

# Chairman's Statement

**DEAR  
FELLOW SHAREHOLDERS,**

Our world is experiencing a period of unprecedented turmoil. The COVID-19 pandemic is a painful moment in history that is testing us not only as individuals, but also as families, communities, businesses, nations and as a global society.

How we respond to these challenges reflects who we are as individuals and as an organisation. I am particularly proud of Karex's response to the pandemic. Under our CEO, MK Goh's leadership, the resilience and fortitude that our employees have demonstrated prove that there is a strength of purpose that is rooted deep in our culture.

**TUN DATO' SERI  
ARSHAD AYUB**

*Chairman  
Independent  
Non-Executive Director*



INTERIM DIVIDENDS PAID DURING  
THE YEAR TOTALLING**RM5M**

The COVID-19 pandemic and corresponding Movement Control Order implemented by the Malaysian government meant that our facilities were not able to operate for a period of 10 days during the year. The subsequent manpower restrictions and additional safety precautions also resulted in the Group incurring idle expenses and limited our operating capacity for a sustained period. Our teams are still till today having to navigate global supply chain disruptions making it an extremely challenging period for our Group.

Notwithstanding the above, our Group delivered a commendable performance, recording a revenue of RM395.1 million, representing an improvement from the previous financial year. Although profitability was affected, we continued to consolidate our position as an own brand manufacturer within the sexual wellness industry and position our business to service the commercial sector in response to changing patterns in government funded condom purchasing. We have also during the year expanded our catheter and lubricant manufacturing capacity at our Thailand facility and announced our intention to venture into medical gloves.

## REVENUE OF

**RM395.1M**PROPOSED FINAL DIVIDENDS TOTALLING  
AN ADDITIONAL**RM5M**

In spite of the challenging operating environment, we remain committed to delivering value to our shareholders. In addition to the interim dividend of 0.5 sen per share paid during the year, the Board has recommended a final dividend of 0.5 sen per share. If approved at our upcoming Annual General Meeting, the dividend will be paid to shareholders on 21 December 2020.

Law Ngee Song has informed the Board that he will not stand for re-election at our forthcoming Annual General Meeting. On behalf of the Board, I would like to thank him for his dedication and wish him well for the future.

As always, I am very grateful to my fellow Board members for their wisdom and guidance, especially during this period of uncertainty. I would also like to thank MK Goh and his entire Karex management team, our employees, our customers and the wider Karex community for their commitment and determination. Finally, on behalf of everyone at Karex, I hope that you, our shareholders, and your loved ones keep safe and healthy as we navigate these extraordinary times.

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*Chairman*