



# **KAREX BERHAD**

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(Incorporated in Malaysia)

(Registration no: 201201034091 (1018579-U))

## **Interim Financial Report for the Third Quarter Ended 31 March 2022**

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201201034091 (1018579-U)  
(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2022

(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS <sup>(1)</sup>

	3 MONTHS ENDED		PERIOD-TO-DATE		
	Note	31.3.2022 RM'000	31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000
<b>Revenue</b>		<b>99,493</b>	95,608	<b>298,988</b>	313,092
Cost of goods sold		<b>(76,733)</b>	(77,070)	<b>(228,865)</b>	(238,523)
<b>Gross profit</b>		<b>22,760</b>	18,538	<b>70,123</b>	74,569
Other income		<b>1,463</b>	1,556	<b>2,465</b>	2,733
Distribution expenses		<b>(11,228)</b>	(12,025)	<b>(34,980)</b>	(30,284)
Administrative expenses		<b>(13,372)</b>	(11,473)	<b>(38,575)</b>	(38,293)
Other expenses		<b>(71)</b>	-	<b>(307)</b>	-
<b>Result from operating activities</b>		<b>(448)</b>	(3,404)	<b>(1,274)</b>	8,725
Interest income		<b>72</b>	50	<b>239</b>	101
Finance costs		<b>(808)</b>	(758)	<b>(2,592)</b>	(1,566)
<b>Net finance cost</b>		<b>(736)</b>	(708)	<b>(2,353)</b>	(1,465)
<b>(Loss)/ Profit before tax</b>		<b>(1,184)</b>	(4,112)	<b>(3,627)</b>	7,260
Tax expense	B6	<b>436</b>	947	<b>837</b>	(2,015)
<b>(Loss)/ Profit for the period</b>	<b>B13</b>	<b>(748)</b>	(3,165)	<b>(2,790)</b>	5,245
<b>(Loss)/ Profit for the period attributable to:</b>					
Owners of the Company		<b>(748)</b>	(3,165)	<b>(2,790)</b>	4,079
Non-controlling interests		-	-	-	1,166
<b>(Loss)/ Profit for the period</b>		<b>(748)</b>	(3,165)	<b>(2,790)</b>	5,245
<b>(Losses)/ Earnings per share attributable to owners of the Company (sen):</b>					
- Basic	B11	<b>(0.07)</b>	(0.30)	<b>(0.26)</b>	0.40
- Diluted	B11	<b>(0.07)</b>	(0.30)	<b>(0.26)</b>	0.40

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 2021 and the accompanying explanatory notes as attached to this interim financial statements.

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Interim financial report for the third quarter ended 31 March 2022

(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>

	3 MONTHS ENDED		PERIOD-TO-DATE		
	Note	31.3.2022 RM'000	31.3.2021 RM'000	31.3.2022 RM'000	31.3.2021 RM'000
(Loss)/ Profit for the period		<u>(748)</u>	<u>(3,165)</u>	<u>(2,790)</u>	<u>5,245</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>2,727</u>	<u>(2,349)</u>	<u>(1,506)</u>	<u>(7,921)</u>
Total comprehensive income/ (expenses) for the period		<u>1,979</u>	<u>(5,514)</u>	<u>(4,296)</u>	<u>(2,676)</u>
Total comprehensive income/ (expenses) attributable to:					
Owners of the Company		<u>1,979</u>	<u>(5,514)</u>	<u>(4,296)</u>	<u>(3,519)</u>
Non-controlling interests		<u>-</u>	<u>-</u>	<u>-</u>	<u>843</u>
Total comprehensive income/ (expenses) for the period		<u>1,979</u>	<u>(5,514)</u>	<u>(4,296)</u>	<u>(2,676)</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 2021 and the accompanying explanatory notes as attached to this interim financial statements.

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201201034091 (1018579-U)

(Incorporated in Malaysia)

## Interim financial report for the third quarter ended 31 March 2022

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>

	AS AT 31.3.2022	AS AT 30.6.2021
	RM'000	RM'000
	Note	
<b>Assets</b>		
Property, plant and equipment	266,253	254,812
Right-of-use assets	27,770	30,646
Intangible assets	95,735	95,546
Deferred tax assets	2,627	1,335
<b>Total non-current assets</b>	<b>392,385</b>	<b>382,339</b>
Inventories	151,998	131,232
Trade and other receivables	101,612	104,618
Derivative financial assets	31	-
Tax recoverable	3,668	2,490
Cash and cash equivalents	42,741	54,129
<b>Total current assets</b>	<b>300,050</b>	<b>292,469</b>
<b>Total assets</b>	<b>692,435</b>	<b>674,808</b>
<b>Equity</b>		
Share capital	324,244	324,244
Reserves	137,216	141,512
<b>Total equity attributable to owners of the Company/ Total equity</b>	<b>461,460</b>	<b>465,756</b>
<b>Liabilities</b>		
Loan and borrowings	B8 66,772	48,476
Deferred tax liabilities	3,165	2,832
<b>Total non-current liabilities</b>	<b>69,937</b>	<b>51,308</b>
Trade and other payables	86,265	89,448
Loan and borrowings	B8 74,742	67,396
Derivative financial liabilities	31	375
Taxation	-	525
<b>Total current liabilities</b>	<b>161,038</b>	<b>157,744</b>
<b>Total liabilities</b>	<b>230,975</b>	<b>209,052</b>
<b>Total equity and liabilities</b>	<b>692,435</b>	<b>674,808</b>
Net assets per share attributable to owners of the Company (RM)	<b>0.44</b>	<b>0.44</b>

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 2021 and the accompanying explanatory notes as attached to this interim financial statements.

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(The figures have not been audited)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>

	← Attributable to owners of the Company →							Total equity RM'000
	← Non-distributable →				Distributable	Non-controlling		
	Share capital RM'000	Merger reserve RM'000	Translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000	interests RM'000	
<b>31 March 2022</b>								
<b>At 1 July 2021</b>	324,244	63,511	10,370	718	66,913	465,756	-	465,756
Foreign currency translation differences for foreign operations/								
<b>Total other comprehensive expenses for the period</b>	-	-	(1,506)	-	-	(1,506)	-	(1,506)
Loss for the period	-	-	-	-	(2,790)	(2,790)	-	(2,790)
<b>Total comprehensive expenses for the period</b>	-	-	(1,506)	-	(2,790)	(4,296)	-	(4,296)
<b>At 31 March 2022</b>	<b>324,244</b>	<b>63,511</b>	<b>8,864</b>	<b>718</b>	<b>64,123</b>	<b>461,460</b>	<b>-</b>	<b>461,460</b>
<b>31 March 2021</b>								
<b>At 1 July 2020</b>	281,980	63,511	17,949	718	115,991	480,149	4,951	485,100
Foreign currency translation differences for foreign operations/								
<b>Total other comprehensive expenses for the period</b>	-	-	(7,598)	-	-	(7,598)	(323)	(7,921)
Profit for the period	-	-	-	-	4,079	4,079	1,166	5,245
<b>Total comprehensive (expenses)/ income for the period</b>	-	-	(7,598)	-	4,079	(3,519)	843	(2,676)
<i>Contributions by and distributions to owners of the Company</i>								
Dividend to owners of the Company/								
<b>Total transactions with the owners of the Company</b>	-	-	-	-	(5,245)	(5,245)	-	(5,245)
Share issuance pursuant to the acquisition of non-controlling interest	42,264	-	-	-	-	42,264	-	42,264
Change in ownership interest in a subsidiary	-	-	-	-	(43,046)	(43,046)	(1,978)	(45,024)
<b>Total changes in ownership a subsidiary</b>	<b>42,264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43,046)</b>	<b>(782)</b>	<b>(1,978)</b>	<b>(2,760)</b>
Dividend to non-controlling interest	-	-	-	-	-	-	(3,816)	(3,816)
<b>At 31 March 2021</b>	<b>324,244</b>	<b>63,511</b>	<b>10,351</b>	<b>718</b>	<b>71,779</b>	<b>470,603</b>	<b>-</b>	<b>470,603</b>

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 2021 and the accompanying explanatory notes as attached to this interim financial statements.

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>

	PERIOD-TO-DATE	
	31.3.2022	31.3.2021
	RM'000	RM'000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
(Loss)/ Profit before tax	(3,627)	7,260
Adjustment for:		
Non-cash items	21,829	20,687
<b>Operating profit before changes in working capital</b>	<b>18,202</b>	<b>27,947</b>
Net changes in current assets	(14,559)	(17,499)
Net changes in current liabilities	1,812	(4,811)
Cash generated from operations	5,455	5,637
Tax paid	(1,825)	(894)
<b>Net cash from operating activities</b>	<b>3,630</b>	<b>4,743</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of:		
- Property, plant and equipment	(33,194)	(39,018)
Proceed from disposal of property, plant and equipment	182	617
Interest received	239	101
<b>Net cash used in investing activities</b>	<b>(32,773)</b>	<b>(38,300)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Dividend paid to owners of the Company	-	(5,245)
Dividend paid to non-controlling interest	-	(3,816)
Net drawdown of borrowings and interest paid	13,515	45,223
Net placement in fixed deposits pledged to licensed banks	(78)	(74)
<b>Net cash from financing activities</b>	<b>13,437</b>	<b>36,088</b>
Effect of exchange rate fluctuations on cash held	(29)	(294)
<b>Net changes in cash and cash equivalents</b>	<b>(15,735)</b>	<b>2,237</b>
Cash and cash equivalents at beginning of the period	52,738	45,017
<b>Cash and cash equivalents at end of the period</b>	<b>37,003</b>	<b>47,254</b>

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>

### Cash and cash equivalents

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

	PERIOD-TO-DATE	
	31.3.2022	31.3.2021
	RM'000	RM'000
Cash and bank balances	24,943	33,217
Short-term deposits	17,798	1,398
	42,741	34,615
Less: Fixed deposits pledged	(1,469)	(1,398)
Bank Overdraft	(4,269)	-
	37,003	33,217

### 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 2021 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 2021 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 2021.

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 2021, except for the adoption of the following new/revised MFRSs and clarifications/amendments to MFRS:

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

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 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 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 17 Insurance Contracts
- Initial Application of MFRS 17 and MFRS 9—Comparative Information (Amendment to 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

**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.

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

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

**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**

No dividends were proposed in respect of the current financial period.

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

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

**A7. Segmental information**

The Group's operating segmental report for the financial period-to-date was as follows:-

<b>Segment</b>	<b>Composition</b>
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.

	<b>Sexual Wellness RM'000</b>	<b>Medical RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b><u>9 months ended 31.3.2022</u></b>					
<b><u>Revenue</u></b>					
External revenue	269,433	23,100	6,455	-	298,988
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>269,433</u>	<u>23,100</u>	<u>6,455</u>	<u>-</u>	<u>298,988</u>
<b><u>Results</u></b>					
Segment (loss)/ profit	(2,851)	1,179	1,467	-	(205)
Interest income					7
Finance cost					(2,585)
Unallocated amounts					(844)
Loss before tax					(3,627)
Tax expense					837
Loss after tax					<u>(2,790)</u>
<b><u>Total Assets</u></b>					
Reportable segment assets	568,534	96,361	9,843	-	674,738
Unallocated assets					17,697
Total Assets					<u>692,435</u>
<b><u>9 months ended 31.3.2021</u></b>					
<b><u>Revenue</u></b>					
External revenue	285,655	21,376	6,061	-	313,092
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>285,655</u>	<u>21,376</u>	<u>6,061</u>	<u>-</u>	<u>313,092</u>
<b><u>Results</u></b>					
Segment profit	7,983	1,544	1,015	-	10,542
Interest income					19
Finance cost					(1,552)
Unallocated amounts					(1,749)
Profit before tax					7,260
Tax expense					(2,015)
Profit after tax					<u>5,245</u>
<b><u>Total Assets</u></b>					
Reportable segment assets	601,832	30,728	5,386	-	637,946
Unallocated assets					16,737
Total Assets					<u>654,683</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	
	31.3.2022	31.3.2021
	RM'000	RM'000
Asia	73,464	86,239
Africa	42,509	61,068
Americas	123,770	111,498
Europe	59,245	54,287
	<u>298,988</u>	<u>313,092</u>

**A8. Subsequent events**

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

**A9. Changes in composition of the Group**

There are no other changes in the composition of the Group for the current quarter and financial period-to-date

**A10. Changes in contingent liabilities and contingent assets**

There were no material changes in contingent liabilities or contingent assets as at date of this report.

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

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

**B1. Performance review**

	3 MONTHS ENDED				PERIOD-TO-DATE			
	31.3.2022 RM'000	31.3.2021 RM'000	Variance		31.3.2022 RM'000	31.3.2021 RM'000	Variance	
			RM'000	%			RM'000	%
Revenue	99,493	95,608	3,885	4.1	298,988	313,092	(14,104)	(4.5)
Result from operating activities	(448)	(3,404)	2,956	(86.8)	(1,274)	8,725	(9,999)	(114.6)
(Loss)/ Profit before tax	(1,184)	(4,112)	2,928	(71.2)	(3,627)	7,260	(10,887)	(150.0)
(Loss)/ Profit after tax	(748)	(3,165)	2,417	(76.4)	(2,790)	5,245	(8,035)	(153.2)
(Loss)/ Profit attributable to owners of the Company	(748)	(3,165)	2,417	(76.4)	(2,790)	4,079	(6,869)	(168.4)

Revenue for the third quarter ended 31 March 2022 ("3QFY2022") increased 4.1% from the same period in the previous year to RM99.5 million. This was largely driven by a more significant contribution from the sexual wellness segment with sales from personal lubricants in particular remaining strong. Nevertheless, the operational disruptions, volatile raw material prices and elevated shipping costs continued to pressure profitability resulting in a RM1.2 million loss before tax for the quarter.

For the nine months under review (9MFY2022), revenue contrastingly decreased by 4.5% to RM299.0 million in comparison to the same period during the preceding year. This was due to the slowdown in international tenders and exasperated by the disruption to global supply chains that made orders especially challenging to deliver to certain regions such as Africa. The lower sales totals coupled with elevated raw material prices and distribution expenses negatively affected profitability, resulting in an after-tax loss of RM 2.8 million for the 9MFY2022.

**B2. Variance of results for the current quarter ended 31 March 2022 against the immediately preceding quarter**

	3 MONTHS ENDED			
	31.3.2022 RM'000	31.12.2021 RM'000	Variance	
			RM'000	%
Revenue	99,493	103,511	(4,018)	(3.9)
Result from operating activities	(448)	(2,743)	2,295	(83.7)
Loss before tax	(1,184)	(3,612)	2,428	(67.2)
Loss after tax	(748)	(2,811)	2,063	(73.4)
Loss attributable to owners of the Company	(748)	(2,811)	2,063	(73.4)

In 3Q2022, revenue totals reduced by approximately 3.9% to RM 99.5 million in comparison to the immediately preceding quarter. This was mainly due to lower condom sales to the tender market that was able to offset an increase in personal lubricant sales during the quarter. These factors contributed to an improvement in profitability for the current quarter but were unable to offset the persisting effects of Covid related expenses, volatile raw material prices and disruptions to logistics networks resulting in a loss after tax of RM0.7 million for the quarter.

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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**

**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**

	<u>3 MONTHS ENDED</u>		<u>PERIOD-TO-DATE</u>	
	<u>31.3.2022</u>	<u>31.3.2021</u>	<u>31.3.2022</u>	<u>31.3.2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expenses				
- Current period	(195)	(771)	67	2,331
- Prior period	55	(79)	55	(79)
	(140)	(850)	122	2,252
Deferred taxation:				
- Origination and reversal of temporary differences	(95)	(112)	(959)	(252)
- Prior period	(201)	15	-	15
	(296)	(97)	(959)	(237)
	<u>(436)</u>	<u>(947)</u>	<u>(837)</u>	<u>2,015</u>

The Group effective tax rate for the period-to-date are higher than the statutory tax rate mainly due to recognition of deferred tax assets in relation to unutilised business losses 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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(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**

**B8. Loans and borrowings (secured)**

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

	Denominated in	31.3.2022		31.3.2021	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
<b>Non-current</b>					
Term Loan	RM	N/A	25,296	N/A	13,815
	USD <sup>(1)</sup>	5,972	25,144	1,512	6,276
			50,440		20,091
Hire Purchase	RM	N/A	47	N/A	289
Lease Liabilities	RM	N/A	1,837		549
	Thai Baht <sup>(1)</sup>	81,298	10,268	66,747	8,844
	USD <sup>(1)</sup>	-	-	481	1,995
	GBP <sup>(1)</sup>	757	4,180	812	4,641
			16,285		16,029
			66,772		36,409
<b>Current</b>					
Term Loan	RM	N/A	3,168	N/A	1,693
	USD <sup>(1)</sup>	1,355	5,704	591	2,453
			8,872		4,146
Hire Purchase	RM	N/A	552	N/A	163
Banker acceptance	RM	N/A	8,140	N/A	4,354
	Thai Baht <sup>(1)</sup>	226,778	28,642	303,404	40,201
			36,782		44,555
Export Financing	USD <sup>(1)</sup>	3,984	16,754	2,131	8,835
	GBP <sup>(1)</sup>	10	56	-	-
			16,810		8,835
Trust Receipt	RM	N/A	-	N/A	346
	GBP <sup>(1)</sup>	-	-	322	1,841
			-		2,187
Revolving Credit	RM	N/A	4,000	N/A	1,000
Bank Overdraft	RM	N/A	4,102	N/A	-
	Thai Baht <sup>(1)</sup>	1,322	167	-	-
			4,269		-
Lease Liabilities	RM	N/A	654	N/A	799
	Thai Baht <sup>(1)</sup>	285	36	1,736	230
	USD <sup>(1)</sup>	458	1,928	472	1,959
	GBP <sup>(1)</sup>	152	839	146	835
			3,457		3,823
			74,742		64,709

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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	31.3.2022		31.3.2021	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Total					
Term Loan	RM	N/A	28,464	N/A	15,508
	USD <sup>(1)</sup>	7,327	30,848	2,103	8,729
			59,312		24,237
Hire Purchase	RM	N/A	599	N/A	452
Banker acceptance	RM	N/A	8,140	N/A	4,354
	Thai Baht <sup>(1)</sup>	226,778	28,642	303,404	40,201
			36,782		44,555
Export Financing	USD <sup>(1)</sup>	3,984	16,754	2,131	8,835
	GBP <sup>(1)</sup>	10	56	-	-
			16,810		8,835
Trust Receipt	RM	N/A	-	N/A	346
	USD <sup>(1)</sup>	-	-	322	1,841
			-		2,187
Revolving Credit	RM	N/A	4,000	N/A	1,000
Bank Overdraft	RM	N/A	4,102	-	-
	Thai Baht <sup>(1)</sup>	1,322	167	-	-
			4,269		-
Lease Liabilities	RM	N/A	2,491	N/A	1,348
	Thai Baht <sup>(1)</sup>	81,583	10,304	68,483	9,074
	USD <sup>(1)</sup>	458	1,928	953	3,954
	GBP <sup>(1)</sup>	909	5,019	958	5,476
			19,742		19,852
			141,514		101,118
	100 Thai Baht to RM		12.63		13.25
	1 USD to RM		4.21		4.15
	1 GBP to RM		5.52		5.71

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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**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.

	<b>3 MONTHS ENDED</b>		<b>PERIOD-TO-DATE</b>	
	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>31.3.2022</b>	<b>31.3.2021</b>
(Loss)/ Profit attributable to ordinary shareholders of the Company (RM'000)	<b>(748)</b>	(3,165)	<b>(2,790)</b>	4,079
Weighted average number of ordinary shares ('in million)	<b>1,053</b>	1,053	<b>1,053</b>	1,019
Basic EPS (sen)	<b>(0.07)</b>	(0.30)	<b>(0.26)</b>	0.40

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 2021 were not qualified.

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

	<b>3 MONTHS ENDED</b>		<b>PERIOD-TO-DATE</b>	
	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>31.3.2022</b>	<b>31.3.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) Interest income	72	50	239	101
(b) Other income including investment income	-	-	-	-
(c) Interest expense	<b>(808)</b>	(758)	<b>(2,592)</b>	(1,566)
(d) Depreciation and amortization	<b>(4,526)</b>	(4,945)	<b>(13,743)</b>	(13,966)
Amortisation for right-of-use assets	<b>(1,013)</b>	(932)	<b>(2,837)</b>	(3,049)
(e) (Provision)/ Reversal of impairment loss on receivables	<b>(21)</b>	(12)	<b>(234)</b>	27
(f) Provision for and write off of inventories	<b>(475)</b>	(701)	<b>(1,124)</b>	(1,994)
(g) Gain on disposal of quoted or unquoted investments or properties	-	108	-	108
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange gain	<b>1,187</b>	2,822	<b>1,504</b>	2,943
(j) Loss on derivatives	<b>(266)</b>	(1,565)	<b>(31)</b>	(934)
(k) Rental expenses	<b>(535)</b>	(407)	<b>(1,431)</b>	(1,153)
(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 31.3.2022 RM'000	AS AT 30.6.2021 RM'000
Total retained earnings of the Company and subsidiary companies:		
- Realised	189,265	192,822
- Unrealised	(2,733)	(2,299)
	<b>186,532</b>	190,523
Consolidated adjustments	<b>(122,409)</b>	(123,610)
Total retained earnings	<b>64,123</b>	66,913

By order of the Board  
27 May 2022