



# **KAREX BERHAD**

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(Incorporated in Malaysia)

(Registration no: 201201034091 (1018579-U))

## **Interim Financial Report for the Fourth Quarter Ended 30 June 2022**

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(Incorporated in Malaysia)

Interim financial report for the fourth quarter ended 30 June 2022

(The figures have not been audited)

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

	3 MONTHS ENDED		PERIOD-TO-DATE		
	Note	30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
<b>Revenue</b>		<b>122,654</b>	106,724	<b>421,642</b>	419,816
Cost of goods sold		<b>(100,197)</b>	(83,575)	<b>(329,062)</b>	(322,098)
<b>Gross profit</b>		<b>22,457</b>	23,149	<b>92,580</b>	97,718
Other income		<b>1,717</b>	1,828	<b>4,182</b>	4,561
Distribution expenses		<b>(10,327)</b>	(17,705)	<b>(45,307)</b>	(47,989)
Administrative expenses		<b>(12,232)</b>	(11,844)	<b>(50,807)</b>	(50,137)
Other expenses		<b>(3,204)</b>	(2,209)	<b>(3,511)</b>	(2,209)
<b>Result from operating activities</b>		<b>(1,589)</b>	(6,781)	<b>(2,863)</b>	1,944
Interest income		<b>70</b>	85	<b>309</b>	186
Finance costs		<b>(1,342)</b>	(1,098)	<b>(3,934)</b>	(2,664)
<b>Net finance cost</b>		<b>(1,272)</b>	(1,013)	<b>(3,625)</b>	(2,478)
<b>Loss before tax</b>		<b>(2,861)</b>	(7,794)	<b>(6,488)</b>	(534)
Tax expense	B6	<b>(540)</b>	2,695	<b>297</b>	680
<b>(Loss)/ Profit for the period</b>	<b>B13</b>	<b>(3,401)</b>	(5,099)	<b>(6,191)</b>	146
<b>(Loss)/ Profit for the period attributable to:</b>					
Owners of the Company		<b>(3,401)</b>	(5,099)	<b>(6,191)</b>	(1,020)
Non-controlling interests		-	-	-	1,166
<b>(Loss)/ Profit for the period</b>		<b>(3,401)</b>	(5,099)	<b>(6,191)</b>	146
<b>Losses per share attributable to owners of the Company (sen):</b>					
- Basic	B11	<b>(0.32)</b>	(0.48)	<b>(0.59)</b>	(0.10)
- Diluted	B11	<b>(0.32)</b>	(0.48)	<b>(0.59)</b>	(0.10)

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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(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	30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
(Loss)/ Profit for the period		<u>(3,401)</u>	<u>(5,099)</u>	<u>(6,191)</u>	<u>146</u>
Other comprehensive (expenses)/ income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		<u>(277)</u>	<u>19</u>	<u>(1,783)</u>	<u>(7,902)</u>
Total comprehensive expenses for the period		<u>(3,678)</u>	<u>(5,080)</u>	<u>(7,974)</u>	<u>(7,756)</u>
Total comprehensive (expenses)/ income attributable to:					
Owners of the Company		<u>(3,678)</u>	<u>(5,080)</u>	<u>(7,974)</u>	<u>(8,599)</u>
Non-controlling interests		<u>-</u>	<u>-</u>	<u>-</u>	<u>843</u>
Total comprehensive expenses for the period		<u>(3,678)</u>	<u>(5,080)</u>	<u>(7,974)</u>	<u>(7,756)</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 fourth quarter ended 30 June 2022

(The figures have not been audited)

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

	AS AT 30.6.2022 RM'000	AS AT 30.6.2021 RM'000
	Note	
<b>Assets</b>		
Property, plant and equipment	267,299	254,812
Right-of-use assets	27,017	30,646
Intangible assets	97,166	95,546
Deferred tax assets	2,876	1,335
<b>Total non-current assets</b>	<b>394,358</b>	<b>382,339</b>
Inventories	152,359	131,232
Trade and other receivables	118,759	104,618
Derivative financial assets	-	-
Tax recoverable	3,266	2,490
Cash and cash equivalents	21,871	54,129
<b>Total current assets</b>	<b>296,255</b>	<b>292,469</b>
<b>Total assets</b>	<b>690,613</b>	<b>674,808</b>
<b>Equity</b>		
Share capital	324,244	324,244
Reserves	133,538	141,512
<b>Total equity attributable to owners of the Company/ Total equity</b>	<b>457,782</b>	<b>465,756</b>
<b>Liabilities</b>		
Loan and borrowings	B8 69,049	48,476
Deferred tax liabilities	2,814	2,832
<b>Total non-current liabilities</b>	<b>71,863</b>	<b>51,308</b>
Trade and other payables	103,894	89,448
Loan and borrowings	B8 54,519	67,396
Derivative financial liabilities	1,266	375
Taxation	1,289	525
<b>Total current liabilities</b>	<b>160,968</b>	<b>157,744</b>
<b>Total liabilities</b>	<b>232,831</b>	<b>209,052</b>
<b>Total equity and liabilities</b>	<b>690,613</b>	<b>674,808</b>
Net assets per share attributable to owners of the Company (RM)	<b>0.43</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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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>

	← Attributable to owners of the Company →							
	← Non-distributable →				Distributable	Non-		
	Share capital	Merger reserve	Translation reserve	Other reserve	Retained earnings	Total	controlling interests	Total equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30 June 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>	-	-	(1,783)	-	-	(1,783)	-	(1,783)
Loss for the period	-	-	-	-	(6,191)	(6,191)	-	(6,191)
<b>Total comprehensive expenses for the period</b>	-	-	(1,783)	-	(6,191)	(7,974)	-	(7,974)
<b>At 30 June 2022</b>	<b>324,244</b>	<b>63,511</b>	<b>8,587</b>	<b>718</b>	<b>60,722</b>	<b>457,782</b>	<b>-</b>	<b>457,782</b>
<b>30 June 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>	-	-	(7,579)	-	-	(7,579)	(323)	(7,902)
(Loss)/ Profit for the period	-	-	-	-	(1,020)	(1,020)	1,166	146
<b>Total comprehensive (expenses)/ income for the period</b>	-	-	(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/								
<b>Total transactions with the owners of the Company</b>	-	-	-	-	(5,012)	(5,012)	-	(5,012)
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 30 June 2021</b>	<b>324,244</b>	<b>63,511</b>	<b>10,370</b>	<b>718</b>	<b>66,913</b>	<b>465,756</b>	<b>-</b>	<b>465,756</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	
	30.6.2022	30.6.2021
	RM'000	RM'000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Loss before tax	(6,488)	(534)
Adjustment for:		
Non-cash items	29,599	28,696
<b>Operating profit before changes in working capital</b>	<b>23,111</b>	<b>28,162</b>
Net changes in current assets	(32,765)	(14,848)
Net changes in current liabilities	14,285	6,115
Cash generated from operations	4,631	19,429
Tax paid	(1,274)	(3,228)
<b>Net cash from operating activities</b>	<b>3,357</b>	<b>16,201</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of:		
- Property, plant and equipment	(34,616)	(56,313)
- Intangible asset	(32)	(48)
Proceed from disposal of:		
- Property, plant and equipment	(32)	380
- Asset Held for Sale		617
Interest received	309	186
<b>Net cash used in investing activities</b>	<b>(34,371)</b>	<b>(55,178)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Dividend paid to owners of the Company	-	(5,012)
Dividend paid to non-controlling interest	-	(3,816)
Net drawdown of borrowings and interest paid	(1,389)	55,661
Net placement in fixed deposits pledged to licensed banks	(70)	(67)
<b>Net cash from financing activities</b>	<b>(1,459)</b>	<b>46,766</b>
Effect of exchange rate fluctuations on cash held	144	(68)
<b>Net changes in cash and cash equivalents</b>	<b>(32,329)</b>	<b>7,721</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>20,409</b>	<b>52,738</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	
	30.6.2022	30.6.2021
	RM'000	RM'000
Cash and bank balances	20,276	35,622
Short-term deposits	1,595	18,507
	21,871	54,129
Less: Fixed deposits pledged	(1,461)	(1,391)
Bank Overdraft	(1)	-
	20,409	52,738

### 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.

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 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

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

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

**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>12 months ended 30.6.2022</u></b>					
<b><u>Revenue</u></b>					
External revenue	382,817	29,937	8,888	-	421,642
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>382,817</u>	<u>29,937</u>	<u>8,888</u>	<u>-</u>	<u>421,642</u>
<b><u>Results</u></b>					
Segment (loss)/ profit	(5,079)	151	2,016	-	(2,912)
Interest income					33
Finance cost					(3,927)
Unallocated amounts					318
Loss before tax					(6,488)
Tax expense					297
Loss after tax					<u>(6,191)</u>
<b><u>Total Assets</u></b>					
Reportable segment assets	580,708	95,878	10,411	-	686,997
Unallocated assets					3,616
Total Assets					<u>690,613</u>
<b><u>12 months ended 30.6.2021</u></b>					
<b><u>Revenue</u></b>					
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>
<b><u>Results</u></b>					
Segment profit	1,278	2,240	1,054	-	4,572
Interest income					19
Finance cost					(2,644)
Unallocated amounts					(2,481)
Profit before tax					(534)
Tax expense					680
Profit after tax					<u>146</u>
<b><u>Total Assets</u></b>					
Reportable segment assets	574,690	69,276	6,587	-	650,553
Unallocated assets					24,255
Total Assets					<u>674,808</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	
	30.6.2022	30.6.2021
	RM'000	RM'000
Asia	108,661	112,109
Africa	55,062	74,329
Americas	176,974	163,132
Europe	80,945	70,246
	<u>421,642</u>	<u>419,816</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			
	30.6.2022	30.6.2021	Variance		30.6.2022	30.6.2021	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	122,654	106,724	15,930	14.9	421,642	419,816	1,826	0.4
Result from operating activities	(1,589)	(6,781)	5,192	76.6	(2,863)	1,944	(4,807)	(247.3)
Loss before tax	(2,861)	(7,794)	4,933	63.3	(6,488)	(534)	(5,954)	(1,115.0)
(Loss)/ Profit after tax	(3,401)	(5,099)	1,698	33.3	(6,191)	146	(6,337)	(4,340.4)
Loss attributable to owners of the Company	<u>(3,401)</u>	<u>(5,099)</u>	<u>1,698</u>	33.3	<u>(6,191)</u>	<u>(1,020)</u>	<u>(5,171)</u>	(507.0)

A record revenue of RM122.7 million was achieved during the fourth quarter ended 30 June 2022 (4QFY2022) representing an increase of 14.9% in comparison to the same quarter in the previous period. This was primarily due to a significant increase in condom sales volumes from the Commercial and Tender markets leading to a higher contribution from the Sexual Wellness segment. Notwithstanding that, higher raw material prices, the implementation of a higher minimum wage and continuing disruptions to logistic networks resulted in a loss before taxes of RM 2.9 million for the quarter.

For the twelve months under review (12MFY2022), revenue increased by 0.4% to RM421.6 million in comparison to the preceding year. Although the slowdown in international tenders and disruptions to global supply chains made it particularly difficult to deliver orders to certain regions, such as Africa, growth in sales from the Own Brand markets helped to offset lower sales from the Tender market. The lingering effects of the Covid-19 pandemic meant that the Group continued to incur additional expenses whilst dealing with elevated raw material and distribution expenses that negatively affected profits resulting in a loss after tax of RM 6.2 million for 12MFY2022.

**B2. Variance of results for the current quarter ended 30 June 2022 against the immediately preceding quarter**

	3 MONTHS ENDED			
	30.6.2022	31.3.2022	Variance	
	RM'000	RM'000	RM'000	%
Revenue	122,654	99,493	23,161	23.3
Result from operating activities	(1,589)	(448)	(1,141)	(254.7)
Loss before tax	(2,861)	(1,184)	(1,677)	(141.6)
Loss after tax	(3,401)	(748)	(2,653)	(354.7)
Loss attributable to owners of the Company	<u>(3,401)</u>	<u>(748)</u>	<u>(2,653)</u>	(354.7)

In 4Q2022, revenue recorded a record revenue total of RM 122.7 million which was an increase of approximately 23.3% in comparison to the immediately preceding quarter. This is mainly driven by an increase in condom sales across all markets as well as an increase in the sale of personal lubricants. Several shipments to Asia and Americas regions that were previously delayed by vessel shortages were successfully shipped in 4Q2022. Despite record sales, high raw material prices and the implementation of a new minimum wage led to a RM3.4 million loss after tax.

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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 global economy was hit hard by the Covid-19 pandemic over the past two years with lockdowns and quarantine measures dramatically affecting social interactions around the world, which in turn had a dramatic impact on the sexual wellness industry. Nevertheless, as vaccination rates ramp up and economies begin to embrace post-pandemic life, condom demand has already begun to recover.

With consumer goods distributors beginning to address their inventory shortfalls and new avenues of sale having opened up during the pandemic, the Group has already begun to experience an exceptional demand for products in certain markets. In order to capitalize on the opportunities presented, it will be critical for the Group to leverage on our manufacturing expertise and portfolio of product offerings as demand for condoms continues to rapidly shift from a social welfare model towards the private sector.

In spite of the aforementioned opportunities, the lingering effects of the pandemic also continue to present unique challenges for our Group. Supply chain disruptions that have been built up over the past two years have resulted in unprecedented volatility in raw material prices as well as logistics disruptions and manpower shortages that pose unique challenges to our production capabilities. Ultimately, it is how the Group handles this adversity in order to seize the opportunities presented as society transitions into the endemic that will determine our success moving forward.

**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	
	30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Current tax expenses				
- Current period	1,398	1,491	1,465	3,822
- Prior period	(258)	(406)	(203)	(485)
	1,140	1,085	1,262	3,337
Deferred taxation:				
- Origination and reversal of temporary differences	(959)	(3,562)	(1,719)	(3,814)
- Prior period	359	(218)	160	(203)
	(600)	(3,780)	(1,559)	(4,017)
	540	(2,695)	(297)	(680)

The Group effective tax rate for the period-to-date are lower than the statutory tax rate mainly due to recognition of deferred tax assets in relation to unutilised business losses by foreign subsidiaries at the lower effective 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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(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	30.6.2022		30.6.2021	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Non-current					
Term Loan	RM	N/A	27,561	N/A	18,803
	USD <sup>(1)</sup>	5,683	25,065	2,513	10,430
			52,626		29,233
Hire Purchase	RM	N/A	304	N/A	233
Lease Liabilities	RM	N/A	1,361		2,195
	Thai Baht <sup>(1)</sup>	86,904	10,863	83,622	10,829
	USD <sup>(1)</sup>	-	-	364	1,512
	GBP <sup>(1)</sup>	728	3,895	779	4,474
			16,119		19,010
			69,049		48,476
Current					
Term Loan	RM	N/A	3,764	N/A	4,363
	USD <sup>(1)</sup>	1,089	4,801	863	3,580
			8,565		7,943
Hire Purchase	RM	N/A	226	N/A	203
Banker acceptance	RM	N/A	5,625	N/A	4,288
	Thai Baht <sup>(1)</sup>	247,544	30,943	291,691	37,774
			36,568		42,062
Export Financing	USD <sup>(1)</sup>	1,262	5,562	1,658	6,884
Trust Receipt	USD <sup>(1)</sup>	-	-	529	2,196
	GBP <sup>(1)</sup>	-	-	324	1,864
			-		4,060
Revolving Credit	RM	-	-	N/A	2,500
Bank Overdraft	Thai Baht <sup>(1)</sup>	8	1	-	-
Lease Liabilities	RM	N/A	892	N/A	764
	Thai Baht <sup>(1)</sup>	1,688	211	1,598	207
	USD <sup>(1)</sup>	381	1,680	458	1,900
	GBP <sup>(1)</sup>	152	814	152	873
			3,597		3,744
			54,519		67,396

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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	30.6.2022		30.6.2021	
		Foreign Currency in'000	RM'000	Foreign Currency in'000	RM'000
Total					
Term Loan	RM	N/A	31,325	N/A	23,166
	USD <sup>(1)</sup>	6,772	29,866	3,376	14,010
			61,191		37,176
Hire Purchase	RM	N/A	530	N/A	436
Banker acceptance	RM	N/A	5,625	N/A	4,288
	Thai Baht <sup>(1)</sup>	247,544	30,943	291,691	37,774
			36,568		42,062
Export Financing	USD <sup>(1)</sup>	1,262	5,562	1,658	6,884
Trust Receipt	USD	N/A	-	529	2,196
	GBP <sup>(1)</sup>	-	-	324	1,864
			-		4,060
Revolving Credit	RM	N/A	-	N/A	2,500
Bank Overdraft	Thai Baht <sup>(1)</sup>	8	1	-	-
Lease Liabilities	RM	N/A	2,253	N/A	2,959
	Thai Baht <sup>(1)</sup>	88,592	11,074	85,220	11,036
	USD <sup>(1)</sup>	381	1,680	822	3,412
	GBP <sup>(1)</sup>	880	4,709	931	5,347
			19,716		22,754
			<b>123,568</b>		<b>115,872</b>
	100 Thai Baht to RM		12.50		12.95
	1 USD to RM		4.41		4.15
	1 GBP to RM		5.35		5.74

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.

	<u>3 MONTHS ENDED</u>		<u>PERIOD-TO-DATE</u>	
	<u>30.6.2022</u>	<u>30.6.2021</u>	<u>30.6.2022</u>	<u>30.6.2021</u>
Loss attributable to ordinary shareholders of the Company (RM'000)	<b>(3,401)</b>	(5,099)	<b>(6,191)</b>	(1,020)
Weighted average number of ordinary shares ('in million)	<b>1,053</b>	1,053	<b>1,053</b>	1,028
Basic EPS (sen)	<b>(0.32)</b>	(0.48)	<b>(0.59)</b>	(0.10)

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)**

	<u>3 MONTHS ENDED</u>		<u>PERIOD-TO-DATE</u>	
	<u>30.6.2022</u>	<u>30.6.2021</u>	<u>30.6.2022</u>	<u>30.6.2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
(a) Interest income	<b>70</b>	85	<b>309</b>	186
(b) Other income including investment income	-	-	-	-
(c) Interest expense	<b>(1,342)</b>	(1,098)	<b>(3,934)</b>	(2,664)
(d) Depreciation and amortization	<b>(5,095)</b>	(4,879)	<b>(18,838)</b>	(18,845)
Amortisation for right-of-use assets	<b>(880)</b>	(1,102)	<b>(3,717)</b>	(4,151)
(e) Provision of impairment loss on receivables	<b>(54)</b>	(1,212)	<b>(288)</b>	(1,185)
(f) Reversal/ (Provision for) of inventories	<b>(849)</b>	1,047	<b>(1,973)</b>	(947)
(g) Gain on disposal of quoted or unquoted investments or properties	-	228	-	336
(h) Impairment of assets	<b>(358)</b>	(848)	<b>(358)</b>	(848)
(i) Foreign exchange gain	<b>289</b>	151	<b>1,793</b>	3,094
(j) (Loss)/ Gain on derivatives	<b>(1,191)</b>	559	<b>(1,222)</b>	(375)
(k) Rental expenses	<b>(571)</b>	(407)	<b>(2,002)</b>	(1,864)
(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 30.6.2022 RM'000	AS AT 30.6.2021 RM'000
Total retained earnings of the Company and subsidiary companies:		
- Realised	187,059	192,822
- Unrealised	(3,466)	(2,299)
	<b>183,593</b>	190,523
Consolidated adjustments	<b>(122,871)</b>	(123,610)
Total retained earnings	<b>60,722</b>	66,913

By order of the Board  
29 Aug 2022