



KAREX BERHAD

(Incorporated in Malaysia)

(Registration no: 201201034091 (1018579-U))

Interim Financial Report for the Third Quarter Ended 31 March 2023

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201201034091 (1018579-U)

(Incorporated in Malaysia)

Interim financial report for the third quarter ended 31 March 2023

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS ⁽¹⁾

| | 3 MONTHS ENDED | | PERIOD-TO-DATE | | |
|--|----------------|---------------------|---------------------|---------------------|---------------------|
| | Note | 31.3.2023 RM'000 | 31.3.2022 RM'000 | 31.3.2023 RM'000 | 31.3.2022 RM'000 |
| Revenue | | 123,661 | 99,493 | 397,201 | 298,988 |
| Cost of goods sold | | (90,559) | (76,733) | (296,467) | (228,865) |
| Gross profit | | 33,102 | 22,760 | 100,734 | 70,123 |
| Other income | | 1,071 | 1,463 | 1,757 | 2,465 |
| Distribution expenses | | (12,010) | (11,228) | (41,028) | (34,980) |
| Administrative expenses | | (16,117) | (13,372) | (46,482) | (38,575) |
| Other expenses | | (116) | (71) | (530) | (307) |
| Result from operating activities | | 5,930 | (448) | 14,451 | (1,274) |
| Interest income | | 16 | 72 | 104 | 239 |
| Finance costs | | (2,008) | (808) | (4,963) | (2,592) |
| Net finance cost | | (1,992) | (736) | (4,859) | (2,353) |
| Profit/ (Loss) before tax | | 3,938 | (1,184) | 9,592 | (3,627) |
| Tax expense | B6 | (1,718) | 436 | (3,054) | 837 |
| Profit/ (Loss) for the period | B13 | 2,220 | (748) | 6,538 | (2,790) |
| Profit/ (Loss) for the period attributable to: | | | | | |
| Owners of the Company | | 2,220 | (748) | 6,538 | (2,790) |
| Profit/ (Losses) per share attributable to owners of the Company (sen): | | | | | |
| - Basic | B11 | 0.21 | (0.07) | 0.62 | (0.26) |
| - Diluted | B11 | 0.21 | (0.07) | 0.62 | (0.26) |

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 2022 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 | 31.3.2023 RM'000 | 31.3.2022 RM'000 | 31.3.2023 RM'000 | 31.3.2022 RM'000 |
| Profit/ (Loss) for the period | | <u>2,220</u> | <u>(748)</u> | <u>6,538</u> | <u>(2,790)</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>1,772</u> | <u>2,727</u> | <u>2,974</u> | <u>(1,506)</u> |
| Total comprehensive income/ (expenses) for the period | | <u>3,992</u> | <u>1,979</u> | <u>9,512</u> | <u>(4,296)</u> |
| Total comprehensive income/ (expenses) attributable to: | | | | | |
| Owners of the Company | | <u>3,992</u> | <u>1,979</u> | <u>9,512</u> | <u>(4,296)</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 2022 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 31.3.2023 RM'000 | AS AT 30.6.2022 RM'000 |
|---|-------------|------------------------------|------------------------------|
| Assets | | | |
| Property, plant and equipment | | 265,828 | 267,299 |
| Right-of-use assets | | 24,924 | 27,017 |
| Intangible assets | | 97,240 | 97,166 |
| Deferred tax assets | | 3,261 | 2,876 |
| Total non-current assets | | 391,253 | 394,358 |
| Inventories | | 171,878 | 152,359 |
| Trade and other receivables | | 124,294 | 118,217 |
| Contract assets | | - | 542 |
| Tax recoverable | | 1,393 | 3,266 |
| Cash and cash equivalents | | 13,672 | 21,871 |
| Total current assets | | 311,237 | 296,255 |
| Total assets | | 702,490 | 690,613 |
| Equity | | | |
| Share capital | | 324,244 | 324,244 |
| Reserves | | 143,049 | 133,538 |
| Total equity attributable to owners of the Company/ Total equity | | 467,293 | 457,782 |
| Liabilities | | | |
| Loan and borrowings | B8 | 58,641 | 69,049 |
| Deferred tax liabilities | | 2,306 | 2,814 |
| Total non-current liabilities | | 60,947 | 71,863 |
| Trade and other payables | | 72,299 | 94,645 |
| Contract liabilities | | 6,555 | 9,249 |
| Loan and borrowings | B8 | 93,836 | 54,519 |
| Derivative financial liabilities | | 112 | 1,266 |
| Taxation | | 1,448 | 1,289 |
| Total current liabilities | | 174,250 | 160,968 |
| Total liabilities | | 235,197 | 232,831 |
| Total equity and liabilities | | 702,490 | 690,613 |
| Net assets per share attributable to owners of the Company (RM) | | 0.44 | 0.43 |

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 2022 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 | | | | | Total equity RM'000 |
|--|---------------------------------------|--------------------------|-------------------------------|-------------------------|-----------------------------|------------------------|
| | Share capital RM'000 | Merger reserve RM'000 | Translation reserve RM'000 | Other reserve RM'000 | Retained earnings RM'000 | |
| 31 March 2023 | | | | | | |
| At 1 July 2022 | 324,244 | 63,511 | 8,587 | 718 | 60,722 | 457,782 |
| Foreign currency translation differences for foreign operations/ | | | | | | |
| Total other comprehensive income for the period | - | - | 2,974 | - | - | 2,974 |
| Profit for the period | - | - | - | - | 6,538 | 6,538 |
| Total comprehensive income for the period | - | - | 2,974 | - | 6,538 | 9,512 |
| At 31 March 2023 | 324,244 | 63,511 | 11,561 | 718 | 67,260 | 467,294 |
| 31 March 2022 | | | | | | |
| At 1 July 2021 | 324,244 | 63,511 | 10,370 | 718 | 66,913 | 465,756 |
| Foreign currency translation differences for foreign operations/ | | | | | | |
| Total other comprehensive expenses for the period | - | - | (1,506) | - | - | (1,506) |
| Loss for the period | - | - | - | - | (2,790) | (2,790) |
| Total comprehensive expenses for the period | - | - | (1,506) | - | (2,790) | (4,296) |
| At 31 March 2022 | 324,244 | 63,511 | 8,864 | 718 | 64,123 | 461,460 |

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 2022 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 | |
|---|---------------------|---------------------|
| | 31.3.2023 RM'000 | 31.3.2022 RM'000 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Profit/ (Loss) before tax | 9,592 | (3,627) |
| Adjustment for: | | |
| Non-cash items | 28,663 | 21,829 |
| Operating profit before changes in working capital | 38,255 | 18,202 |
| Net changes in current assets | (30,698) | (14,559) |
| Net changes in current liabilities | (17,075) | 1,812 |
| Cash (used in)/ generated from operations | (9,518) | 5,455 |
| Tax paid | (1,915) | (1,825) |
| Net cash (used in)/ from operating activities | (11,433) | 3,630 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Acquisition of: | | |
| - Property, plant and equipment | (20,388) | (33,194) |
| - Intangible asset | (72) | - |
| Proceed from disposal of: | | |
| - Property, plant and equipment | 83 | 182 |
| Interest received | 104 | 239 |
| Net cash used in investing activities | (20,273) | (32,773) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | |
| Net drawdown of borrowings and interest paid | 22,801 | 13,515 |
| Net placement in fixed deposits pledged to licensed banks | 1,327 | (78) |
| Net cash from financing activities | 24,128 | 13,437 |
| Effect of exchange rate fluctuations on cash held | 165 | (29) |
| Net changes in cash and cash equivalents | (7,413) | (15,735) |
| Cash and cash equivalents at beginning of the period | 20,410 | 52,738 |
| Cash and cash equivalents at end of the period | 12,997 | 37,003 |

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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 | |
|------------------------------|----------------|-----------|
| | 31.3.2023 | 31.3.2022 |
| | RM'000 | RM'000 |
| Cash and bank balances | 13,608 | 24,943 |
| Short-term deposits | 64 | 17,798 |
| | 13,672 | 42,741 |
| Less: Fixed deposits pledged | (64) | (1,469) |
| Bank Overdraft | (611) | (4,269) |
| | 12,997 | 37,003 |

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 2022 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 2022 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 2022.

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 2022.

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 2023

MFRS 17, Insurance Contracts

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

Amendments to MFRS 112, Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16, Leases - Lease Liability in a Sale and Leaseback

Amendments to MFRS 101, Presentation of Financial Statements - Non-current Liabilities with Covenants

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

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:-

| <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>9 months ended 31.12.2022</u> | | | | | |
| <u>Revenue</u> | | | | | |
| External revenue | 362,582 | 27,648 | 6,971 | - | 397,201 |
| Inter-segment revenue | - | - | - | - | - |
| Total revenue | <u>362,582</u> | <u>27,648</u> | <u>6,971</u> | <u>-</u> | <u>397,201</u> |
| <u>Results</u> | | | | | |
| Segment profit/ (loss) | 15,649 | (734) | 1,095 | - | 16,010 |
| Interest income | | | | | 86 |
| Finance cost | | | | | (4,963) |
| Unallocated amounts | | | | | (1,541) |
| Profit before tax | | | | | <u>9,592</u> |
| Tax expense | | | | | (3,054) |
| Profit after tax | | | | | <u>6,538</u> |
| <u>Total Assets</u> | | | | | |
| Reportable segment assets | 618,688 | 72,890 | 9,829 | - | 701,407 |
| Unallocated assets | | | | | 1,083 |
| Total Assets | | | | | <u>702,490</u> |
| <u>9 months ended 31.3.2022</u> | | | | | |
| <u>Revenue</u> | | | | | |
| 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> |
| <u>Results</u> | | | | | |
| Segment (loss)/ profit | (2,851) | 1,179 | 1,467 | - | (205) |
| Interest income | | | | | 7 |
| Finance cost | | | | | (2,585) |
| Unallocated amounts | | | | | (844) |
| Loss before tax | | | | | <u>(3,627)</u> |
| Tax expense | | | | | 837 |
| Loss after tax | | | | | <u>(2,790)</u> |
| <u>Total Assets</u> | | | | | |
| Reportable segment assets | 568,534 | 96,361 | 9,843 | - | 674,738 |
| Unallocated assets | | | | | 17,697 |
| Total Assets | | | | | <u>692,435</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 | |
|----------|----------------|----------------|
| | 31.3.2023 | 31.3.2022 |
| | RM'000 | RM'000 |
| Asia | 106,537 | 73,464 |
| Africa | 61,404 | 42,509 |
| Americas | 156,424 | 123,770 |
| Europe | 72,836 | 59,245 |
| | <u>397,201</u> | <u>298,988</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 | | | |
|--|---------------------|---------------------|----------|---------|---------------------|---------------------|----------|---------|
| | 31.3.2023 RM'000 | 31.3.2022 RM'000 | Variance | | 31.3.2023 RM'000 | 31.3.2022 RM'000 | Variance | |
| | | | RM'000 | % | | | RM'000 | % |
| Revenue | 123,661 | 99,493 | 24,168 | 24.3 | 397,201 | 298,988 | 98,213 | 32.8 |
| Result from operating activities | 5,930 | (448) | 6,378 | 1,423.7 | 14,451 | (1,274) | 15,725 | 1,234.3 |
| Profit/ (Loss) before tax | 3,938 | (1,184) | 5,122 | 432.6 | 9,592 | (3,627) | 13,219 | 364.5 |
| Profit/ (Loss) after tax | 2,220 | (748) | 2,968 | 396.8 | 6,538 | (2,790) | 9,328 | 334.3 |
| Profit/ (Loss) attributable to owners of the Company | 2,220 | (748) | 2,968 | 396.8 | 6,538 | (2,790) | 9,328 | 334.3 |

During the third quarter ended 31 March 2023 ("3QFY2023"), the Group recorded revenue of RM123.7 million, an increase of 24.3% over the same quarter in the previous financial year. Higher condom sales volume combined with the continued normalization of raw material prices contributed to improved profitability during the quarter. Freight rates also continued to normalize closer to pre-pandemic levels resulting in an improvement of profit after tax during the quarter to RM 2.2 million.

The revenue total for the nine months under review ("9MFY2023") of RM397.2 million, represented an improvement of 32.8% in comparison to the corresponding period from the previous year. The improvement in revenue is mainly attributed to increased sales of condoms and personal lubricants, with the Asia and Americas regions performing particularly well. The easing of global logistic disruptions and raw material price volatility have also contributed to an improvement in profitability during this period. In comparison with the same period last year, the profit before tax for 9MFY2023 increased by over RM13.2 million.

B2. Variance of results for the current quarter ended 31 March 2023 against the immediately preceding quarter

| | 3 MONTHS ENDED | | | |
|--|---------------------|----------------------|----------|-------|
| | 31.3.2023 RM'000 | 31.12.2022 RM'000 | Variance | |
| | | | RM'000 | % |
| Revenue | 123,661 | 128,513 | (4,852) | (3.8) |
| Result from operating activities | 5,930 | 4,481 | 1,449 | 32.3 |
| Profit before tax | 3,938 | 2,833 | 1,105 | 39.0 |
| Profit after tax | 2,220 | 2,025 | 195 | 9.6 |
| Profit attributable to owners of the Company | 2,220 | 2,025 | 195 | 9.6 |

The revenue of RM 123.7 million for the 3QFY2023 represented a decrease of approximately 3.8% of the previous quarter. This is the result of several prolonged festive period within Asia that dampened Commercial sales to the region in particular. Notwithstanding that, raw material and freight prices continued to normalize following the pandemic, resulting in an improvement to profitability margins despite the higher sales contribution from the Tender segment during 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 2023 ("FYE 2023")

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 sales channels 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 | |
|---|----------------|--------------|----------------|--------------|
| | 31.3.2023 | 31.3.2022 | 31.3.2023 | 31.3.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax expenses | | | | |
| - Current period | 2,277 | (195) | 3,501 | 67 |
| - Prior period | 559 | 55 | 559 | 55 |
| | 2,836 | (140) | 4,060 | 122 |
| Deferred taxation: | | | | |
| - Origination and reversal of temporary differences | (1,118) | (95) | (1,006) | (959) |
| - Prior period | - | (201) | - | - |
| | (1,118) | (296) | (1,006) | (959) |
| | 1,718 | (436) | 3,054 | (837) |

The Group effective tax rate for the period-to-date and the current quarter are higher than statutory tax rate mainly due to profit generated 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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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 | 31.3.2023 | | 31.3.2022 | |
|--------------------|--------------------------|-------------------------|--------|-------------------------|--------|
| | | Foreign Currency in'000 | RM'000 | Foreign Currency in'000 | RM'000 |
| Non-current | | | | | |
| Term Loan | RM | N/A | 24,201 | N/A | 25,296 |
| | USD ⁽¹⁾ | 4,365 | 19,297 | 5,972 | 25,144 |
| | | | 43,498 | | 50,440 |
| Hire Purchase | RM | N/A | 66 | N/A | 47 |
| Lease Liabilities | RM | N/A | 1,532 | N/A | 1,837 |
| | Thai Baht ⁽¹⁾ | 81,974 | 10,591 | 81,298 | 10,268 |
| | GBP ⁽¹⁾ | 541 | 2,954 | 757 | 4,180 |
| | | | 15,077 | | 16,285 |
| | | | 58,641 | | 66,772 |
| Current | | | | | |
| Term Loan | RM | N/A | 3,383 | N/A | 3,168 |
| | USD ⁽¹⁾ | 1,317 | 5,819 | 1,355 | 5,704 |
| | | | 9,202 | | 8,872 |
| Hire Purchase | RM | N/A | 365 | N/A | 552 |
| Banker acceptance | RM | N/A | 6,692 | N/A | 8,140 |
| | Thai Baht ⁽¹⁾ | 278,676 | 36,005 | 226,778 | 28,642 |
| | | | 42,697 | | 36,782 |
| Export Financing | USD ⁽¹⁾ | 4,073 | 18,004 | 3,984 | 16,754 |
| | GBP ⁽¹⁾ | - | - | 10 | 56 |
| | | | 18,004 | | 16,810 |
| Trust Receipt | USD ⁽¹⁾ | 3,128 | 13,827 | | - |
| Revolving Credit | RM | N/A | - | N/A | 4,000 |
| | USD ⁽¹⁾ | 1,357 | 6,000 | - | - |
| Revolving Credit | USD ⁽¹⁾ | 1,357 | 6,000 | N/A | 4,000 |
| Bank Overdraft | RM | N/A | - | N/A | 4,102 |
| | Thai Baht ⁽¹⁾ | 4,729 | 611 | 1,322 | 167 |
| | | | 611 | | 4,269 |
| Lease Liabilities | RM | N/A | 828 | N/A | 654 |
| | Thai Baht ⁽¹⁾ | 1,688 | 218 | 285 | 36 |
| | USD ⁽¹⁾ | 284 | 1,254 | 458 | 1,928 |
| | GBP ⁽¹⁾ | 152 | 830 | 152 | 839 |
| | | | 3,130 | | 3,457 |
| | | | 93,836 | | 74,742 |

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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 | 31.3.2023 | | 31.3.2022 | |
|-------------------|--------------------------|-------------------------|---------|-------------------------|---------|
| | | Foreign Currency in'000 | RM'000 | Foreign Currency in'000 | RM'000 |
| Total | | | | | |
| Term Loan | RM | N/A | 27,584 | N/A | 28,464 |
| | USD ⁽¹⁾ | 5,682 | 25,116 | 7,327 | 30,848 |
| | | | 52,700 | | 59,312 |
| Hire Purchase | RM | N/A | 431 | N/A | 599 |
| Banker acceptance | RM | N/A | 6,692 | N/A | 8,140 |
| | Thai Baht ⁽¹⁾ | 278,676 | 36,005 | 226,778 | 28,642 |
| | | | 42,697 | | 36,782 |
| Export Financing | USD ⁽¹⁾ | 4,073 | 18,004 | 3,984 | 16,754 |
| | GBP ⁽¹⁾ | - | - | 10 | 56 |
| | | | 18,004 | | 16,810 |
| Trust Receipt | USD ⁽¹⁾ | 3,128 | 13,827 | - | - |
| Revolving Credit | RM | N/A | - | N/A | 4,000 |
| | USD ⁽¹⁾ | 1,357 | 6,000 | - | - |
| Revolving Credit | USD ⁽¹⁾ | 1,357 | 6,000 | N/A | 4,000 |
| Bank Overdraft | RM | N/A | - | N/A | 4,102 |
| | Thai Baht ⁽¹⁾ | 4,729 | 611 | 1,322 | 167 |
| | | | 611 | | 4,269 |
| Lease Liabilities | RM | N/A | 2,360 | N/A | 2,491 |
| | Thai Baht ⁽¹⁾ | 83,662 | 10,809 | 81,583 | 10,304 |
| | USD ⁽¹⁾ | 284 | 1,254 | 458 | 1,928 |
| | GBP ⁽¹⁾ | 693 | 3,784 | 909 | 5,019 |
| | | | 18,207 | | 19,742 |
| | | | 152,477 | | 141,514 |
| | 100 Thai Baht to RM | | 12.92 | | 12.63 |
| | 1 USD to RM | | 4.42 | | 4.21 |
| | 1 GBP to RM | | 5.46 | | 5.52 |

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.

| | 3 MONTHS ENDED | | PERIOD-TO-DATE | |
|---|----------------|---------------|----------------|---------------|
| | 31.3.2023 | 31.3.2022 | 31.3.2023 | 31.3.2022 |
| Profit/ (Losses) per share attributable to owners of the Company (sen): (RM'000) | 2,220 | (748) | 6,538 | (2,790) |
| Weighted average number of ordinary shares ('in million) | 1,053 | 1,053 | 1,053 | 1,053 |
| Basic EPS (sen) | <u>0.21</u> | <u>(0.07)</u> | <u>0.62</u> | <u>(0.26)</u> |

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 2022 were not qualified.

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

| | 3 MONTHS ENDED | | PERIOD-TO-DATE | |
|---|----------------|-----------|----------------|-----------|
| | 31.3.2023 | 31.3.2022 | 31.3.2023 | 31.3.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (a) Interest income | 16 | 72 | 104 | 239 |
| (b) Other income including investment income | - | - | - | - |
| (c) Interest expense | (2,008) | (808) | (4,963) | (2,592) |
| (d) Depreciation and amortization | (6,773) | (4,526) | (16,154) | (13,743) |
| Amortisation for right-of-use assets | (771) | (1,013) | (2,483) | (2,837) |
| (e) Provision of impairment loss on receivables | (135) | (21) | (384) | (234) |
| (f) Allowance for slow moving inventories | (2,055) | (475) | (3,871) | (1,124) |
| (g) Gain on disposal of quoted or unquoted investments or properties | - | - | - | - |
| (h) Impairment of assets | - | - | - | - |
| (i) Foreign exchange gain | 1,862 | 1,187 | 1,272 | 1,504 |
| (j) (Loss)/ Gain on derivatives | (601) | (266) | 4 | (31) |
| (k) Rental expenses | (449) | (407) | (1,276) | (1,431) |
| (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 31.3.2023 RM'000 | AS AT 30.6.2022 RM'000 |
|--|---------------------------------------|---------------------------------------|
| Total retained earnings of the Company and subsidiary companies: | | |
| - Realised | 187,227 | 187,798 |
| - Unrealised | 1,049 | (3,466) |
| | 188,276 | 184,332 |
| Consolidated adjustments | (121,016) | (123,610) |
| Total retained earnings | 67,260 | 60,722 |

By order of the Board
26 May 2023