thai Baht	85,220	11,036	39,680	5,505
	USD	822	3,412	1,218	5,211
	GBP	931	5,347	1,135	5,968
			22,754		20,875
			115,872		52,517
	100 Thai Baht to RM		12.95		13.87
	1 USD to RM		4.15		4.28
	1 GBP to RM		5.74		5.26

Notes:

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

B9. Changes in material litigation

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

B10. Dividend proposed

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

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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	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
(Loss)/ Profit attributable to ordinary shareholders of the Company (RM'000)	(5,099)	1,427	(1,020)	228
Weighted average number of ordinary shares ('in million)	1,053	991	1,029	1,002
Basic EPS (sen)	(0.48)	0.14	(0.10)	0.02

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 2020 were not qualified.

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

	3 MONTHS ENDED		PERIOD-TO-DATE	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	85	40	186	517
(b) Other income including investment income	-	-	-	-
(c) Interest expense	(1,098)	(751)	(2,664)	(2,490)
(d) Depreciation and amortization	(4,890)	(3,943)	(18,856)	(16,901)
Amortisation for right-of-use assets	(3,888)	(1,073)	(6,937)	(3,924)
(e) (Impairment loss) /Reversal of Impairment loss on receivables	(1,242)	51	(1,215)	(46)
(f) Provision for and write off of inventories	(264)	(977)	(2,258)	(3,314)
(g) Gain on disposal of quoted or unquoted investments or properties	(98)	-	10	-
(h) Impairment of assets	(869)	-	(869)	-
(i) Foreign exchange gain	160	(2,356)	3,103	2,393
(j) Gain/ (Loss) on derivatives	453	3,108	(481)	(361)
(k) Rental expenses	(1,153)	(1,103)	(2,306)	(2,189)
(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 30.6.2021 RM'000	AS AT 30.6.2020 RM'000
Total retained earnings of the Company and subsidiary companies:		
- Realised	192,822	239,925
- Unrealised	(2,299)	(3,997)
	190,523	235,928
Consolidated adjustments	(123,610)	(119,937)
Total retained earnings	66,913	115,991

By order of the Board
29 September 2021