

# CHAIRMAN'S STATEMENT



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**DEAR FELLOW  
SHAREHOLDERS,**

The past year brought new and unexpected challenges with the war in Ukraine resulting in fresh uncertainty and inflationary pressures around the world. Many businesses experienced difficulties and the sexual health industry was not spared with several further condom manufacturers that had endured the hardships of the COVID-19 pandemic having to cease or significantly reduce operations as a result. These developments coincided with a period when global humanitarian aid efforts began re-shifting their focus on the fight against HIV/AIDS that had long fallen behind targets set by the United Nations many years ago.

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**DATO' DR. ONG ENG LONG  
@ ONG SIEW CHUAN**

*Chairman*

*Senior Independent Non-Executive Director*

CHAIRMAN'S  
STATEMENT

The consequence of this divergence between supply and demand presented the Group with opportunities to capture new customers and markets that resulted in revenue growth of over 26% in comparison to the previous financial year's revenue total that was also a record at the time. Personal lubricants continued to represent an increasingly prominent product sub-segment within the sexual wellness suite of offerings, with sales having grown over 200% over the last 5 years alone.

The gradual resolution of supply chain disruptions caused by the COVID-19 pandemic resulted in the stabilisation of raw material prices as well as freight rates during the year. These macroeconomic factors coupled with the record sales achievements mentioned above resulted in a profit after tax of RM10.5 million representing an improvement of approximately RM16.7 million from the previous financial year.

Prioritisation of sustainability at the core of our business strategy continued to receive acknowledgment with the Group achieving our highest ever sustainability rating to date and continued inclusion on the FTSE4Good Bursa Malaysia Index. These indicators have become increasingly important to stakeholders with evidence indicating that sustainable strategies have led to greater long-term value creation and investor returns.

In April, we welcomed to the Board, Chew Fook Aun, who brings with him a wealth of experience having most recently served on the board of the Lai Sun Group of companies which is listed on the Hong Kong Stock Exchange. His extensive corporate experience with various international companies will enable him to provide our management team with invaluable insight as well as build on the strong culture of corporate governance that has been already established at Karex.

I am also pleased to report that in line with a return to profitability and as per our existing dividend policy, we announced an interim dividend of 0.5 sen per ordinary share following the release of our interim financial report for the fourth quarter ended 30 June 2023.

The extraordinary events of the last few years have made running a global business such as ours extremely challenging. I would like to acknowledge the wonderful effort of our management team for the very capable way in which they have led the business through this period as well as the collective efforts of our 3,500 employees. Their hard work and dedication have allowed us to deliver a strong year of recovery for Karex, however, it is my most sincere belief that there will be more to come.

**DATO' DR. ONG ENG LONG @ ONG SIEW CHUAN**  
*Chairman*