

# CHAIRMAN'S STATEMENT

*“REFLECTING ON ANOTHER YEAR OF GROWTH, I AM PLEASED TO REPORT THAT OUR GROUP HAS DELIVERED A RECORD PROFIT FOR THE THIRD YEAR IN A ROW, WITH A PROFIT AFTER TAX UP 11.2% TO RM66.4 MILLION.”*

Dear valued shareholders,

Our Group recorded a revenue of RM343.6 million representing a 15.3% improvement from the previous financial year largely attributable to the growth in condoms sales and the favourable exchange rate between the US Dollar and Ringgit Malaysia. The continuing shift towards better margin products also reflected an improvement in gross profit by 17.1% from the previous financial year to RM114.5 million.

We have successfully utilised some of the funds raised from the private placement exercise last year for key acquisitions as intended, but nevertheless maintained a healthy cash position of RM144.3 million. Our gearing ratio continues to remain low at 0.05 times, keeping us in a very healthy position going forward.

In terms of annual manufacturing capacity, we successfully commissioned the entirety of our 5.0 billion pieces and have already commenced our further expansion to 6.0 billion pieces. We have also continued to automate our production lines in order to ensure that we retain our status at the forefront of global condom manufacturing.

A TOTAL OF

**334,125,000**

NEW SHARES WERE ISSUED, BRINGING THE  
TOTAL SHARES ISSUED AS AT 30 JUNE 2016 TO

**1,002,375,000** SHARES



Through these commendable achievements, we remain focused on continuing to create value for our shareholders. As at 30 June 2016, earnings per share stood at 6.65 sen representing an increase of 4.9% from the previous year.

In April 2016, we completed another bonus issue exercise to reward our shareholders on a 1:2 basis. A total of 334,125,000 new shares were issued, bringing the total shares issued as at 30 June 2016 to 1,002,375,000 shares.

We continue to remain very confident in our future. As such, we are proposing a dividend of 2.0 sen per share. If approved at our upcoming Annual General Meeting, the dividend will be paid to all shareholders on 16 December 2016.

On behalf of the Board, I would like to thank our employees for their hard work that has been at the core of our success. I am confident that their dedication and talent will enable us to meet our ambitious objectives for the future.

I would also like to thank MK Goh and his management team for their commitment in ensuring Karex continues to be built on strong foundations.

Finally, to all our shareholders, thank you once again for placing your trust and faith in Karex.

I look forward to seeing you at our Annual General Meeting.

**TAN SRI DATO' SERI UTAMA ARSHAD BIN AYUB**  
CHAIRMAN

REVENUE	PROFIT BEFORE TAX
RM343,617,000	RM79,350,000

**THROUGH THESE COMMENDABLE  
ACHIEVEMENTS, WE REMAIN FOCUSED  
ON CONTINUING TO CREATE VALUE  
FOR OUR SHAREHOLDERS**