

Unless stated otherwise, all abbreviations and defined terms contained in this Abridged Prospectus are defined in the “Definitions” section of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to the Share Registrar, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia (Tel: +603 - 9770 2200).

This Abridged Prospectus, together with the NPA and RSF (collectively, the “Documents”), will be despatched only to our Entitled Shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on 29 May 2023 at their registered address in Malaysia or who have provided the Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 29 May 2023. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia and are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue with Warrants, application for Excess Rights Shares with Warrants D, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants would result in the contravention of any law of such countries or jurisdictions. We, TA Securities and/or the advisers named herein shall not accept any responsibility or liability if any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess Rights Shares with Warrants D or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants made by any Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) are residents.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of this Rights Issue with Warrants. A copy of this Abridged Prospectus, together with the NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Approval for the Rights Issue with Warrants has been obtained from our shareholders at our EGM convened on 10 December 2021. Approval has been obtained from Bursa Securities via its letter dated 5 November 2021 for the admission of the Warrants D to the Official List as well as the listing and quotation of the Rights Shares, Warrants D and the new Shares to be issued upon the exercise of the Warrants D on the Main Market of Bursa Securities (subject to the conditions specified in the said letter), which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) have been duly credited with the Rights Shares and Warrants D allotted to them and notices of allotment have been despatched to them. However, such admission, the listing and quotation are not an indication that Bursa Securities recommends the Rights Issue with Warrants and are not to be taken as an indication of the merits of the Rights Issue with Warrants.

The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.



KOMARKCORP BERHAD

(Registration No. 199601001919 (374265-A))

(Incorporated in Malaysia)

RENOUCEABLE RIGHTS ISSUE OF UP TO 817,817,238 NEW ORDINARY SHARES IN KOMARKCORP (“KOMARKCORP SHARES” OR “SHARES”) (“RIGHTS SHARES”) AT AN ISSUE PRICE OF RM0.08 PER RIGHTS SHARE TOGETHER WITH UP TO 272,605,746 FREE DETACHABLE WARRANTS IN KOMARKCORP (“WARRANTS D”) ON THE BASIS OF 3 RIGHTS SHARES TOGETHER WITH 1 FREE WARRANT D FOR EVERY 3 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS OF KOMARKCORP AT 5.00 P.M. ON 29 MAY 2023

Principal Adviser



AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD

(Registration No. 197301001467 (14948-M))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date	: Monday, 29 May 2023 at 5.00 p.m.
Last date and time for:	
Sale of Provisional Allotments	: Tuesday, 6 June 2023 at 5.00 p.m.
Transfer of Provisional Allotments	: Thursday, 8 June 2023 at 4.30 p.m.
Acceptance and payment	: Wednesday, 14 June 2023 at 5.00 p.m.
Excess Rights Shares with Warrants D Application and payment	: Wednesday, 14 June 2023 at 5.00 p.m.

This Abridged Prospectus is dated 29 May 2023

ALL ABBREVIATIONS AND DEFINED TERMS CONTAINED IN THIS ABRIDGED PROSPECTUS ARE DEFINED IN THE “DEFINITIONS” SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

THE DIRECTORS OF OUR COMPANY HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE WITH WARRANTS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THE SAID DOCUMENTATION. HAVING MADE ALL REASONABLE INQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

TA SECURITIES, BEING THE PRINCIPAL ADVISER FOR THE RIGHTS ISSUE WITH WARRANTS, ACKNOWLEDGES THAT BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE WITH WARRANTS.

SHAREHOLDERS / INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE ABRIDGED PROSPECTUS, TOGETHER WITH THE NPA AND RSF (COLLECTIVELY, THE “DOCUMENTS”) IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF SUCH RESTRICTIONS AND TO OBSERVE THEM.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:

2020 Private Placement	:	Private placement of up to 30% of the issued Shares of our Company, further details of which are set out in the circular to the Shareholders dated 21 July 2020
2021 Private Placement	:	Private placement of up to 20% of the issued Shares of our Company, further details of which are set out in the announcement dated 12 April 2021
Abridged Prospectus	:	This abridged prospectus dated 29 May 2023 in relation to the Rights Issue with Warrants
Act	:	Companies Act, 2016 of Malaysia, as amended from time to time and any re-enactment thereof
Additional Warrants C	:	Additional Warrants C to be issued arising from the adjustments to the total number and exercise price of Warrants C as a result of the Rights Issue with Warrants in accordance with the provisions of Deed Poll C
Adjustments	:	Adjustments to the exercise price and number of Warrants C as a result of the Rights Issue with Warrants in accordance with the provisions of Deed Poll C
ATM	:	Automated teller machine
Base Case Scenario	:	Assuming that, prior to the Entitlement Date, none of the treasury shares are resold in the open market and none of the Warrants C are exercised into new Shares, and all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements under the Rights Issue with Warrants
Authorised Nominee	:	A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
Bloomberg	:	Bloomberg Finance Singapore L.P. and its affiliates
BNM	:	Bank Negara Malaysia
Board	:	The Board of Directors of our Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
CDS	:	Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account	:	Securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor

DEFINITIONS (CONT'D)

Closing Date	:	14 June 2023 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Rights Shares with Warrants D
CMSA	:	Capital Markets and Services Act, 2007 of Malaysia as amended from time to time and any re-enactment thereof
Code on Take-Overs	:	Malaysian Code on Take-Overs and Mergers, 2016 as amended from time to time
COVID-19	:	Coronavirus disease of 2019
Deed Poll C	:	The deed poll constituting Warrants C dated 6 January 2021
Deed Poll D	:	The deed poll constituting Warrants D dated 12 May 2023
Directors	:	Directors of our Company for the time being and shall have the meaning ascribed to it in Section 2(1) of the Act and Section 2(1) of the CMSA and Director shall be construed accordingly
Diversification	:	Diversification of the existing business of our Group to include the manufacturing and sale of face masks, further details of which are set out in the circular to Shareholders dated 21 July 2020
e-RSF	:	Electronic submission of the RSF
EGM	:	Extraordinary general meeting of our Company
Entitled Shareholders	:	Shareholders whose names appear in the Record of Depositors of our Company as at the close of business on the Entitlement Date in order to be entitled to the Rights Issue with Warrants
Entitlement Date	:	29 May 2023, at the close of business at 5.00 p.m., on which the names of Shareholders must appear in the Record of Depositors in order to be entitled to participate in the Rights Issue with Warrants
EPS	:	Earnings per Share
ESOS	:	Employees' share options scheme of our Company which took effect on 14 January 2021 for a period of 5 years
ESOS Options	:	ESOS options that may be granted to eligible persons, during the duration of the ESOS pursuant to the existing by-laws governing the ESOS, where each option holder can subscribe for 1 new Share for every 1 ESOS Option held
Excess Rights Shares with Warrants D	:	Rights Shares with Warrants D which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date
Excess Rights Shares with Warrants D Application	:	Application for additional Rights Shares with Warrants D in excess of the Provisional Allotments by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable)

DEFINITIONS (CONT'D)

Exercise Period	:	Any time within a period of 3 years commencing from and including the date of issue of the Warrants D to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the 3rd anniversary from the date of issue of the Warrants D. Any Warrants D not exercised during the Exercise Period will thereafter lapse and cease to be valid
Exercise Price	:	RM0.08, being the price at which 1 Warrant D is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll D
Foreign Entitled Shareholders	:	Shareholders who have not provided to our Company a registered address or an address in Malaysia for the service of documents which will be issued in connection with the Rights Issue with Warrants by the Entitlement Date
FPE	:	Financial period ended / ending, as the case may be
FYE	:	Financial year(s) ended / ending, as the case may be
GL	:	Gross loss
Government	:	Government of Malaysia
GP	:	Gross profit
IMR Report	:	Independent market research report dated 9 May 2023 prepared by Infobusiness Research and Consulting Sdn Bhd
Key Alliance	:	Key Alliance Group Berhad (200301007533 (609953-K))
Komarkcorp or our Company	:	Komarkcorp Berhad (199601001919 (374265-A))
Komarkcorp Group or our Group	:	Collectively, Komarkcorp and its subsidiaries
Komarkcorp Shares or Shares	:	Ordinary shares in our Company
LAT	:	Loss after taxation
LBT	:	Loss before taxation
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, including any amendments made thereto from time to time
LPD	:	9 May 2023, being the latest practicable date prior to the printing of this Abridged Prospectus
LPS	:	Loss per Share
LTD	:	27 April 2023, being the last trading day prior to the date of fixing the issue price of the Rights Shares and Exercise Price

DEFINITIONS (CONT'D)

Market Day(s)	:	Any day on which Bursa Securities is open for trading in securities
Maximum Scenario	:	Assuming that, prior to the Entitlement Date, all the treasury shares are resold in the open market and Warrants C are exercised into new Shares, and all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements under the Rights Issue with Warrants
Minimum Scenario	:	Assuming that, prior to the Entitlement Date, none of the treasury shares are resold in the open market and none of the Warrants C are exercised into new Shares, and the Rights Issue with Warrants is undertaken based on the Minimum Subscription Level
Minimum Subscription Level	:	Minimum subscription level of 125,000,000 Rights Shares together with 41,666,666 Warrants D based on an issue price of RM0.08 per Rights Share to arrive at RM10.00 million
NA	:	Net assets
NPA	:	Notice of provisional allotment in relation to the Rights Issue with Warrants
NRS	:	Nominee rights subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of Rights Shares with Warrants D through Bursa Depository's existing network facility with the Authorised Nominees
Official List	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
PAT	:	Profit after taxation
PBT	:	Profit before taxation
Provisional Allotments	:	The Rights Shares with Warrants D provisionally allotted to Entitled Shareholders
Record of Depositors	:	A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
Rights Issue with Warrants	:	Renounceable rights issue of up to 817,817,238 Rights Shares together with up to 272,605,746 Warrants D on the basis of 3 Rights Share together with 1 free Warrant D for every 3 existing Komarkcorp Shares held by the Entitled Shareholders on the Entitlement Date
Rights Shares	:	Up to 817,817,238 new Shares to be allotted and issued pursuant to the Rights Issue with Warrants
RM and sen	:	Ringgit Malaysia and sen respectively
RSF	:	Rights subscription form in relation to the Rights Issue with Warrants

DEFINITIONS (CONT'D)

Rules of Bursa Depository	:	The Rules of Bursa Depository issued pursuant to the Securities Industry (Central Depositories) Act, 1991 as amended from time to time
Rules on Take-Overs	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to Section 377 of the CMSA, as amended from time to time
SC	:	Securities Commission Malaysia
Share Registrar	:	Aldpro Corporate Services Sdn Bhd (202101043817 (1444117-M))
Shareholders	:	Registered holders of the Shares
SICDA	:	Securities Industry (Central Depositories) Act, 1991 of Malaysia, as amended from time to time
sq ft	:	square feet
TEAP	:	Theoretical ex-all price
TA Securities or the Principal Adviser	:	TA Securities Holdings Berhad (197301001467 (14948-M))
Undertaking	:	The irrevocable and unconditional written undertaking from the Undertaking Shareholder dated 18 August 2021 pursuant to which the Undertaking Shareholder has irrevocably and unconditionally undertaken, amongst others, to apply and subscribe in full for their Rights Share entitlements and additional Rights Shares not taken up by other Entitled Shareholders by way of excess Rights Share application to the extent that the aggregate subscription proceeds of the Rights Shares received by Komarkcorp arising from the subscription by the Undertaking Shareholder amount to not less than RM10.00 million, details of which are set out in Section 3 of this Abridged Prospectus
Undertaking Shareholder or Roy Ho	:	Roy Ho Yew Kee, the Executive Director and a shareholder of our Company
VWAP	:	Volume-weighted average market price
Warrants C	:	Outstanding warrants 2021/2024 issued by our Company pursuant to the Deed Poll C and expiring on 10 January 2024. Each Warrant C holder is entitled to subscribe for 1 new Share at the exercise price of RM0.56, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll C
Warrants D	:	Up to 272,605,746 free detachable warrants in Komarkcorp to be allotted and issued pursuant to the Rights Issue with Warrants

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

DEFINITIONS (CONT'D)

In this Abridged Prospectus, all references to “our Company” are to Komarkcorp and references to “we”, “us”, “our” and “ourselves” are to our Company and, where the context otherwise requires, the subsidiaries of our Company. All references to “you” in this Abridged Prospectus are to the Entitled Shareholders.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise stated.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that our Company’s plans and objectives will be achieved.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

TABLE OF CONTENTS

	PAGE
ADVISERS' DIRECTORY	ix
SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS	x
LETTER TO THE ENTITLED SHAREHOLDERS CONTAINING:	
1. INTRODUCTION	1
2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS	4
2.1 Details of the Rights Issue with Warrants	4
2.2 Basis of determining the issue price of the Rights Shares and the Exercise Price	6
2.3 Ranking of the Rights Shares and new Shares to be issued arising from the exercise of the Warrants D	7
2.4 Last date and time for acceptance and payment	7
2.5 Salient terms of the Warrants D	8
2.6 Details of other corporate exercises	10
3. MINIMUM SUBSCRIPTION LEVEL AND THE UNDERTAKING	11
4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS	14
5. UTILISATION OF PROCEEDS	15
6. RISK FACTORS	27
6.1 Risks relating to our Group	27
6.2 Risks relating to the Rights Issue with Warrants	30
7. INDUSTRY OVERVIEW AND PROSPECTS	32
7.1 Overview and outlook of the Malaysian economy	32
7.2 Overview and outlook of the manufacturing industry in Malaysia	33
7.3 Overview and outlook of face mask industry	33
7.4 Prospects and future plans of our Group	36
8. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS	38
8.1 Share capital	38
8.2 NA and gearing	39
8.3 Substantial Shareholders' shareholdings	45
8.4 Earnings and EPS	48
9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS	49
9.1 Working capital and sources of liquidity	49
9.2 Borrowings	49
9.3 Contingent liabilities	49
9.4 Material commitments	49

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

TABLE OF CONTENTS (CONT'D)

	PAGE
10. INSTRUCTIONS FOR ACCEPTANCE, SALE OR TRANSFER, EXCESS APPLICATION AND PAYMENT	50
10.1 General	50
10.2 NPA	50
10.3 Last time and date for acceptance and payment	50
10.4 Methods of acceptance and application	50
10.5 Procedures for full acceptance and payment	51
10.6 Procedures for part acceptance by Entitled Shareholders	56
10.7 Procedure for sale or transfer of the Provisional Allotments	56
10.8 Procedures for acceptance by renouncee(s) / transferee(s)	56
10.9 Procedure for application of Excess Rights Shares with Warrants D	57
10.10 Form of issuance	58
10.11 Foreign Entitled Shareholders	59
11. TERMS AND CONDITIONS	61
12. FURTHER INFORMATION	61
APPENDIX I : INFORMATION ON OUR COMPANY	62

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

ADVISERS' DIRECTORY

- COMPANY SECRETARY** : Tan Tong Lang (MAICSA 7045482)
(SSM PC No. 202208000250)
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 – 9770 2200
Fax : +603 – 9770 2239
- PRINCIPAL ADVISER** : TA Securities Holdings Berhad
29th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Tel : +603 – 2072 1277
Fax : +603 – 2026 0127
- REPORTING ACCOUNTANTS** : Messrs Moore Stephens Associates PLT
(LLP0000963-LCA & AF002096)
Unit 3.3A, 3rd Floor, Surian Tower
No. 1, Jalan PJU 7/3
Mutiara Damansara
47810 Petaling Jaya
Selangor
Tel : +603 – 7728 1800
Fax : +603 – 7728 1033
- SOLICITORS FOR THE RIGHTS
ISSUE WITH WARRANTS** : Messrs Chong + Kheng Hoe
Advocates & Solicitors
A3-3-6 Block A3, Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Tel : +603 – 6205 3928
Fax : +603 – 6205 4928
- SHARE REGISTRAR** : Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City
No.1, Medan Syed Putra Utara
59200 Kuala Lumpur
Tel : +603 – 9770 2200
Fax : +603 – 9770 2239
- INDEPENDENT MARKET
RESEARCHER** : Infobusiness Research & Consulting Sdn Bhd
C4-3A-2, Sorlaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Tel : +603 – 6205 3930
Fax : +603 – 6205 3927
- Person-in-charge : Kenneth Fong (Director)
Qualification : Master of E-Commerce from Curtin
University of Technology and
Bachelor of Commerce (majoring in
Accounting and Finance from
University of Western Australia)
- STOCK EXCHANGE LISTING** : Main Market of Bursa Securities

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS

This summary of the Rights Issue with Warrants only highlights the key information from other parts of the Abridged Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Abridged Prospectus.

Summary**Number of Rights Shares to be issued and basis of allotment**

Basis: 3 Rights Shares together with 1 free Warrant D for every 3 existing Shares held by the Entitled Shareholders on the Entitlement Date. Please refer to **Section 2.1** of this Abridged Prospectus for further information.

	Minimum Scenario	Base Case Scenario	Maximum Scenario
Number of Rights Shares to be issued	125,000,000	577,338,548	817,817,238
Number of Warrants D attached	41,666,666	192,446,182	272,605,746

The Rights Shares with Warrants D which are not taken up or not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date shall be made available for Excess Rights Shares with Warrants D Applications. It is the intention of our Board to allot the Excess Rights Shares with Warrants D, if any, in a fair and equitable manner in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lot to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants D, taking into consideration their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lot to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants D, taking into consideration the quantum of their respective Excess Rights Shares with Warrants D applied for; and
- (iv) lastly, on a pro-rata basis and in board lot to the renounee(s) and/or transferee(s) (if applicable) who have applied for the Excess Rights Shares with Warrants D, taking into consideration the quantum of their respective Excess Rights Shares with Warrants D applied for.

The Excess Rights Shares with Warrants D will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess Rights Shares with Warrants D. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess Rights Shares with Warrants D will be allocated by performing the same sequence of allocation i.e. items (ii), (iii) and (iv) again in succession until all Excess Rights Shares with Warrants D are allotted. Please refer to **Section 10.9** of this Abridged Prospectus for further information.

Pricing

- Issue price of the Rights Shares : RM0.08 per Rights Share
 Exercise Price for the Warrants D : RM0.08 per Warrant D. Each Warrant D shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period

Please refer to **Section 2.2** of this Abridged Prospectus for further information.

Undertaking

Undertaking Shareholder and undertaking amount : Roy Ho (a shareholder and Executive Director of Komarkcorp): RM10.00 million

Minimum Rights Shares to be subscribed for pursuant to the Undertaking	Entitlement	Excess application	Total
	1,200,000	123,800,000	⁽¹⁾ 125,000,000

Note:

- (1) Representing 21.65% of the total number of 577,338,548 Rights Shares available for subscription under the Base Case Scenario

Undertaking Shareholder	Existing direct shareholdings as at the LPD		Minimum Scenario	
	No. of Shares	%	No. of Shares	%
Roy Ho	1,200,000	⁽¹⁾ 0.21	126,200,000	⁽²⁾ 17.97

Notes:

- (1) Based on 577,338,548 issued Shares (excluding 18,000 treasury shares) as at the LPD.
 (2) Based on 702,338,548 enlarged issued Shares (excluding 18,000 treasury shares) under the Minimum Scenario.

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS (CONT'D)

Summary

As the Minimum Subscription Level will be fully satisfied via the Undertaking, our Company will not procure any underwriting arrangement for the remaining Rights Shares with Warrants D not subscribed for by other Entitled Shareholders.

For avoidance of doubt, the Undertaking Shareholder is not obliged to subscribe for the Rights Shares pursuant to the Undertaking if the Minimum Subscription Level has been achieved via subscription by all other Entitled Shareholders and/or their renouneece(s).

However, while the Undertaking Shareholder is not obliged to subscribe for the Rights Shares in such event, the Undertaking Shareholder may still choose to do so at his own discretion. At this juncture, the Undertaking Shareholder has not decided on whether he will subscribe for the Rights Shares if the Minimum Subscription Level has been achieved.

Please refer to **Sections 3 and 8.3** of this Abridged Prospectus for further information.

Rationale for the Rights Issue with Warrants

(i) To raise funds and channel them towards the utilisation as set out in **Section 5** of this Abridged Prospectus.

(ii) To raise the requisite funds without incurring additional interest expense from bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.

Please refer to **Section 4** of this Abridged Prospectus for further information.

Utilisation of proceeds

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue with Warrants	Minimum Scenario		Base Case Scenario		Maximum Scenario	
		(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
(i) Expansion of the manufacturing business	Within 24 months	10,000	100.00	36,000	77.94	49,324	75.39
(ii) Product development	Within 24 months	-	-	5,000	10.83	5,000	7.64
(iii) Working capital	Within 18 months	-	-	4,487	9.71	10,401	15.90
(iv) Estimated expenses for the Rights Issue with Warrants	Immediate	-	-	700	1.52	700	1.07
Total		10,000	100.00	46,187	100.00	65,425	100.00

Please refer to **Section 5** of this Abridged Prospectus for further information.

Risk factors

You should consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants:

- (i) our Group's businesses are subject to the operational risks which may manifest in various form;
- (ii) our Group's businesses are dependent on its ability to secure contracts and/or purchase orders from its customers;
- (iii) our Group's face mask business is subject to the availability of the relevant talent; and
- (ii) our Group's businesses are subject to political, economic and regulatory risks.

Please refer to **Section 6** of this Abridged Prospectus for further information.

Procedures for acceptance and payment

Acceptance of and payment for the Provisional Allotments allotted to you and application for the Excess Rights Shares must be made on the RSF issued together with this Abridged Prospectus or by way of electronic submission of e-RSF at our Share Registrar's Investor Portal at <https://www.aldpro.com.my> and must be completed in accordance with the terms and conditions contained therein.

The last day, date and time for acceptance of and payment for the Provisional Allotments and the Excess Rights Shares is at **5.00 p.m. on Wednesday, 14 June 2023**.

Please refer to **Section 10** of this Abridged Prospectus for further information.

KOMARK

KOMARKCORP BERHAD
(Registration No. 199601001919 (374265-A))
(Incorporated in Malaysia)

Registered Office

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No.1, Medan Syed Putra Utara,
59200 Kuala Lumpur,
Wilayah Persekutuan

29 May 2023

Board of Directors:

YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Chairman / Independent Non-Executive Director)
Roy Ho Yew Kee (Executive Director)
Chan Jee Peng (Independent Non-Executive Director)
Ihsan Bin Ismail (Independent Non-Executive Director)
Koo Kien Keat (Independent Non-Executive Director)

To: Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 817,817,238 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.08 PER RIGHTS SHARE TOGETHER WITH UP TO 272,605,746 FREE DETACHABLE WARRANTS D ON THE BASIS OF 3 RIGHTS SHARES TOGETHER WITH 1 FREE WARRANT D FOR EVERY 3 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS OF KOMARKCORP AT 5.00 P.M. ON 29 MAY 2023

1. INTRODUCTION

On 18 August 2021, TA Securities had, on behalf of our Board, announced that our Company proposes to undertake the Rights Issue with Warrants.

On 5 November 2021 and 8 November 2021, TA Securities had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 5 November 2021 granted its approval for the following:

- (i) admission of the Warrants D to the Official List;
- (ii) listing and quotation of the Rights Shares, Warrants D and Additional Warrants C; and
- (iii) listing and quotation of the new Shares to be issued upon the exercise of the Warrants D and Additional Warrants C.

The approval of Bursa Securities referred to above is subject to, amongst others, the following conditions:

Condition	Status of compliance
(i) Komarkcorp and TA Securities must fully comply with the relevant provisions under the Listing Requirements at all times pertaining to the implementation of the Rights Issue with Warrants, including compliance with Paragraph 6.50 of the Listing Requirements;	To be complied
(ii) Komarkcorp and TA Securities to inform Bursa Securities upon completion of the Rights Issue with Warrants; and	To be complied
(iii) Komarkcorp and TA Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed.	To be complied

Our Board is pleased to inform that the Shareholders had, during the EGM held on 10 December 2021, approved the Rights Issue with Warrants.

Bursa Securities had vide its letters dated 5 April 2022, 26 October 2022 and 9 May 2023 resolved to grant our Company extensions of time until 4 November 2022, 4 May 2023 and 4 July 2023 respectively, to complete the implementation of the Rights Issue with Warrants.

The Rights Issue with Warrants was expected to be implemented by the first quarter of 2022. However, our Board viewed that it was not a suitable time for our Company to implement the Rights Issue with Warrants in the past, considering the weak sentiment in the performance of our Company's Shares, whereby:

- (i) from 10 December 2021 (the date of the EGM for the Rights Issue with Warrants) until 11 January 2022, the closing price of our Company's Shares has been on an increasing trend from RM0.085 to a high of RM0.16. Nonetheless, the high of RM0.16 had only lasted for 2 market days (i.e. on 11 January 2022 and 12 January 2022). The closing price of our Company's Shares saw a reverse subsequent to 12 January 2022;
- (ii) subsequent to 12 January 2022, the closing price of our Company's Shares declined to a low of RM0.045 on 14 October 2022; and
- (iii) despite the closing price of our Company's Shares recovered to RM0.075 on 10 November 2022 (without any substantial increase in volume traded), it continued to decline to a low of RM0.05 on 3 January 2023 and hovers within the range of RM0.05 and RM0.06 until 16 March 2023.

In view of the above, our Company had on 30 March 2022, 19 October 2022 and 2 May 2023 submitted applications to Bursa Securities for extensions of time to complete the implementation of the Rights Issue with Warrants.

Subsequent to 16 March 2023, the closing price of our Company's Shares seen an upward trend and recorded a high of RM0.12 on 26 April 2023. In tandem with the positive share price performance, the volume traded for our Company's Shares had also increased and recorded an average daily trading volume of approximately RM10.59 million Shares from 17 March 2023 to 27 April 2023. Premised on the foregoing, our Board views that is an opportune time to implement the Rights Issue with Warrants.

On 28 April 2023, TA Securities had, on behalf of our Board, announced that our Board had on even date resolved to fix the issue price of the Rights Shares at RM0.08 per Rights Share as well as the Exercise Price at RM0.08 per Warrant D.

On 12 May 2023, TA Securities had, on behalf of our Board, announced that the Entitlement Date for the Rights Issue with Warrants has been fixed at 5.00 p.m. on 29 May 2023.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by TA Securities or our Company in connection with the Rights Issue with Warrants.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE WITH WARRANTS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE WITH WARRANTS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

The Rights Issue with Warrants entails a provisional allotment of up to 817,817,238 Rights Shares together with up to 272,605,746 free Warrants D to be implemented on a renounceable basis of 3 Rights Shares together with 1 free Warrant D for every 3 existing Shares held by the Entitled Shareholders on the Entitlement Date, at an issue price of RM0.08 per Rights Share.

Based on the foregoing, our Company expects to raise gross proceeds of RM10.00 million, RM46.19 million and RM65.43 million under the Minimum Scenario, Base Case Scenario and Maximum Scenario respectively.

The actual number of Rights Shares and Warrants D to be issued will depend on the total number of issued Shares held by the Entitled Shareholders on the Entitlement Date after taking into consideration any new Shares that may be issued arising from the exercise of any convertible securities as well as the eventual subscription level for the Rights Issue with Warrants.

As at the LPD, our Company has 577,338,548 issued Shares (excluding 18,000 treasury shares) and the following convertible securities:

- (i) 240,460,690 outstanding Warrants C, which have an exercise price of RM0.56 each and expiring on 10 January 2024; and
- (ii) up to 86,600,700 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS.

As at the LPD, there are no outstanding ESOS Options which have been granted but unexercised. Our Company does not intend to grant any ESOS Options prior to the completion of the Rights Issue with Warrants.

Based on the enlarged issued share capital of 817,817,238 Shares assuming all the treasury shares are resold in the open market and full exercise of the Warrants C into new Shares prior to the Entitlement Date and all Entitled Shareholders fully subscribe to their entitlements of the Rights Shares with Warrants D, the Rights Issue with Warrants would entail the issuance of up to 817,817,238 Rights Shares together with 272,605,746 Warrants D.

As the Rights Shares and Warrants D are prescribed securities, the respective CDS Accounts of the Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. Entitled Shareholders will find the NPA as enclosed in this Abridged Prospectus, notifying Entitled Shareholders of the crediting of such securities into their respective CDS Accounts, and the RSF as enclosed in this Abridged Prospectus, enabling Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for Excess Rights Shares with Warrants D if Entitled Shareholders so choose to.

However, only Entitled Shareholders who have an address in Malaysia as stated in the Record of Depositors or who have provided the Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus together with the NPA and RSF.

The Warrants D are attached to the Rights Shares without any cost and will be issued only to the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) who subscribe for the requisite number of Rights Shares. The Warrants D are exercisable into new Shares and each Warrant D will entitle its holder to subscribe for 1 new Share at the Exercise Price. The Warrants D will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants D will be issued in registered form and constituted by the Deed Poll D. The salient terms of the Warrants D are set out in **Section 2.5** of this Abridged Prospectus.

Any dealings in our Company's securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants D and new Shares to be issued arising from the exercise of the Warrants D will be credited directly into the respective CDS Accounts of successful applicants and/or holders of Warrants D who exercise their Warrants D (as the case may be). No physical certificates will be issued to the successful applicants of the Rights Shares with Warrants D, nor will any physical share certificates be issued for the new Shares to be issued arising from the exercise of the Warrants D.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue with Warrants.

However, the Rights Shares and Warrants D cannot be renounced separately and only the Entitled Shareholders who subscribe for the Rights Shares will be entitled to the Warrants D. As such, the Entitled Shareholders who renounce all of their Rights Share entitlement will not be entitled to the Warrants D. If the Entitled Shareholders accept only part of their Rights Share entitlement, they shall be entitled to the Warrants D in proportion to their acceptance of their Rights Share entitlement.

Any Rights Shares which are not validly taken up shall be offered to other Entitled Shareholders and/or their renounee(s) under the Excess Rights Shares with Warrants D Applications. It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, in a fair and equitable basis in the priority as set out in **Section 10.9** of this Abridged Prospectus.

Fractional entitlements from the Rights Issue with Warrants, if any, shall be disregarded and/or dealt with by our Board in such manner and on such terms and conditions as our Board in its absolute discretion may deem fit or expedient and in the best interests of our Company.

Notices of allotment will be despatched to the successful applicants of the Rights Shares with Warrants D within 8 Market Days from the last date for acceptance and payment of the Rights Shares with Warrants D or such other period as may be prescribed by Bursa Securities.

The Warrants D will be admitted to the Official List and the listing and quotation of Warrants D on the Main Market of Bursa Securities will commence 2 Market Days upon the receipt by Bursa Securities of an application for quotation for these securities as specified under the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to the successful applicants and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants have been duly credited with the Rights Shares and Warrants D.

Pursuant to Paragraph 6.51 of the Listing Requirements, the listing and quotation of Warrants D on the Main Market of Bursa Securities is subject to a minimum of 100 Warrants D holders holding not less than 1 board lot of Warrants D.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

2.2 Basis of determining the issue price of the Rights Shares and the Exercise Price

(i) Issue price of the Rights Shares

Our Board had fixed the issue price of the Rights Shares at RM0.08 per Rights Share after taking into consideration, amongst others, the following:

- (i) the funding requirements of our Group as set out in **Section 5** of this Abridged Prospectus; and
- (ii) the TEAP⁽¹⁾ of Komarkcorp Shares based on the 5-day VWAP of Komarkcorp Shares up to and including the LTD of RM0.1122.

The issue price of RM0.08 per Rights Share represents a discount of approximately 14.71% to the TEAP of Komarkcorp Shares of RM0.0938, calculated based on the 5-day VWAP of Komarkcorp Shares up to and including the LTD of RM0.1122 and the Exercise Price of RM0.08 per Warrants D.

Note:

- (1) TEAP is computed as follows:

$$\text{TEAP} = \frac{(A \times X) + (B \times Y) + (C \times Z)}{A + B + C}$$

where:

- A = Number of Rights Shares
- B = Number of Warrants D
- C = Number of existing Shares
- X = Issue price of the Rights Shares
- Y = Exercise Price
- Z = 5-day VWAP of Komarkcorp Shares up to and including the LTD

and the ratio of A:B:C is 3:1:3, in accordance with the entitlement basis of 3 Rights Shares with 1 free Warrant D for every 3 existing Shares held.

(ii) Exercise Price

Our Board had fixed the Exercise Price at RM0.08 per Warrant D after taking into consideration, amongst others, the TEAP of RM0.0938 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1122.

The exercise price of RM0.08 per Warrant D represents a discount of 14.71% to the TEAP of RM0.0938 per Share, calculated based on the 5-day VWAP of the Shares up to and including the LTD of RM0.1122 per Share and the issue price of RM0.08 per Rights Share.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

2.3 Ranking of the Rights Shares and new Shares to be issued arising from the exercise of the Warrants D

(i) Rights Shares

The Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank equally in all respects with the then existing issued Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such Rights Shares.

(ii) New Shares to be issued arising from exercise of the Warrants D

The new Shares to be issued pursuant to the exercise of the Warrants D shall, upon allotment issuance, and full payment of the exercise price of the Warrants D, rank equally in all respects with the then existing Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares.

2.4 Last date and time for acceptance and payment

The Closing Date is at **5.00 p.m. on Wednesday, 14 June 2023.**

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

2.5 Salient terms of the Warrants D

Issuer	: Komarkcorp
Issue size	: Up to 272,605,746 Warrants D
Form and detachability	: The Warrants D will be issued in registered form and constituted by the Deed Poll D. The Warrants D which are to be issued with the Rights Shares will be immediately detached from the Rights Shares upon allotment and issuance and will be traded separately on Bursa Securities.
Board lot	: For the purpose of trading on Bursa Securities, a board lot of Warrants D shall be 100 units of Warrants D, unless otherwise revised by the relevant authorities.
Tenure	: 3 years commencing on and including the date of issuance of the Warrants D.
Exercise Period	: The Warrants D may be exercised at any time within a period of 3 years commencing from and including the date of issuance of the Warrants D to the close of business at 5.00 p.m. (Malaysia time) on the Market Day immediately preceding the date which is the 3 rd anniversary from the date of issuance of the Warrants D. Any Warrants D not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose.
Exercise Price	: RM0.08 per Warrant D. The Exercise Price and/or the number of Warrants D in issue during the Exercise Period shall however be subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll D.
Exercise rights	: Each Warrants D shall entitle its registered holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll D.
Mode of exercise	: The holders of the Warrants D are required to lodge a subscription form with our Company's registrar, duly completed, signed and stamped together with payment by way of interbank transfer or banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia or electronic submission via email the exercise form together with the proof of payment to admin@aldpro.com.my or fax to +603 9770 2239 for the aggregate of the Exercise Price payable when exercising their Warrants D to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

<p>Adjustments to the Exercise Price and/or the number of the Warrants D</p>	<p>: Subject to the provisions of the Deed Poll D, the Exercise Price and/or the number of unexercised Warrants D in issue may be subject to adjustments by our Board in consultation with an approved adviser appointed by our Company or the auditors in the event of any alteration in the share capital of our Company at any time during the tenure of the Warrants D, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares or subdivision of shares, in accordance with the provisions of the Deed Poll D.</p>
<p>Rights of the Warrant D holders</p>	<p>: The Warrants D do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in our Company until and unless such holders of Warrants D exercise their Warrants D for new Shares in accordance with the provisions of the Deed Poll D and such new Shares have been allotted and issued to such holders.</p>
<p>Ranking of the new Shares to be issued pursuant to the exercise of the Warrants D</p>	<p>: The new Shares to be issued pursuant to the exercise of the Warrants D in accordance with the provisions of the Deed Poll D shall, upon allotment, issue and full payment of the Exercise Price of the Warrants D, rank pari passu in all respects with the existing issued Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the Entitlement Date of which is prior to the date of allotment of the new Shares arising from the exercise of the Warrants D.</p>
<p>Rights of the Warrant D holders in the event of winding up, liquidation, compromise and/or arrangement</p>	<p>: Where a resolution has been passed by our Company for a members' voluntary winding-up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with 1 or more companies, then:</p> <ul style="list-style-type: none"> (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the holders of Warrants D (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise and arrangement shall be binding on all the holders of Warrants D; and (ii) in any other cases, every Warrant D holder shall be entitled to exercise his / her Warrants D at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of our Company or within 6 weeks after the granting of the court order approving the winding-up, compromise or arrangement, whereupon our Company shall allot the relevant new Shares to the Warrants D holder credited as fully paid subject to the prevailing laws, and such Warrants D holder shall be entitled to receive out of the assets of our Company which would be available in liquidation if he / she had on such date been the holder of the new Shares to which he / she would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all exercise rights of the Warrants D shall lapse and cease to be valid for any purpose.

Modification of rights of Warrants holders	: Save as otherwise provided in the Deed Poll D, a special resolution of the Warrant D holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrants D holders.
Modification of the Deed Poll D	: Any modification to the terms and conditions of the Deed Poll D may be effected only by a further deed poll, executed by our Company and expressed to be supplemental to the Deed Poll D. Any of such modification shall however be subjected to the approval of Bursa Securities (if so required). No amendment or addition may be made to the provisions of the Deed Poll D without the sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of our Company, will not be materially prejudicial to the interests of the Warrants D holders.
Listing	: The Warrants D will be listed and traded on the Main Market of Bursa Securities. The listing and quotation of Warrants D on the Main Market of Bursa Securities is subjected to a minimum of 100 holders of Warrants D.
Transferability	: The Warrants D shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
Deed poll D	: The Warrants D shall be constituted under the Deed Poll D.
Governing laws	: The Warrants D and Deed Poll D shall be governed by the laws of Malaysia.

2.6 Details of other corporate exercises

As at the LPD, save for the Rights Issue with Warrants, our Board confirmed that there are no other corporate exercises which have been announced and/or approved by the regulatory authorities but are pending completion.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

3. MINIMUM SUBSCRIPTION LEVEL AND THE UNDERTAKING

Komarkcorp intends to raise a minimum of RM10.00 million from the Rights Issue with Warrants to meet the funding requirements of our Group, which will be channelled towards the utilisation as set out in **Section 5** of this Abridged Prospectus. As such, the Rights Issue with Warrants will be undertaken on the Minimum Subscription Level.

The Minimum Subscription Level will be met via the undertaking from Roy Ho (a shareholder and the Executive Director of our Company) to apply and subscribe in full for his Rights Shares entitlements and additional Rights Shares not taken up by other Entitled Shareholders by way of excess Rights Shares application, to the extent such that the aggregate subscription proceeds of the Rights Shares received by our Company arising from the subscription by all Entitled Shareholders and/or their renouncee(s) (including the Undertaking Shareholder, if necessary) amount to not less than RM10.00 million.

A summary of the Undertaking is set out as below:

Undertaking Shareholder	Existing direct shareholdings as at the LPD		Subscription amount pursuant to undertaking	Minimum Rights Shares to be subscribed for pursuant to the Undertaking			Assuming none of the other Entitled Shareholders subscribe for their Rights Shares	
	No. of Shares	⁽¹⁾ %	RM	Subscription based on entitlement	Subscription based on excess application	⁽²⁾ Total	No. of Shares held after the Rights Issue with Warrants	⁽³⁾ %
Roy Ho	1,200,000	0.21	10,000,000	1,200,000	123,800,000	125,000,000	126,200,000	17.97

Notes:

- (1) Based on 577,338,548 issued Shares (excluding treasury shares) as at the LPD.
- (2) Based on the issue price of RM0.08 per Rights Share.
- (3) Based on 702,338,548 enlarged issued Shares (excluding treasury shares) under the Minimum Scenario.

Pursuant to the Undertaking, the Undertaking Shareholder has confirmed that he has sufficient financial means and resources to fulfil his obligations under the Undertaking.

TA Securities has verified the sufficiency of financial resources of the Undertaking Shareholder for the purpose of subscribing for the Rights Shares and Excess Rights Shares with Warrants D pursuant to the Undertaking.

Registration No. 199601001919 (374265-A)

The Undertaking Shareholder has confirmed that:

- (i) his subscription for Rights Shares and Excess Rights Shares with Warrants D pursuant to the Undertaking will not give rise to any consequence of mandatory take-over offer obligation under the Code on Take-Overs and the Rules on Take-Overs immediately after the completion of the Rights Issue with Warrants; and
- (ii) he will observe and comply at all times with the provision of the Code on Take-Overs and the Rules on Take-Overs and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

As the Minimum Subscription Level will be fully satisfied via the Undertaking, our Company will not procure any underwriting arrangement for the remaining Rights Shares not subscribed for by other Entitled Shareholders.

The Undertaking Shareholder does not intend to dispose, acquire, transfer or otherwise reduce his existing shareholdings before the Entitlement Date. The Undertaking Shareholder is not obliged to subscribe for the Rights Shares pursuant to the Undertaking if the Minimum Subscription Level has been achieved via subscription by all other Entitled Shareholders and/or their renouncee(s). However, while the Undertaking Shareholder is not obliged to subscribe for the Rights Shares in such event, the Undertaking Shareholder may still choose to do so at his own discretion. At this juncture, the Undertaking Shareholder has not decided on whether he will subscribe for the Rights Shares if the Minimum Subscription Level has been achieved.

The Undertaking is not expected to result in any breach in the public shareholding spread requirement by our Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

The pro forma public shareholding spread under the Minimum Scenario is illustrated as follows:

Particulars	As at the LPD		(I) After the Rights Issue with Warrants		(II) After (I) and assuming full exercise of the Warrants D	
	No. of Shares	⁽¹⁾ %	No. of Shares	⁽²⁾ %	No. of Shares	⁽³⁾ %
Issued share capital	577,338,548	100.00	702,338,548	100.00	744,005,214	100.00
Less:						
Directors ⁽⁴⁾ , substantial shareholders and their associates						
- YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	200,000	0.03	200,000	0.03	200,000	0.03
- Roy Ho	1,200,000	0.21	126,200,000	17.97	167,866,666	22.56
- Key Alliance	101,718,200	17.62	101,718,200	14.48	101,718,200	13.67
Public shareholding spread	474,220,348	82.14	474,072,248	67.52	474,072,247	63.74

Notes:

- (1) Based on 577,338,548 issued Shares (excluding treasury shares) as at the LPD.
- (2) Based on 702,338,548 enlarged issued Shares of Shares (excluding treasury shares) under the Minimum Scenario.
- (3) Based on 744,005,214 enlarged issued Shares of Shares (excluding treasury shares) under the Minimum Scenario, and assuming full exercise of Warrants D.
- (4) Includes directors of subsidiaries of our Company. Save for YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad and Roy Ho, none of the directors of our Company hold any Shares as at the LPD.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

Since the commencement of operations for the face mask business in October 2020, our Group has seen increasing revenue from face mask from RM2.43 million for the FYE 30 April 2021 to RM14.91 million for 9-month FPE 31 December 2022.

Our Group anticipates higher demand for face mask in the future and intends to further expand its face mask business. As the actual proceeds raised from the previous fund-raising exercises are insufficient to fund for our Group's expansion plans, the Rights Issue with Warrants will enable our Group to raise funds and channel them towards the proposed utilisation as set out in **Section 5** of this Abridged Prospectus.

After due consideration of the various options available, our Board is of the opinion that the Rights Issue with Warrants is the most suitable means of fund raising for our Company for the following reasons:

- (i) it will involve the issuance of new Komarkcorp Shares without diluting the Entitled Shareholders' shareholdings provided that they subscribe in full for their respective entitlements under the Rights Issue with Warrants and exercise their Warrants D subsequently;
- (ii) it provides an opportunity for the Entitled Shareholders to participate in the equity offering of our Company on a pro-rata basis; and
- (iii) it will enable our Company to raise the requisite funds without incurring additional interest expense from bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.

The free Warrants D which are attached to the Rights Shares are intended to provide an added incentive to the Entitled Shareholders to subscribe for the Rights Shares. In addition, the free Warrants D will provide the Entitled Shareholders with an opportunity to increase their equity participation in our Company at a pre-determined exercise price during the tenure of the Warrants D and will allow the Entitled Shareholders to further participate in the future growth of our Company as and when the Warrants D are exercised.

The exercise of the Warrants D in the future will allow our Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, should our Company increase its borrowings in the future, the exercise of Warrants D will increase Shareholders' funds and lower our Company's gearing, thereby providing our Company with flexibility in terms of the options available to meet its funding requirements.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

5. UTILISATION OF PROCEEDS

Based on the issue price of RM0.08 per Rights Share, the gross proceeds to be raised from the Rights Issue with Warrants are intended to be utilised in the following manner:

Utilisation of proceeds	Expected timeframe for utilisation from completion of the Rights Issue with Warrants	⁽¹⁾ Minimum Scenario		Base Case Scenario		⁽¹⁾ Maximum Scenario	
		(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
(i) Expansion of the manufacturing business	Within 24 months	10,000	100.00	36,000	77.94	49,324	75.39
(ii) Product development	Within 24 months	-	-	5,000	10.83	5,000	7.64
(iii) Working capital	Within 18 months	-	-	4,487	9.71	10,401	15.90
(iv) Estimated expenses for the Rights Issue with Warrants	Immediate	⁽²⁾ -	-	⁽³⁾ 700	1.52	⁽³⁾ 700	1.07
Total		10,000	100.00	46,187	100.00	65,425	100.00

Notes:

(1) Any additional proceeds raised in excess of the RM10.00 million under the Minimum Scenario will be allocated up to its respective allocation under the Base Case Scenario and Maximum Scenario respectively in the following order:

- (i) estimated expenses for the Rights Issue with Warrants;
- (ii) expansion of the manufacturing business;
- (iii) product development; and
- (iv) working capital.

(2) Under the Minimum Scenario, the expenses for the Rights Issue with Warrants shall be funded via internal cash balances. As at the LPD, the cash and cash equivalent of our Group amounts to RM1.68 million.

(3) Under the Base Case Scenario and Maximum Scenario, if the actual expenses incurred are higher than the allocated amount, the deficit will be funded via the proceeds allocated for expansion of the manufacturing business. Conversely, any surplus of funds following payment of expenses will be utilised in the order as set out in Note (1) above.

(4) Our Board wishes to highlight that the illustrative amount of RM65.43 million that would be raised under the Maximum Scenario is based on the assumption that all the Warrants C as at the LPD are exercised into new Shares prior to the Entitlement Date.

Our Board is of the view it is unlikely for all the Warrants C as at the LPD to be exercised into new Shares prior to the Entitlement Date in view that Warrants C are currently out-of-the-money based on the 5-day VWAP of the Shares up to and including the LPD of RM0.0970 and the exercise price of the Warrants C of RM0.56.

Pending the utilisation of the proceeds from the Rights Issue with Warrants, the unutilised proceeds shall be placed in interest-bearing deposits and/or money market financial instruments of licenced financial institutions.

Taking into consideration the outlook of the face mask industry as set out in Section 7.3 of this Abridged Prospectus, our Board confirms that the face mask business of our Group remains viable and the implementation of the Rights Issue with Warrants is in the best interest of our Company and Shareholders. Our Board also confirms that the proceeds from the Rights Issue with Warrants shall be utilised in accordance with the manner as set out in this Abridged Prospectus and the intended business plan of our Group shall be implemented in full and the utilisation of proceeds shall not be varied in the future.

(i) Expansion of the manufacturing business

Our Group intends to allocate proceeds of up to RM49.32 million for expansion of its manufacturing businesses, as follows:

	Notes	Minimum Scenario (RM'000)	Base Case Scenario (RM'000)	Maximum Scenario (RM'000)
Expansion of the face mask business	(a)	7,000	14,000	23,324
Replacement and/or upgrade machineries for the labelling business	(b)	-	10,000	12,000
Refurbishment and renovation of factories	(c)	2,000	7,000	7,000
Installation and commissioning	(d)	1,000	5,000	7,000
Total		10,000	36,000	49,324

(a) Expansion of the face mask business

On 16 June 2020, our Board announced the Diversification and the 2020 Private Placement.

On 5 August 2020, our Company obtained the approval from its Shareholders for the Diversification and the 2020 Private Placement. Our Group commenced business operation for its face mask business in October 2020 and currently sells to the local market. Subsequently, the 2020 Private Placement was completed on 28 December 2020, raising proceeds of RM59.21 million. The proceeds raised from the 2020 Private Placement were intended to be utilised mainly to establish up to 30 production lines to set up the face mask manufacturing business.

On 26 February 2021, our Group has obtained the European Conformity (“**CE**”) and United States of America Food and Drug Administration (“**FDA**”) certification for its suite of medical masks, allowing our Company to export its products globally. Following this, our Group will be able to sell its face mask to the export markets.

On 31 May 2021, our Group completed the 2021 Private Placement, raising proceeds of RM12.93 million which were intended to be utilised for the expansion of production capacity for the face mask manufacturing business.

As at the LPD, our Group has installed and is currently operating a total of 41 production lines for 3-ply face mask and 21 production line for respirator face mask. With this, the face mask business has an annual production capacity of 492 million units of 3-ply face mask and 252 million units of respirator face mask.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

Our Group intends to expand its production capacity further by purchasing additional machineries for additional lines, details as follows:

Production lines	As at the LPD	Planned expansion	Total
3-ply face mask (lines)	41	61	102
Respirator face mask (lines)	21	5	26
Total	62	66	128

Upon completion of the expansion, our Group would have an annual production capacity of 1.22 billion units of 3-ply face mask and 312 million units of respirator face mask. It should be noted that the aforementioned production capacities are arrived at assuming our Group only produces plain face masks i.e. black or white-coloured face masks. The production capacity may vary depending on, amongst others, the specification of face masks (e.g. type of material, design and colour) and availability of manpower.

Currently, our Group's face mask manufacturing operations are housed in its existing factories in Balakong and Klang respectively. The factory in Balakong has a built-up area of 150,000 sq ft, out of which approximately 50,000 sq ft has been allocated for the face mask manufacturing operations. This allocated space is capable of housing up to 40 face mask production lines. Meanwhile, the factory in Klang has a built-up area of 60,254 sq ft, which is capable of housing up to 48 face mask production lines.

To house the extra 40 production lines required (being the difference between 128 targeted lines and the space availability of housing 88 lines at the Balakong and Klang factory), our Group intends to undertake the following:

- (i) source for another factory building within the Klang Valley area with a targeted built-up area of approximately 40,000 sq ft to support its expansion plan (if acquired, the targeted price shall be approximately RM10 million). This would provide the capacity to house 32 face mask production lines.

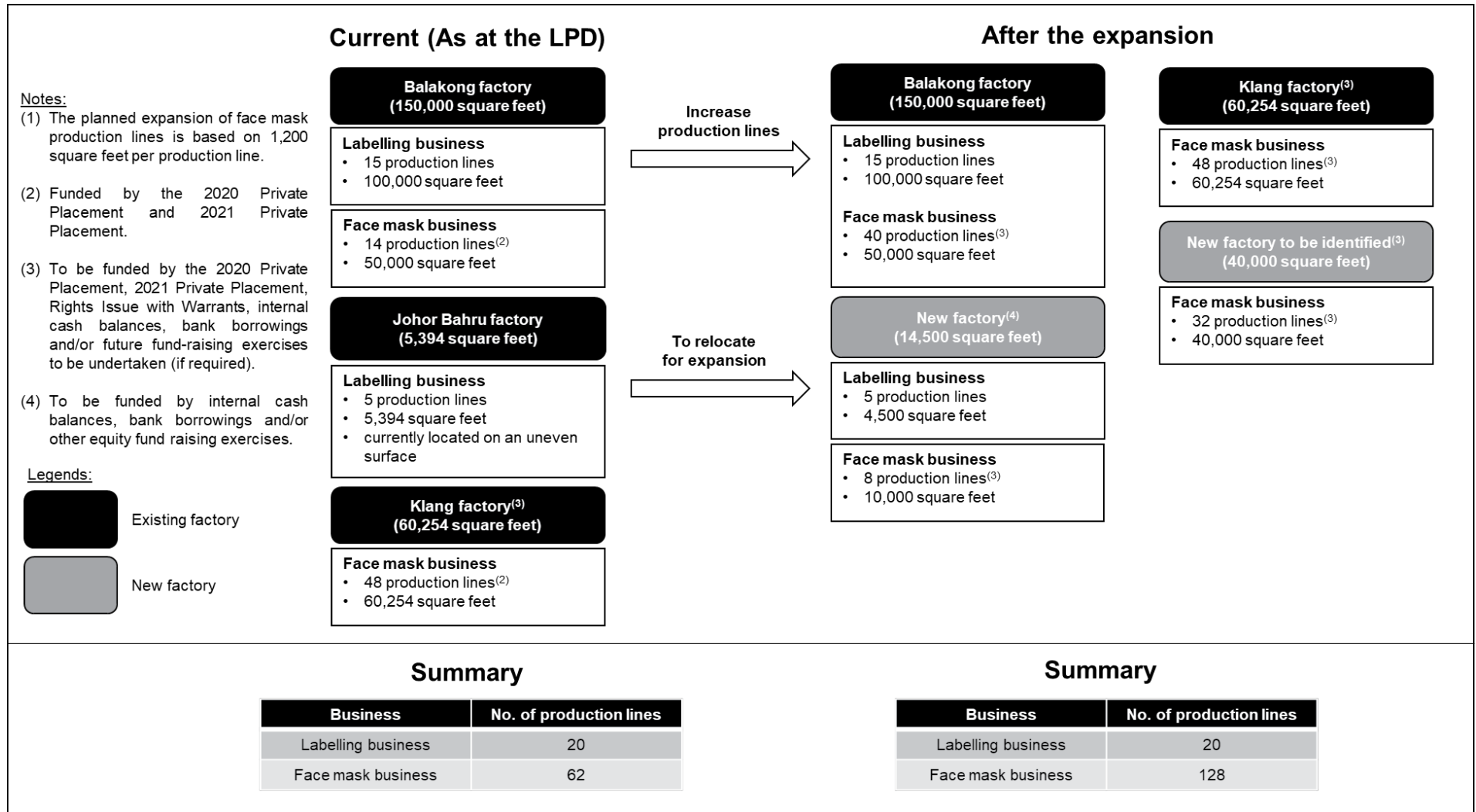
The aforementioned costs are expected to be funded by Rights Issue with Warrants, internal cash balances, bank borrowings and/or other equity fund raising exercises; and

- (ii) relocate its existing factory in Johor Bahru which is being used for the manufacturing of self-adhesive labels and stickers (expected to be funded by internal cash balances, bank borrowings and/or other equity fund raising exercises).

Currently, the factory has a built-up area of 5,394 sq ft and is located on an uneven surface which limits any potential for expansion of the floor space. As at the LPD, our Group has leased a factory building measuring approximately 14,500 sq ft located at Plentong, Johor. The new factory is expected to provide additional capacity to house up to 8 face mask production lines, together with its existing label production lines.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

A snapshot of the above is illustrated as follows:



Post relocation, our Group will need to incur further costs to refurbish these new factories, further details of which are set out below. Our Group intends to allocate up to RM23.32 million from the proceeds allocated for the expansion of face mask business in the following manner:

Utilisation	Minimum Scenario (RM'000)	Base Case Scenario (RM'000)	Maximum Scenario (RM'000)
Acquisition of machineries ⁽¹⁾	7,000	7,690	7,690
Funding shortfall of the expansion plan for the face mask business ⁽²⁾	-	6,310	15,634
Total	7,000	14,000	23,324

Notes:

(1) The breakdown are as follows:

Machineries	Estimated output per month (unit) ('000)	Quantity	Estimated cost per unit (RM'000)	Total (RM'000)
3-ply surgical face mask machine	1,000	2	190	380
Respirator mask machine	1,000	*11	350	3,850
Inkjet printing machine	-	2	30	60
Digital printing machine	-	1	3,400	3,400
Total				7,690

* As at the LPD, 6 units of respirator mask machine were purchased via internal funds of our Group. Accordingly, part of the proceeds allocated herein shall be utilised to reimburse our Group for such purchases.

Under the Minimum Scenario, our Group will allocate RM7.00 million for the acquisition of machineries. The number of face mask machines is subject to change, depending on the requirement of our Group at the relevant point in time. Moving forward, our Group may acquire other types of face mask machines such as those for manufacturing other types of respiratory face masks, face masks with filters and face masks with valves, depending on the demand for such face masks at the relevant time.

Inkjet printing machine will be used to print and label the boxes containing the face masks. Digital printing machine will be used to print customised designs on the face masks.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

- (2) The balance proceeds from the above will be allocated to fund the shortfall of funds required for our Group's face mask business expansions, after taking into account the proceeds raised from the 2020 Private Placement and 2021 Private Placement, as follows:

	Funding requirement for the face mask business (RM'000)	Fund raised for the face mask business (RM'000)	Surplus / (shortfall) (RM'000)
2020 Private Placement ^(a)	9,527	17,900	8,373
2021 Private Placement	^(b) 36,800	12,793	(24,007)
Net shortfall			(15,634)

As at the LPD, the proceeds raised from the 2020 Private Placement and 2021 Private Placement which is earmarked for the face mask business of our Group have been fully utilised. Nonetheless, the intended plans for our face mask business for the 2021 Private Placement as set out below (among others, acquiring face mask machines, inkjet printing machines and 1 new factory building) cannot be fully realised due to a net shortfall in the proceeds raised therefrom vis-à-vis the funding requirements for the intended plan.

Accordingly, part of the proceeds to be raised from the Rights Issue with Warrants will be earmarked (i.e. RM6.31 million under the Base Case Scenario and RM15.63 million under the Maximum Scenario) to fund the aforesaid shortfall in funding requirements to fully realise the intended plan for the face mask business of our Group.

Sub-notes:

- (a) Earlier, our Group had allocated proceeds of RM17.90 million from the 2020 Private Placement to meet the estimated funding requirement, amongst others, for the following:
- (aa) acquire machineries for up to 25 production lines for 3-ply face mask (RM9.25 million);
 - (bb) acquire machineries for up to 5 production lines for KN95 face mask (RM5.40 million);
 - (cc) construct a clean room (RM0.50 million);
 - (dd) obtaining the necessary certification for the face mask business (RM0.05 million); and
 - (ee) other items comprising mainly acquisition of 15 units of automatic packing machine (RM2.02 million), 15 units of inkjet printing machine (RM0.23 million) as well as other miscellaneous items such as expenses for embossing tools and professional fees for laboratory testing (RM0.45 million).

However, the actual funding requirement was approximately RM9.53 million only (i.e. for item (aa) – (ee) above)). This was due to, amongst others, discount provided by machine suppliers upon negotiation (i.e. savings mainly comprise RM4.69 million for item (aa) above, RM3.57 million for item (bb) above, RM0.01 million for item (cc) above and RM0.10 million for item (ee) above). Accordingly, the intended plans under the 2020 Private Placement as set out above have been fully realised and this leaves a surplus of RM8.37 million for the overall expansion plan of the face mask business.

- (b) The funding requirement for the expansion of our Group's face mask business of RM36.80 million as at the LPD comprise the acquisition of:
- (aa) 75 units of 3-ply surgical face mask machines (RM14.25 million);
 - (bb) 10 units of KN95 mask machines (RM3.50 million);
 - (cc) 75 units of inkjet printing machine (RM2.25 million);
 - (dd) 2 units of digital printing machine (RM6.80 million); and
 - (ee) 1 new factory building (RM10.00 million),

further details of which are set out in the announcement dated 12 April 2021 in relation to the 2021 Private Placement.

In view of the net shortfall above, our Group had only partially realised the intended plans under the 2021 Private Placement whereby our Group had acquired 16 units of 3-ply surgical face mask machines, 10 units of respirator mask machines and 1 unit of digital printing machine, as well as the rental, refurbishment and outfitting of our Group's factory in Klang.

Accordingly, our Group has yet to fully realise the balance of 59 units of 3-ply surgical face mask machines, 75 units of inkjet printing machines, 1 unit of digital printing machine and 1 new factory building within the Klang Valley area with a targeted built-up area of approximately 40,000 sq ft, which in aggregate require an estimated funding requirement of approximately RM15.63 million as represented by the net shortfall above.

Together with the planned expansion under the Rights Issue with Warrants of 2 units of 3-ply surgical face mask machines and 11 units of respirator mask machines as set out under Section 5(i)(a) Note 1 above, the Rights Issue with Warrants would entail the funding for, among others 61 units of 3-ply surgical face mask machines and 11 units of respirator mask machines.

Any shortfall in the above funding requirement shall be met via internal cash balances (if available), bank borrowings and/or future fund-raising exercises to be undertaken (if required).

Conversely, any surplus proceeds shall be utilised for further expansion of production capacity, capital expenditure, working capital and/or such other purposes as our Board may deem fit.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

(b) Replacement and/or upgrade machineries for the labelling business

Most of the existing machineries for the labelling business are 12 to 32 years old and requires upgrades / replacements (in which the old machineries are intended to be traded in and/or scrap off), our Group intends to allocate RM12.00 million to replace and/or upgrade these machineries, in the following manner:

Machineries	Estimated output per month (unit / meter) ('000)	Quantity	Estimated cost per unit (RM'000)	Total (RM'000)
New bag packing machine	2,900	2	250	500
New scanner inspection system	-	1	260	260
New printing machine	3,800	2	5,000	10,000
Maintenance and upgrades	-	-	-	1,240
Total				12,000

Under the Base Case Scenario, our Group will allocate RM10.00 million for the replacement and/or upgrade machineries for the labelling business. The number and specification of these machines is subject to change, depending on the requirement of our Group at the relevant point in time.

The machineries for the labelling business typically had an average useful life of between 20 to 30 years. Among the limitations of these old machineries are, less efficient and require more manpower / manual involvement, high parts replacement costs and/or difficulties in sourcing for replacement parts, as well as not being able to meet certain specifications required by customers. As such, the replacement and/or upgrade of these machineries is expected to be more efficient and able to better meet the specifications requirements of our customers as compared to the existing machineries which are between 12 to 32 years old. In turn, this is expected to complement our Group's intention to turnaround our self-adhesive labelling and flexible packaging business.

Together with the implementation of cost cutting methods (e.g. reducing reliance on manual labour and materials wastage, and/or optimising machineries uptime / idle time), attracting new customers as well as creating further brand awareness in the existing markets via marketing efforts such as showcasing new manufacturing capabilities to customers and enhancing corporate website to be more informative on products provided by our Group, our Group expects the financial performance of the aforesaid business to improve moving forward.

(c) Refurbishment and renovation of factories

Our Group intends to allocate up to RM7.00 million for refurbishment and renovation of factories, as follows:

Refurbishment and renovation	Minimum Scenario (RM'000)	Base Case Scenario (RM'000)	Maximum Scenario (RM'000)
New factory to be acquired within Klang Valley	2,000	4,000	4,000
New factory to be relocated in Plentong, Johor	-	3,000	3,000
Total	2,000	7,000	7,000

As mentioned above, our Group intends to:

- (i) acquire / lease factory buildings with a targeted aggregate built-up area of approximately 40,000 sq ft to house its expansion plan for the face mask business; and
- (ii) relocate its existing factory in Johor Bahru to the new factory with built-up area of approximately 14,500 sq ft at Plentong, Johor to house its existing labelling business and its expansion for the face mask business.

In this respect, our Group is required to refurbish and renovate these factories to prepare the necessary conditions for its manufacturing operation. These would entail amongst others, refurbishment of showroom, setting up warehouses, renovation of production floor space, repainting, setting up guard houses and security systems, fire-fighting systems, installation of centralised air-conditioning system at the production floor, renovation of production office for quality control (QC) and product development works as well as other relevant mechanical and engineering (M&E) works.

(d) Installation and commissioning

Our Group intends to allocate up to RM7.00 million for installation and commissioning, as follows:

Installation and commissioning	Minimum Scenario (RM'000)	Base Case Scenario (RM'000)	Maximum Scenario (RM'000)
Testing and commissioning costs	(1)1,000	(1)4,000	(1) 5,000
Product registration costs	-	(2)1,000	(2)2,000
Total	1,000	5,000	7,000

Notes:

- (1) In line with the expansion plans to acquire new production lines for the face mask business, our Group will be required to perform test work prior to commissioning the production lines. These would entail, amongst others, cost for setting up quality control and compliance team, consultant fee, installation costs, materials cost, cost of test equipment. The exact breakdown of these costs cannot be determined at this juncture and will depend on the exact requirement as when as the machineries are installed at the relevant point in time.
- (2) These are product registration costs to commission the production of face mask such as the relevant certification fee as well as export licensing (i.e. Medical Device Authority (MDA), CE and FDA). The exact quantum and breakdown cannot be determined at this juncture and will depend on the types and specification of face mask to be produced at the relevant point in time.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

(ii) Product development

To keep pace with the demand and development in face mask, our Group intends to allocate RM5.00 million for new product development. On a preliminary basis, these includes the development on our Group's existing products which includes amongst others, non-medical face mask (i.e. fashion face mask) and inclusion of aromatherapy elements into face mask. The breakdown are as follows:

Product development expenses	Amount (RM'000)
Hire of personnel	(1)1,968
Tools and equipment	(2)1,000
Materials costs	(3)1,000
Other incidental expenses	(4)1,032
Total	5,000

Notes:

- (1) As our Group does not have an existing product development function and the relevant personnel with the necessary skills and experiences to under the product development activities, these will include the hiring of the relevant personnel to carry out development of our Group's products for an estimated period of 24 months (cost estimated based on market rates and our Company's budget allocated for the respective positions), as follows:

Job title / primary responsibility	Number of staff	Average monthly cost per staff (RM'000)	Average staff cost per month (RM'000)	Total staff costs for 24 months (RM'000)
Lab assistant Responsible for assisting the product development team in its day-to-day operations.	4	5	20	480
Product specialist Responsible for providing advice on the development of existing products	2	10	20	480
Engineers Responsible for designing the manufacturing facilities of the new products to be developed	2	13	26	624
Market survey and researcher Responsible to collect and study information about customers, sales trends, products and services to develop future marketing plans	2	8	16	384
Total				1,968

- (2) These include the necessary testing tool and equipment to carry out product development work such as lab equipment and machinery parts. The exact breakdown cannot be determined at this juncture and will depend on the preliminary design of our Group's future products, taking into consideration the trend and demands of the industry at the relevant point in time.
- (3) These include raw material costs such as mask fabrics, woven cotton, fashion accessories as well as aromatherapy products.
- (4) These include general expenses such as logistic and transportation costs and administrative expenses for the product development function of our Group.

(iii) Working capital

Our Group expects that its working capital requirement will increase, in line with further expansion of the face mask business. As such, our Group intends to utilise the balance proceeds from the Rights Issue with Warrants to fund its working capital in the following manner:

Working capital	Percentage allocation %	Base Case Scenario (RM'000)	Maximum Scenario (RM'000)
Marketing expenses ⁽¹⁾		-	5,000
<u>Remaining balance to be allocated in the proportion of:</u>			
Payment of staff salaries	80	3,590	4,321
Operating and administrative expenses such as utilities, rental costs, transportation costs and upkeep of office ⁽²⁾	20	897	1,080
Total		4,487	10,401

Notes:

- (1) Comprise marketing costs such as cost to be incurred for organising marketing events, advertising on magazines and social media platforms and corporate rebranding activities. These marketing activities are vital to promote our Group's corporate presence and products in the markets.
- (2) The actual breakdown of these expenses cannot be determined at this juncture as it will depend on the actual administrative requirements of our Group at the relevant time.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

(iv) Estimated expenses for the Rights Issue with Warrants

The breakdown of the estimated expenses for the Rights Issue with Warrants is illustrated below:

Estimated expenses	Amount (RM'000)
Professional fees ⁽¹⁾	515
Fees to relevant authorities (i.e. the SC, Bursa Securities and Companies Commission of Malaysia)	85
Printing, despatch and advertising expenses	50
Miscellaneous expenses and contingencies	50
Total	700

Note:

- (1) These include advisory fees payable to the Principal Adviser and other professional fees payable to the company secretary, share registrar, solicitors, independent market researcher and reporting accountants in relation to the Rights Issue with Warrants.

The actual gross proceeds to be raised from the Rights Issue with Warrants will depend on the actual number of Rights Shares that will be issued.

The exact quantum of proceeds that may be raised by our Company from the exercise of the Warrants D would depend on the actual number of Warrants D exercised. The proceeds from the exercise of the Warrants D will be received on an "as and when basis" over the tenure of the Warrants D.

For illustrative purposes, based on the exercise price of RM0.08 per Warrant D, our Company will raise gross proceeds of up to RM21.81 million upon full exercise of the Warrants D under the Maximum Scenario. Any proceeds arising from the exercise of the Warrants D in the future will be used to finance the future working capital requirements of our Group including the payment of staff salaries, operating expenses and administrative expenses such as utilities, transportation costs and marketing costs. The exact breakdown of utilisation cannot be determined at this juncture as it would depend on the actual requirements of our Group at the relevant time.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

6. RISK FACTORS

You should carefully consider, in addition to the other information contained in this Abridged Prospectus, the following risk factors before subscribing for or investing in the Rights Issue with Warrants:

6.1 Risks relating to our Group

(i) Operational risk

Our Group businesses is subject to operational risks inherent in the labelling business and face mask business. These risks may manifest in the form of, amongst others, machine breakdowns, site accidents, manufacturing defects, disruptions to supply chain, fluctuations in the cost of raw materials and workforce shortages.

If machine breakdowns, our Group will have to incur cost to repair or replace the machines while temporarily suspending production in the meantime. In addition, site accidents and manufacturing defects may expose our Group to potential liabilities in the form of compensations and product liability claims respectively.

Disruptions to supply chain (such as the unavailability or delay in the shipment of certain raw materials) and workforce shortages may result in lower production volume whereas fluctuations in the cost of raw materials may result in lower profit margin.

There has not been any such occurrence of the incidents above which have resulted in a material adverse impact to the financial performance of our Group in the past. Notwithstanding this, there is no assurance that the occurrence of any of the abovementioned factors will not result in material adverse effect on the business and financial performance of our Group.

(ii) Competition risk

The performance of our Group's businesses (labelling business and face mask business) is dependent on its ability to secure contracts and/or purchase orders from its existing and new customers while competing with other market players both locally and internationally. In this respect, the barrier to entry into the labelling and face mask business is considered low as labels and face masks are relatively easy to manufacture and a relatively homogeneous product, without requiring high degree of technical expertise. The machineries required can be sourced and assembled easily and the raw materials (i.e. plastic fibres / tapes) are inexpensive, abundant and easily available.

In view thereof, market competition is expected to be intense with a large number of producers producing relatively homogeneous product and in turn, profit margins for face masks and labels are expected to be inherently low. In this relation, our Group faces competition from other market players in terms of economies of scale, pricing and value-added services.

There can be no assurance that our Group would be able to sustain its competitiveness against current and future competitors. If our Group losses its competitiveness, this would have material adverse effect on our Group's business and financial performance.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

(iii) Experience in the face mask business

The face mask business is relatively new to our Group as it has only commenced business operations in October 2020. In operating our face mask business, we have leveraged on our past experiences from our labelling business. Nevertheless, the production processes and marketing strategies required for the success of the face mask business may be relatively different than that of our Group's existing labelling business.

Notwithstanding the above, our Group is of the view that the manufacturing processes for labels and flexible packaging can be applied for the manufacturing processes of face masks. In addition, the manufacturing of face masks does not require a high degree of technical expertise and our Group is adapting as well as learning the manufacturing process of face mask and ensure the smooth running of the face mask business.

In this context, some of our Group's experience in the manufacturing processes for the labelling business which can be applied to the face mask business include but not limited to the following:

- (i) printing processes, as the manufacturing of labels and face masks both require printing;
- (ii) managing manpower required to operate the relevant machineries;
- (iii) managing inventory levels, taking into consideration the quantity of orders received, timing required to fulfil the orders as well as anticipated orders from customers; and
- (iv) managing the runtime / idle time of machineries to optimise efficiencies which include identifying and optimising bottleneck processes.

Even though our Group is of the view that there is a sufficient pool of talent with suitable technical expertise that can be recruited from the labour market in Malaysia, there can be no assurance that our Group will be able to recruit, assemble and retain a team with the relevant expertise. In such an event, this may affect the smooth running of the face mask business.

As set out above, as the manufacturing of face masks does not require a high degree of technical expertise, our Group has not encountered any instance where it is unable to identify suitable talents that resulted in a material adverse impact to the business operations of our Group.

(iv) Political, economic and regulatory risks

The nature of our Group's business is subject to prevailing political, economic and regulatory circumstances in Malaysia. Adverse changes in political, economic and regulatory conditions include but are not limited to unfavourable changes in interest rates, Government policies and regulations in relation to the manufacturing and face mask industries, trade war and political uncertainties.

For instance, the government policies on whether the wearing of face mask in public areas and/or certain public areas may have a direct impact to the overall demand of face mask. Furthermore, the manufacturing of medical face masks (i.e. surgical masks) requires certain regulatory approval such as the approval required from the Medical Device Authority.

During the emergence of COVID-19 pandemic when the Malaysian Government begun imposing containment measures in March 2020 including the mandatory wearing of face masks in all public areas, our Group's revenue from face mask business was directly impacted. In this respect, our Group's revenue for face mask business increased from RM2.43 million for the FYE 30 April 2021 to RM24.81 million for the 11-month FPE 31 March 2022 (RM27.07 million on an annualised basis).

Subsequently, with the COVID-19 gradually subsides, the Malaysian Government announced that Malaysia will begin its transition into the endemic phase effective from 1 April 2022. Furthermore, the wearing of face masks is mandatory only for certain public areas such as hospitals and public transports up until today. Following suit, our Group's revenue for the face mask business decreased to RM14.91 million for the 9-month FPE 31 December 2022 (RM19.88 million on an annualised basis).

There is no assurance that any adverse developments in the political, economic and regulatory conditions in Malaysia and/or other countries, which are beyond our Group's control, will not adversely affect our Group's business operations and financial performance.

(v) Financing risk

In view of the current expansion plan for our Group's face mask business, our Group is subject to financing risk. The expansion plan entails, among others, acquiring machineries for up to 128 production lines for the face mask business (i.e. 102 production lines for 3-ply face mask and 26 production lines for respirator face mask respectively). There is no assurance that our Group may be able to source for sufficient funding for the aforesaid expansion plan.

As set out in Section 5 of this Abridged Prospectus, our Group commenced business operation for its face mask business in October 2020 and our Group had undertaken the 2020 Private Placement and 2021 Private Placement to raise funds for the face mask business. Notwithstanding our Group managed to raise proceeds of approximately RM30.69 million in aggregate for its face mask business vide the aforementioned equity fund raising exercises (i.e. RM17.90 million from the 2020 Private Placement and RM12.79 million from the 2021 Private Placement), there was still a net shortfall of approximately RM15.63 million based on the funding requirement for the face mask business from its intended plan.

Following thereto, our Group undertook the Rights Issue with Warrants to fund among others, the net shortfall arising therefrom as well as other purposes set out in Section 5 of this Abridged Prospectus. However, the Rights Issue with Warrants may be undersubscribed or only achieves the Minimum Subscription Level (raising gross proceeds of RM10.00 million). In such instance, our Group may not have sufficient funds to fully realise its intended expansion plan for the face mask business.

Furthermore, the working capital requirements for the face mask business is expected to increase in tandem with the expansion of the face mask business and should our Group's internally generated fund is not sufficient to fund the working capital requirements, our Group is required to obtain other financing such as bank borrowings or equity funding. In this respect, there is no assurance that our Group is able to obtain sufficient financing to meet its working capital requirements.

In summary, the inability of our Group to obtain sufficient financing for the expansion of the face mask business and/or working capital requirements resulting from the expansion may have a material adverse impact to our Group's financial position.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

6.2 Risks relating to the Rights Issue with Warrants

(i) Failure or delay in the completion of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be terminated or delayed if a material adverse change of events or circumstances (such as force majeure events including without limitation natural disasters including without limitation the occurrence of a floods and/or landslides, strikes, declaration of a state of emergency or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of our Group and the Principal Adviser, arising prior to the completion of the Rights Issue with Warrants.

There can be no assurance that the abovementioned factors or events will not cause a failure or delay in the completion of the Rights Issue with Warrants. If the Rights Shares and Warrants D have been allotted to the successful Entitled Shareholders and/or their transferee(s) and/or their renounee(s), if applicable, and the Rights Issue with Warrants is subsequently cancelled or terminated other than due to a stop order issued by the SC pursuant to Section 245 of the CMSA, a return of monies to the successful applicants can only be achieved by way of cancellation of share capital under the Act.

Such cancellation may require the approval of the Shareholders by way of a special resolution in a general meeting, consent of our Company's creditors (where applicable) and either the confirmation of the High Court of Malaya or a solvency statement by our Board. There can be no assurance that such monies can be returned within a short period of time under such circumstances.

If the Rights Issue with Warrants cannot be implemented or completed for any reason, our Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest in respect of any application for the subscription of the Rights Shares with Warrants D including the Excess Rights Shares with Warrants D within 14 days after our Company becomes liable to do so, in accordance with the relevant provisions of the CMSA. If such monies are not repaid within 14 days after our Company becomes liable to do so, our Company will repay such monies in accordance with Section 245(7) of the CMSA.

(ii) Capital market risk

The market price of the new securities arising from the Rights Issue with Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuation. The respective price of our Company's securities is influenced by, amongst others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates and the outlook of the industry in which our Company operates in.

In view of the foregoing, there can be no assurance that the Shares (together with any new Shares issued pursuant to the exercise of the Warrants D) will trade at or above the TEAP disclosed in **Section 2.2** of this Abridged Prospectus after the completion of the Rights Issue with Warrants.

The Warrants D are new instruments issued by our Company. Therefore, there can be no assurance that an active market for the Warrants D will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants D will be "in-the-money" during the Exercise Period.

Accordingly, there is no assurance that the market price of the Warrants D will be at a level that meets the specific investment objectives or targets of any subscriber of the Warrants D.

(iii) Potential dilution

The Entitled Shareholders who do not or are not able to subscribe for their entitlement of Rights Issue with Warrants will have their proportionate ownership and voting interest in our Company reduced and the percentage of our Company enlarged issued share capital represented by their shareholding in our Company will also be reduced accordingly as a result of the issuance of the Rights Shares and the new Shares to be issued upon the exercise of the Warrants D. Consequently, their proportionate entitlement to any dividends, rights, allotments and/or other distributions that our Company may declare, make or pay after completion of the Rights Issue with Warrants will correspondingly be diluted.

(iv) Forward-looking statements and other information

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of future results and others are forward-looking in nature, which are subject to uncertainties and contingencies. All statements, other than statements of historical data, included in the Abridged Prospectus, including without limitation, those regarding the financial position, risk factors, prospects and future plans of our Group are forward-looking statements.

Such forward-looking statements are based on the estimates and assumptions made by our Company, unless stated otherwise, and although our Board believes these forward-looking statements to be reasonable at this point in time given the prevailing circumstances, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied in such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company, the Principal Adviser and/or other advisers in relation to the Rights Issue with Warrants that the plans and objectives of our Group will be achieved.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

7. INDUSTRY OVERVIEW AND PROSPECTS

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy growth is anticipated to moderate to between 4.0% and 5.0% in 2023 (2022:8.7%), supported by firm domestic demand. Slowing global growth is expected to weigh on Malaysia's exports. Domestically, concerns remain on the elevated cost of living and input costs, and its impact on spending by households and businesses. Downside risks emanate primarily from external factors, mainly from weaker-than-expected global growth stemming from a sharp tightening in global financial markets amid tighter monetary policy or worsening sentiments. In addition, further escalation of geopolitical conflicts could dampen Malaysia's trade performance. On the domestic front, higher-than-expected inflation would lower the purchasing power of households, while a steep rise in input costs could affect firms' profits.

Growth in the services sector is expected reach 5% in 2023 (2022: 10.9%), underpinned by consumer and tourism-related activities amid further recovery in global tourism activity. Business-related services will remain supportive of growth, although at a slower pace, in line with the continued expansion in construction activity and external demand. Furthermore, sustained demand for data services, mainly in support of e-commerce and e-payment activities, is expected to provide further impetus to the information and communication subsectors.

Growth of the manufacturing sector is projected to be moderate to 4.0% in 2023 (2022: 8.1%). Expansion in the consumer-related manufacturing cluster is expected to be lower amid normalisation in household spending activities. Meanwhile, the construction-related manufacturing cluster is forecasted to record a modest growth. The primary-related cluster is projected to expand at a faster pace, partly supported by the higher capacity utilisation at a major oil refinery in Johor.

Growth in the agriculture sector is anticipated to attain 0.7% in 2023 (2022: 0.1%), supported mainly by higher oil palm production, as labour supply improves. Additionally, the gradual recovery in raw material supplies, especially fertilisers and animal feeds, is anticipated to support growth in livestock and other agriculture subsectors.

The mining sector growth is expected to moderate to 2.0% in 2023 (2022: 3.4%). The operationalisation of new facilities located in Peninsular Malaysia and higher production in existing oil and gas facilities in East Malaysia will provide support to growth. This will offset the loss of output from maintenance-related closures in several facilities and maturing oil and gas fields.

The construction sector is projected to record a stronger growth of 6.3% in 2023 (2022: 5.0%). Faster progress of existing large transportation and utility projects will lift growth in the civil engineering subsector. Meanwhile, higher new housing launches, in tandem with the expected expansion in demand following better income and employment prospects, will provide support to the residential subsector.

(Source: IMR Report)

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

7.2 Overview and outlook of the manufacturing industry in Malaysia

The manufacturing sector expanded by 8.1 % in 2022 as rising global demand and expansion in domestic industries further supported the production activities. The export-oriented industries, which constituted 69.2% of the manufacturing sector, grew by 7.1 %, while the domestic-oriented industries increased by 10.3%.

Within the export-oriented industries, the electrical and electronic segment continued to lead the performance driven by strong demand from the global semiconductor market, especially for chip products. The chemicals segment also improved owing to higher demand for industrial products, notably for digital-related usage following greater adoption of advanced technology.

Within the domestic-oriented industries, all segments expanded, primarily driven by the transport, food and metal related segments. The normalisation of industrial and business activities boosted the demand for transport related segments. The food related segment also benefitted from higher private consumption and improvement in tourism industry. In addition, recovery in the construction sector has resulted in improved performance for metal related segment.

The manufacturing sector is projected to increase by 3.9% in 2023, owing to expansion in all subsectors despite moderating economic activities. The export-oriented industries are expected to grow steadily, with the electrical and electronic segment continues to drive growth in the sector. Similarly, production in domestic-oriented industries is anticipated to expand driven by higher output in iron and steel as well as other construction related segments. This is in line with the potential expansion in residential and non-residential related construction activities coupled with the continuation of several infrastructure projects.

(Source: Economic & Fiscal Outlook and Federal Government Revenue Estimates 2023, Ministry of Finance Malaysia)

7.3 Overview and outlook of face mask industry

The market size of face masks in Malaysia rose from RM362.6 million in 2018 to RM1,174.8 million in 2022, yielding a compounding annual growth rate (“**CAGR**”) of 34.2%. In Malaysia, the non-medical face mask segment is the largest face mask market segment, which accounted for RM416.6 million or 35.5% of the total market size in 2022.

Table 1: Malaysia face mask industry by type, 2018 to 2022 (RM million)

Year	Medical ⁽¹⁾	Non-medical ⁽²⁾	Respirator ⁽³⁾	Cloth	Others ⁽⁴⁾	Total
2018	72.5	126.9	90.7	54.4	18.1	362.6
2019	76.6	134.0	95.0	57.1	18.9	381.6
2020	80.7	141.1	99.2	59.7	19.7	400.4
2021	279.8	488.8	340.9	205.8	67.5	1,382.8
2022	238.6	416.6	288.3	174.4	56.9	1,174.8
CAGR (%)	34.7	34.6	33.5	33.8	33.2	34.2

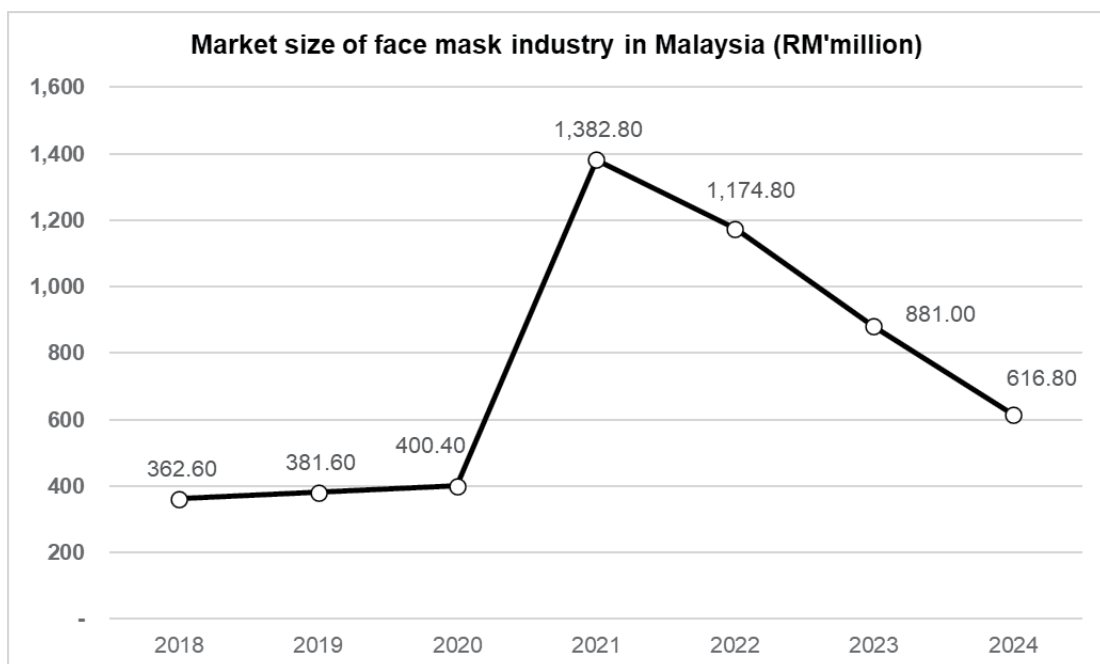
Notes:

- (1) Medical face masks include surgical face masks.
- (2) Non-medical face masks include 2-ply and 3-ply face masks that often look like medical face masks but are not certified by the MOH for filtration effectiveness.
- (3) Respirator face masks include N95, KN95, N99 and N100 masks.
- (4) Others includes safety face masks and full-face masks.

Face masks are used by various end-users, such as healthcare, industrial and the general public. The general public is the largest users of face masks and accounted for approximately 47.3% of total face masks consumed in Malaysia in 2022, followed by the healthcare segment which accounted for 38.0% of total face masks consumed.

The sales of face masks for the general public rose from RM170.6 million in 2018 to RM555.7 million in 2022, yielding a compounding annual growth rate CAGR of 34.3%. The sales of face masks for the healthcare sector increased from RM137.7 million in 2018 to RM446.5 million in 2022, yielding a compounding annual growth rate CAGR of 34.2%.

At the height of the COVID-19 pandemic, the face mask market in Malaysia reached a market size of approximately RM1,382.8 million in 2021 but declined by 15.0% to RM1,174.8 million in 2022. The Malaysian face mask market is expected to decline further to approximately RM881.0 million and RM616.8 million, in 2023 and 2024, respectively as Malaysia's economic and social activities return to pre-pandemic norms.



The demand for face masks is expected to be sustained by Malaysia's aging population, high patient volume at healthcare facilities, the continuing risks of contagious diseases, growing prevalence of chronic diseases, rising consumer awareness for airborne diseases and the popularity of online shopping platforms. The popularity of online shopping platforms has made it easier for consumers to access products online and is expected to contribute to the dissemination of face masks. Furthermore, this is expected to fuel demand for disposal designer face mask, combining protection with making a fashion statement

The future demand for face masks will not be higher than during the COVID-19 pandemic period where the market experienced unprecedented demand, however, it is still projected to be higher than the pre-pandemic years of 2018 and 2019. The projected market sizes for the face mask market in Malaysia for the next 2 years are markedly higher in comparison to pre-pandemic period (i.e., RM362.6 million in 2018 and RM381.6 million in 2019).

The wearing of face masks in Malaysia is no longer compulsory in most public places except for healthcare facilities and public transport with social and economy activities returning to pre-pandemic norms. This was attributed in part due to the high vaccination rate among the population (more than 80% of the population having received the 2nd dose of the COVID-19 vaccination).

Although Malaysia's economic and social activities are recovering towards pre-pandemic norms, the threat of the COVID-19 virus is not over yet. COVID-19 will continue to spread at different levels in our communities, and outbreaks will still occur. Masks are one of the most effective individual public health measures that we can use to protect ourselves and others from COVID-19.

The number of daily cases is slowly trending upwards as new variants emerge. As of 15 April 2023, the Kementerian Kesihatan Malaysia reported 881 daily cases, up from 273 cases and 237 cases as of 15 March 2023 and 15 February 2023 respectively. Hospital admissions have also steadily been on the rise, with an average of 247 patients admitted based on a 7-day ("7d") average as of 15 April 2023, as compared to 145 patients and 137 patients (7d average) as of 15 March 2023 and 15 February 2023 respectively.

The World Health Organisation ("WHO") still recommends the use of face masks for persons who have contracted, suspected to have contracted, or been in close contact with someone who has contracted COVID-19, for persons at high risk of severe COVID-19 and when in crowded, enclosed or poorly ventilated spaces.

The outlook for the Malaysian face masks market remains positive over the longer term. The demand for face masks is expected to sustain owing to Malaysia's aging population, high patient volumes at healthcare facilities, prevalence of chronic diseases and contagious diseases, and increased awareness to maintain health and hygiene. Mandatory use of face masks in healthcare facilities hospitals and clinics are part of the infection control strategy and help eliminate the risk of cross-contamination between patients and healthcare personnel.

After three years of wearing masks, the public has adapted to putting on a face mask when in public places. Some people will keep on wearing masks to protect themselves and their families. The demand will not be higher than during the COVID-19 pandemic but is expected to be higher than the pre-pandemic years. Face masks will continue to play an important role to keep COVID-19 and other respiratory infections such as influenza and pollen related allergies under control. Face masks will also be in demand during the haze season and times of excessive air pollution.

Further, face masks are gradually becoming a fashion accessory and not just an essential item worn every day for protection. To some, wearing a fashionable face mask has become a new form of self-expression. It has become a means to enhance one's personal fashion by matching face masks to a one's outfit or the time of day. Consumers now have access to face masks in different colours, designs and materials. This trend is expected to sustain in the foreseeable future.

As the demand for face masks continues to sustain, manufacturers have greater incentive to develop new or improved forms of face masks (with better protection features longer shelf lives or fashionable designs) to meet such demands. Further, with longer shelf lives, face masks may be manufactured in greater quantities and stored, in response to sudden spikes in demand.

(Source: IMR Report)

Further, in accordance to a recent statement of the Director-General of the WHO, the WHO declared that COVID-19 has come to an end as a global health emergency. However, he then added that it does not mean COVID-19 is over as a global health threat. The risk remains of new variants emerging that cause new surges in cases and deaths and as such, it is time for countries to transition from emergency mode to managing COVID-19 alongside other infectious diseases.

(Source: WHO Director-General's opening remarks at the media briefing – 5 May 2023, WHO)

As at the LPD, our Company's order book for its face mask stood at approximately RM12.73 million for the next 12 months. Accordingly, our Board views that the face mask business of our Group remains viable and the implementation of the Rights Issue with Warrants is in the best interest of our Company and its shareholders.

7.4 Prospects and future plans of our Group

Our Group is primarily involved in the labelling and face mask business. In the last few years, our Group had undertaken, amongst others, the following initiatives in its efforts to improve our Group's financial and operational performance:

- (i) From 2017 to 2018, our Group invested a total of RM14.42 million to acquire new machines to develop new products such as flexible packaging, digital labels, creative printing and variable data printing. This has widened the range of products sold by our Group. Currently, our Group is focusing on attracting new customers and exploring new markets as well as expanding its sales team to secure more projects.
- (ii) In 2017, new machines and technologies were deployed in various production plants to reduce material wastage, production cost and time resources. Moving forward, our Group will continue to invest in new printing technologies as well as to explore opportunities to tap into different market segments.
- (iii) In 2020, our Group diversified into the manufacturing and sale of face mask to capitalise on the global shortage of face mask resulting from the COVID-19 pandemic. In conjunction with the diversification, our Group also undertook a private placement exercise which was completed in December 2020, raising proceeds of RM59.21 million. Such proceeds were intended to be utilised mainly for the acquisition of machineries to set up the face mask business.

As at the LPD, our Group operates a total of 41 manufacturing lines for 3-ply face mask and 21 manufacturing lines for respirator face mask. In addition, our Group is planning to purchase machineries for the setting up of an additional 61 manufacturing lines for 3-ply face mask and 5 manufacturing lines for respirator face mask.

Over the next 24 months, our Group plans to expand its production capacity to up to 102 manufacturing lines for 3-ply face mask and 26 manufacturing lines for respirator face mask.

- (iv) In 2021, our Group undertook the 2021 Private Placement and the proceeds of RM12.79 million were utilised mainly for the abovementioned expansion of production capacity for the face mask manufacturing business, further details of which are set out in Section 5 of this Abridged Prospectus.

Apart from the above, our Group also intends to turnaround its existing business of manufacturing self-adhesive labelling and flexible packaging by implementing cost cutting methods, attracting new customers as well as creating further brand awareness in its existing markets.

However, our Group anticipates the economic landscape for consumer packaging and printing services industry to remain challenging, in view of businesses shifting towards environmentally friendly initiatives which reduced the demand for packaging products such as labels and stickers. As such, moving forward, our Group will be focusing on developing the face mask business in order to cushion any adverse impacts from the consumer packaging and printing services industry.

For the face mask business, our Group plans to gradually expand the production capacity of its face mask manufacturing operations to up to 102 manufacturing lines for 3-ply face masks and 26 manufacturing lines for respirator face mask over the next 24 months. Further, our Group had on 22 May 2022 received official notification from the MDA that its sterile surgical tie-on mask (i.e. a type of medical face mask that is used in operating theatres) has been granted MDA registration. Beyond that, in the medium term, our Group may also look into expanding its face mask manufacturing operations into other neighbouring countries such as Thailand and Indonesia to establish local distribution networks at those countries.

Notwithstanding the above, our Group will closely monitor the performance of the face mask business and assess its expansion plan periodically. It should be noted that the expansion plan for the face mask business may be subject to change depending on amongst others, the performance of the face mask industry as well as the business needs of our Group at the relevant point in time.

Premised on the above and taking into consideration the outlook of the face mask industry including that the demand for face masks is expected to be sustainable notwithstanding the future demand for face masks will not be higher than during the COVID-19 pandemic period where the market experienced unprecedented demand, our Group is cautiously optimistic of its future prospects moving forward.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

8. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

No adjustments have been made to the pro forma effects of the Rights Issue with Warrants on the share capital, NA and gearing and earnings and EPS of our Group for the utilisation of proceeds as set out in Section 5 of this Abridged Prospectus (except for the estimated expenses for the Rights Issue with Warrants which are one-off expenditures) as the actual utilisation of proceeds to be utilised for the items therein may be subject to change, depending on the circumstances at the relevant point in time.

8.1 Share capital

The pro forma effects of the Rights Issue with Warrants on the issued share capital of our Company are as follows:

	Minimum Scenario		Base Case Scenario		Maximum Scenario	
	No. of Shares	Share capital (RM)	No. of Shares	Share capital (RM)	No. of Shares	Share capital (RM)
Issued share capital as at the LPD (net of treasury shares)	577,338,548	132,923,387	577,338,548	132,923,387	577,338,548	132,923,387
Assuming all the treasury shares are resold in the open market	-	-	-	-	18,000	⁽¹⁾ 3,547
Assuming full exercise of Warrants C	-	-	-	-	240,460,690	⁽²⁾ 134,657,986
After full exercise of Warrants C	577,338,548	132,923,387	577,338,548	132,923,387	817,817,238	267,584,920
New Shares to be issued pursuant to the Rights Issue with Warrants	125,000,000	⁽³⁾ 9,300,000	577,338,548	⁽³⁾ 45,487,084	817,817,238	⁽³⁾ 64,725,379
New Shares to be issued assuming full exercise of the Warrants D	41,666,666	⁽⁴⁾ 3,333,333	192,446,182	⁽⁴⁾ 15,395,695	272,605,746	⁽⁴⁾ 21,808,460
Enlarged issued share capital after the Rights Issue with Warrants	744,005,214	145,556,720	1,347,123,278	193,806,166	1,908,240,222	354,118,759

Notes:

- (1) Assuming all the treasury shares are resold in the open market based on the closing price of RM0.09 as at the LPD.
- (2) Based on the exercise price of RM0.56 per Warrant C.
- (3) Based on the issue price of RM0.08 per Rights Share and after deducting estimated expenses for the Rights Issue with Warrants of RM0.70 million.
- (4) Based on the Exercise Price of RM0.08 per Warrant D.

8.2 NA and gearing

As at the LPD, there are no material transactions which may have a material effect on the operations, financial position and results of our Group since our Group's latest unaudited 9-month FPE 31 December 2022.

The pro forma effects of the Rights Issue with Warrants on the NA and gearing of our Group are as follows:

Minimum Scenario

	Unaudited as at 31 December 2022 (RM'000)	(I) ⁽¹⁾⁽²⁾ After the Rights Issue with Warrants (RM'000)	(II) ⁽³⁾ After (I) and assuming full exercise of Warrants D (RM'000)
Share capital – ordinary shares	132,927	142,227	145,560
Share capital – treasury shares	(4)	(4)	(4)
Other reserve	-	(1,853)	-
General reserve	361	361	361
Translation reserve	754	754	754
Revaluation reserve	15,274	15,274	15,274
Capital reserve	33,882	33,882	33,882
Warrant reserve	-	1,853	-
Accumulated losses	(87,101)	(87,101)	(87,101)
NA	96,093	105,393	108,726
Non-controlling interests	(142)	(142)	(142)
Total equity	95,951	105,251	108,584
No. of Shares in issue (excluding treasury shares)	577,339	702,339	744,005
NA per Share (RM)	0.17	0.15	0.15
Total borrowings (RM'000)	9,306	9,306	9,306
Gearing (times)	0.10	0.09	0.09

Registration No. 199601001919 (374265-A)

Notes:

- (1) Based on the issuance of 125,000,000 Rights Shares at an issue price of RM0.08 each together with 41,666,666 Warrants D and after deducting estimated expenses for the Rights Issue with Warrants of RM0.70 million.
- (2) After accounting for the creation of warrant reserve based on the issuance of 41,666,666 Warrants D at an allocated fair value of RM0.0445 per Warrant D.
- (3) Based on the Exercise Price of RM0.08 per Warrant D and after accounting for the reversal of warrant reserve.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

Base Case Scenario

	Unaudited as at 31 December 2022 (RM'000)	(I) ⁽¹⁾⁽²⁾ After the Rights Issue with Warrants (RM'000)	(II) ⁽³⁾ After (I) and assuming full exercise of Warrants D (RM'000)
Share capital – ordinary shares	132,927	178,414	193,810
Share capital – treasury shares	(4)	(4)	(4)
Other reserve	-	(9,061)	-
General reserve	361	361	361
Translation reserve	754	754	754
Revaluation reserve	15,274	15,274	15,274
Capital reserve	33,882	33,882	33,882
Warrant reserve	-	9,061	-
Accumulated losses	(87,101)	(87,101)	(87,101)
NA	96,093	141,580	156,976
Non-controlling interests	(142)	(142)	(142)
Total equity	95,951	141,438	156,834
No. of Shares in issue (excluding treasury shares)	577,339	1,154,677	1,347,123
NA per Share (RM)	0.17	0.12	0.12
Total borrowings (RM'000)	9,306	9,306	9,306
Gearing (times)	0.10	0.07	0.06

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

Notes:

- (1) Based on the issuance of 577,338,548 Rights Shares at an issue price of RM0.08 each together with 192,446,182 Warrants D and after deducting estimated expenses for the Rights Issue with Warrants of RM0.70 million.
- (2) After accounting for the creation of warrant reserve based on the issuance of 192,446,182 Warrants D at an allocated fair value of RM0.0471 per Warrant D.
- (3) Based on the Exercise Price of RM0.08 per Warrant D and after accounting for the reversal of warrant reserve.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

Maximum Scenario

	Unaudited as at 31 December 2022 (RM'000)	(I) ⁽¹⁾⁽²⁾⁽³⁾ After the Rights Issue with Warrants (RM'000)	(II) ⁽⁴⁾ After (I) and assuming full exercise of Warrants D (RM'000)
Share capital – ordinary shares	132,927	332,310	354,118
Share capital – treasury shares	(4)	-	-
Other reserve	-	(12,893)	-
General reserve	361	361	361
Translation reserve	754	754	754
Revaluation reserve	15,274	15,274	15,274
Capital reserve	33,882	33,882	33,882
Warrant reserve	-	12,893	-
Accumulated losses	(87,101)	(87,103)	(87,103)
NA	96,093	295,478	317,286
Non-controlling interests	(142)	(142)	(142)
Total equity	95,951	295,336	317,144
No. of Shares in issue (excluding treasury shares)	577,339	1,635,634	1,908,240
NA per Share (RM)	0.17	0.18	0.17
Total borrowings (RM'000)	9,306	9,306	9,306
Gearing (times)	0.10	0.03	0.03

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

Notes:

- (1) Assuming all the treasury shares are resold in the open market based on the closing price of RM0.09 as at the LPD and full exercise of 240,460,690 outstanding Warrants C at the exercise price of RM0.56.
- (2) Based on the issuance of 817,817,238 Rights Shares at an issue price of RM0.08 each together with 272,605,746 Warrants D and after deducting estimated expenses for the Rights Issue with Warrants of RM0.70 million.
- (3) After accounting for the creation of warrant reserve based on the issuance of 272,605,746 Warrants D at an allocated fair value of RM0.0473 per Warrant D.
- (4) Based on the exercise price of RM0.08 per Warrant D and after accounting for the reversal of warrant reserve.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

8.3 Substantial Shareholders' shareholdings

The pro forma effects of the Rights Issue with Warrants on the substantial Shareholders' shareholdings in our Company based on the Record of Depositors of our Company as at the 9 May 2023 are as follows:

Minimum Scenario

Substantial Shareholders	As at the LPD				(I) After the Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %
Key Alliance	101,718,200	17.62	-	-	101,718,200	14.48	-	-
Roy Ho	1,200,000	0.21	-	-	126,200,000	17.97	-	-

Substantial Shareholders	(II) After (I) and assuming full exercise of the Warrants D			
	Direct		Indirect	
	No. of Shares	⁽³⁾ %	No. of Shares	⁽³⁾ %
Key Alliance	101,718,200	13.67	-	-
Roy Ho	167,866,666	22.56	-	-

Notes:

- (1) Based on 577,338,548 issued Shares (excluding treasury shares) as at the LPD.
- (2) Based on 702,338,548 enlarged issued Shares (excluding treasury shares) under the Minimum Scenario.
- (3) Based on 744,005,214 enlarged issued Shares (excluding treasury shares) under the Minimum Scenario, and assuming full exercise of Warrants D.

Base Case Scenario

Substantial Shareholders	As at the LPD				(I) After the Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %
Key Alliance	101,718,200	17.62	-	-	203,436,400	17.62	-	-

Substantial Shareholders	(II) After (I) and assuming full exercise of the Warrants D			
	Direct		Indirect	
	No. of Shares	⁽³⁾ %	No. of Shares	⁽³⁾ %
Key Alliance	237,342,466	17.62	-	-

Notes:

- (1) Based on 577,338,548 issued Shares (excluding treasury shares) as at the LPD.
- (2) Based on 1,154,677,096 enlarged issued Shares (excluding treasury shares) under the Base Case Scenario.
- (3) Based on 1,347,123,278 enlarged issued Shares (excluding treasury shares) under the Base Case Scenario, and assuming full exercise of Warrants D.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

Maximum Scenario

Substantial Shareholders	As at the LPD				(I) After assuming all the treasury shares are resold and full exercise of Warrants C			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Key Alliance	101,718,200	17.62	-	-	101,718,200	12.44	-	-

Substantial Shareholders	(II) After (I) and the Rights Issue with Warrants				(III) After (II) and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%	No. of Shares	(4)%	No. of Shares	(4)%
Key Alliance	203,436,400	12.44	-	-	237,342,466	12.44	-	-

Notes:

- (1) Based on 577,338,548 issued Shares (excluding treasury shares) as at the LPD.
- (2) Based on 817,817,238 enlarged issued Shares after assuming all the treasury shares are resold and full exercise of Warrants C.
- (3) Based on 1,635,634,476 enlarged issued Shares under the Maximum Scenario.
- (4) Based on 1,908,240,222 enlarged issued Shares under the Maximum Scenario, and assuming full exercise of Warrants D.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

8.4 Earnings and EPS

Our Board expects the Rights Issue with Warrants to contribute positively to the future financial performance of our Group via the utilisation of proceeds as set out in **Section 5** of this Abridged Prospectus.

Subsequent to the completion of the Rights Issue with Warrants, the EPS (or LPS) of our Group shall be correspondingly diluted as a result of the increase in the number of Rights Shares to be issued.

The potential effects of the Rights Issue with Warrants on the future consolidated earnings and EPS (or LPS) of our Company will depend on, amongst others, the level of returns generated from the utilisation of proceeds to be raised from the Rights Issue with Warrants.

For illustration, the pro forma effects of the Rights Issue with Warrants on the consolidated losses and LPS of our Company are as follows:

	Unaudited 9-month FPE 31 December 2022 (RM'000)	(I) After the Rights Issue with Warrants			(II) After (I) and assuming full exercise of the Warrants D		
		Minimum Scenario	Base Case Scenario	Maximum Scenario	Minimum Scenario	Base Case Scenario	Maximum Scenario
LAT attributable to owners of our Company (RM'000)	(5,063)	(5,063)	(5,063)	(5,063)	(5,063)	(5,063)	(5,063)
Weighted average number of Shares ('000)	577,347	702,347	1,154,686	1,395,164	744,005	1,347,123	1,908,240
LPS (sen)	(0.88)	(0.72)	(0.44)	(0.36)	(0.68)	(0.38)	(0.27)

The pro forma effects above have not taken into consideration any returns which may be generated from the utilisation of the proceeds to be raised from the Rights Issue with Warrants.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital and sources of liquidity

Our Group's working capital is funded through our Group's existing cash and bank balances, credit extended by suppliers, banking facilities from financial institutions as well as the proceeds from the issuance of equity securities.

As at the LPD, our Group's cash and bank balances (including fixed deposit pledged with licensed bank and short-term investments) stood at RM1.68 million.

Apart from the sources of liquidity described above, our Group does not have access to other material unused sources of liquidity as at the LPD.

Our Board confirmed that, after taking into consideration our Group's existing cash and bank balances, the banking facilities available to our Group and proceeds to be raised from the Rights Issue with Warrants, our Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group's total outstanding borrowings (all of which are interest bearing and denominated in RM) are set out as follows:

Borrowings	Total (RM'000)
<u>Short term borrowing (secured)</u>	
- Lease liabilities	493
- Term loan	209
- Hire purchase	40
<u>Long term borrowing (secured)</u>	
- Lease liabilities	1,150
- Term loan	4,261
- Hire purchase	85
Total	6,238

There has not been any default on payments of either interest and/or principal sums on any borrowings throughout the past 1 financial year and subsequent financial period up to the LPD. Further, there has not been any breach of any terms and conditions and covenants associated with the borrowings, which can materially affect our Group's financial results, financial position or business operations during the same period.

9.3 Contingent liabilities

As at the LPD, our Board confirmed that there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of our Group.

9.4 Material commitments

As at the LPD, our Board confirmed that there are no material commitments incurred or known to be incurred by our Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of our Group.

10. INSTRUCTIONS FOR ACCEPTANCE, SALE OR TRANSFER, EXCESS APPLICATION AND PAYMENT

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess Rights Shares with Warrants D Applications and the procedures to be followed should you and/or your transferee(s) and/or your renounee(s) (if applicable) wish to sell or transfer all or any part of your/his rights entitlement are set out in this Abridged Prospectus and the RSF. You and/or your transferee(s) and/or your renounee(s) (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. In accordance with Section 232(2) of the CMSA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and/or payment for the Provisional Allotments which do not conform strictly to the terms of this Abridged Prospectus, the RSF or the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of our Board.

10.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments that you are entitled to subscribe for in full or in part under the terms and conditions of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for the Provisional Allotments, as well as to apply for Excess Rights Shares with Warrants D if you choose to do so.

This Abridged Prospectus and the RSF are also available at the registered office of our Company, the Share Registrar's office or on Bursa Securities' website at <https://www.bursamalaysia.com>.

10.2 NPA

The Provisional Allotments are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotments will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renounee(s) and/or your transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Rights Shares with Warrants D and the Excess Rights Shares with Warrants D Application is on the Closing Date.

We shall make an announcement on the outcome of the Rights Issue with Warrants after the Closing Date.

10.4 Methods of acceptance and application

You may subscribe for the Provisional Allotments as well as apply for Excess Rights Shares with Warrants D, if you choose to do so, using either of the following methods:

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-RSF	All Entitled Shareholders

10.5 Procedure for full acceptance and payment

10.5.1 By way of RSF

If you wish to accept your entitlement to the Provisional Allotments, the acceptance of and payment for the Provisional Allotments allotted to you as an Entitled Shareholder and/or your renounee(s) and/or your transferee(s) (if applicable) must be made on the respective RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances and/or payments for the Provisional Allotments which do not strictly conform to the terms and conditions of this Abridged Prospectus, the NPA or the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) AND/OR YOUR TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN. IN ACCORDANCE WITH SECTION 232(2) OF THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS.

YOU AND/OR YOUR RENOUNCEE(S) AND/OR YOUR TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you and/or renounee(s) and/or your transferee(s) (if applicable) wish to accept either in full or in part of the Provisional Allotments of your entitlement, please complete Part I(A) and Part II of the RSF in accordance with the notes and instructions contained in the RSF. Each RSF that is completed, signed and affixed with revenue stamp together with the relevant payment must be sent to the Share Registrar using the reply envelope provided (at your own risk) by **ORDINARY POST, COURIER or DELIVERY BY HAND** to the address stated below:

**Aldpro Corporate Services Sdn Bhd
(Registration No. 202101043817 (1444117-M))**

B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No.1, Medan Syed Putra Utara
59200 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.

Tel. No. : +603 – 9770 2200

Fax. No. : +603 – 9770 2239

so as to arrive **not later than the Closing Date**, being the last date and time for acceptance and payment, or such extended time and date as may be determined and announced by our Board for the Rights Shares with Warrants D.

If you and/or your renounee(s) and/or your transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you and/or your renounee(s) and your transferee(s) (if applicable) may obtain additional copies from your stockbroker, our Share Registrar's office at the address stated above, our registered office or the website of Bursa Securities at <https://www.bursamalaysia.com>.

1 RSF can only be used for acceptance of the Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. If successful, the Rights Shares with Warrants D subscribed by you and/or your renounee(s) and/or transferee(s) (if applicable) will be credited into the respective CDS Accounts as stated in the completed RSFs.

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSFs by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

Successful applicant to the Rights Shares with Warrants D will be given the Warrants D on the basis of 1 Warrant for every 3 Rights Shares successfully subscribed for. The minimum number of Rights Shares with Warrants D that can be subscribed for or accepted is 3 Rights Shares with 1 Warrant. However, you and/or your renounee(s) and your transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares and Warrants D comprises of 100 Rights Shares and 100 Warrants, respectively. Fractions of Rights Shares and/or Warrants D arising from the Rights Issue with Warrants, if any, shall be disregarded, and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Allotments allotted to you and/or your renounee(s) and/or your transferee(s) (if applicable) is not received by our Share Registrar by **the Closing Date**, being the last date and time for acceptance of and payment for the Provisional Allotments, you and/or your renounee(s) and/or your transferee(s) (if applicable) will be deemed to have declined the Provisional Allotments and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

If the Provisional Allotments are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants D to the applicants who have applied for the Excess Rights Shares with Warrants D in the manner as set out in **Section 10.9** of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES WITH WARRANTS D ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "KOMARKCORP BERHAD" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND ADDRESS IN BLOCK LETTERS AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH WARRANTS D WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH THE SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE MADE BY ONLINE TRANSFER/ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL RIGHTS SHARES WITH WARRANTS D TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES WITH WARRANTS D INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) AND/OR THEIR TRANSFEREE(S) (IF APPLICABLE). NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.

10.5.2 By way of e-RSF

The electronic submission of the e-RSF is available to you upon your login to the Share Registrar's Investor Portal at <https://www.aldpro.com.my>. You are advised to read the instructions as well as the terms and conditions of the electronic submission of the e-RSF.

The electronic submission of the e-RSF is available to all Entitled Shareholders.

Entitled Shareholders who wish to subscribe for the Rights Issue with Warrants and apply for the Excess Rights Shares with Warrants D by way of electronic submission of the e-RSF, shall take note of the following:

- (i) the electronic submission of the e-RSF will be closed at **5.00 p.m. on Wednesday, 14 June 2023**. All valid electronic submission of the e-RSF received by the Share Registrar is irrevocable and cannot be subsequently withdrawn;
- (ii) the electronic submission of the e-RSF must be made in accordance with the procedures and terms and conditions of the electronic submission of the e-RSF, this Abridged Prospectus and the notes and conditions contained in the RSF. Any incomplete or incorrectly completed e-RSF submitted via the Share Registrar's Investor Portal may or may not be accepted at the absolute discretion of our Board.
- (iii) your application for the Rights Shares with Warrants D and Excess Rights Shares with Warrants D must be accompanied by the remittance in RM via internet bank transfer, the bank account details as follows:

Name of bank : RHB BANK BERHAD
Name of account : KOMARKCORP BERHAD
Bank account no. : 2122 3700 049440

You are required to pay an **additional fee of RM15.00** being the stamp duty and handling fee for each electronic submission of the e-RSF.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

- (iv) All Entitled Shareholders who wish to submit by way of electronic submission of the e-RSF are required to follow the procedures and read the terms and conditions as stated below:

(a) Procedures

Procedures	Action
User registration	
1. Register as a user with the Investor Portal	<ul style="list-style-type: none"> • If you have already registered an account with Aldpro's Investor Portal, you are not required to register again. • Access the website at https://www.aldpro.com.my. • Click on Yellow colour box "Investor Portal". • Refer to the online help tutorial for assistance. • Click on Grey colour box "Register Account". • Read and agree to the terms and conditions and confirm the declaration. • Upon submission of your registration, you will receive an email on verification for your email address and your user account will be activated within one working day. • Upon successful registration of your user account, you will receive a notification email.
Electronic submission of e-RSF	
2. Sign in to Investor Portal	<ul style="list-style-type: none"> • Access the website at https://www.aldpro.com.my • Login with your user ID and password for electronic submission of the e-RSF before the Closing Date.
3. Complete the submission of e-RSF	<ul style="list-style-type: none"> • Open the corporate exercise "RIGHTS ISSUE WITH WARRANTS FOR KOMARKCORP BERHAD". • Key in your full name, CDS Account number, contact number, the number of units for acceptance of your Provisional Allotments and excess Rights Shares with Warrants D (if you choose to apply for additional Rights Shares with Warrants D). • Proceed for the payment via online banking and please indicate the details with the last 9 digits of your CDS account number and your full name as per Bursa Depository's record when payment is made. • Download the payment advice once the payment is successfully transferred. • Upload the proof of payment(s). • Ensure all information in the form is accurate and then submit the e-RSF. • You may check your submitted transaction(s) under "My Submission" at your main page.

If you encounter any problems during the registration or submission, please email our Share Registrar at admin@aldpro.com.my for assistance.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

(b) Terms and conditions of the electronic submission of the e-RSF

By submitting your acceptance of the Rights Shares with Warrants D and application of the Excess Rights Shares with Warrants D (if applicable) by way of electronic submission of the e-RSF:

(A) You acknowledge that your submission by way of electronic submission of the e-RSF is subject to the risks of electrical, electronic, technical, transmission, communication and computer related faults and breakdowns, fires and other events beyond the control of our Company or the Share Registrar and irrevocably agree that if:

(aa) our Company or the Share Registrar does not receive your submission of the e-RSF; or

(bb) data on the e-RSF is wholly or partially lost, corrupted or inaccessible, or not transmitted,

your submission of the e-RSF will be deemed as failed and not to have been made. Our Company and the Share Registrar will not be held liable for any delays, failures or inaccuracies in the processing of your electronic submission of the e-RSF due to the above reasons and you further agree that you may not make any claims whatsoever against our Company or the Share Registrar for any loss, compensation or damage in relation to the unsuccessful or failure of your electronic submission of the e-RSF.

(B) You will ensure that all information provided by you in the e-RSF is identical with the information in the records of Bursa Depository and further agree and confirm that if the said information differs from the records of Bursa Depository, your application by way of electronic submission of the e-RSF may be rejected at the absolute discretion of our Board without assigning any reason.

(C) You agree that your application shall not be deemed to have been accepted by reason of the remittance have been made.

(D) You agree that all the Rights Shares and Warrants D to be issued pursuant to the Rights Issue with Warrants will be allotted by way of crediting the Rights Shares and Warrants D into your CDS account. No physical share or warrant certificates will be issued.

(E) You agree that our Company and the Share Registrar reserve the right to reject your application which does not conform to these terms and conditions.

(F) If your application is successful, a notice of allotment will be issued and despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk within 8 market days from the Closing Date.

(G) Where your application is not accepted or accepted only in part, the full amount or the balance of the application monies, as the case may be, shall be refunded without interest by online transfer/issuance of cheque within 15 market days from the last date of acceptance and payment for the Rights Issue with Warrants and will be despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk.

10.6 Procedures for part acceptance by Entitled Shareholders

If you do not wish to accept the Provisional Allotments to you in full, you are entitled to accept part of your entitlements provided always that the minimum number of Rights Shares with Warrants D that can be subscribed for or accepted is 3 Rights Shares with 1 Warrant. Fractions of a Rights Share with Warrant D, if any, shall be disregarded and dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company.

You must complete both Part I(A) and Part II of the RSF by specifying the number of Rights Shares with Warrants D which you are accepting and deliver the completed and signed RSF together with the relevant payment to the Share Registrar in the manner set out in **Section 10.5** of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Allotments that have not been accepted will be made available to the applicants of the Excess Rights Shares with Warrants D Application.

10.7 Procedures for sale or transfer of the Provisional Allotments

As the Provisional Allotments are prescribed securities, you may sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more persons through your stockbrokers for the period up to the last date and time for sale or transfer of the Provisional Allotments, without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Part I(A) and Part II of the RSF. Please refer to **Sections 10.5 and 10.6** of this Abridged Prospectus for the procedure for acceptance and payment.

In selling or transferring all or part of your Provisional Allotments, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional Allotments standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchasers or transferee(s) of the Provisional Allotments may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers or from the Share Registrar at the address as stated in **Section 10.5** of this Abridged Prospectus or at the Registered Office. This Abridged Prospectus and RSF are also available on the website of Bursa Securities' website at <https://www.bursamalaysia.com>.

10.8 Procedures for acceptance renouncee(s) / transferee(s)

Renouncees and/or transferee(s) (if applicable) who wish to accept the Provisional Allotments must obtain a copy of the RSF from their stockbrokers or the Share Registrar at the address as stated in **Section 10.5** of this Abridged Prospectus or at the Registered Office or from Bursa Securities' website at <https://www.bursamalaysia.com>, and complete the RSF and submit the same together with the remittance to the Share Registrar at the above-stated address in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in **Sections 10.5 and 10.6** of this Abridged Prospectus also applies to renouncee(s) and/or transferee(s) (if applicable) who wish to accept the Provisional Allotments.

RENOUNCEE(S) AND/OR TRANSFEREE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.9 Procedures for application of Excess Rights Shares with Warrants D

If you wish to apply for additional Rights Shares with Warrants D in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Part I(A) and Part II). The remittance for the Excess Rights Shares with Warrants D can be combined with the remittance for your entitlements of Rights Shares with Warrants D. The completed RSF / e-RSF together with the payment must be received by the Share Registrar no later than **5.00 p.m. on Wednesday, 14 June 2023**, being the last time and date for Excess Rights Shares with Warrants D Applications and payment.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS D APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 10.5 OF THIS ABRIDGED PROSPECTUS. THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES WITH WARRANTS D APPLIED FOR. ANY EXCESS OR INSUFFICIENT PAYMENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. CHEQUES OR OTHER MODES OF PAYMENT NOT PRESCRIBED HEREIN ARE NOT ACCEPTABLE.

It is the intention of our Board to allot the Excess Rights Shares with Warrants D, if any, on a fair and equitable basis and in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lot to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants D, taking into consideration their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lot to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants D, taking into consideration the quantum of their respective Excess Rights Shares with Warrants D applied for; and
- (iv) lastly, on a pro-rata basis and in board lot to the renouncee(s) and/or transferee(s) (if applicable) who have applied for the Excess Rights Shares with Warrants D, taking into consideration the quantum of their respective Excess Rights Shares with Warrants D applied for.

The Excess Rights Shares with Warrants D will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess Rights Shares with Warrants D. Thereafter, the allocation process will perform items (ii), (iii) and (iv) in succession. Any remaining balance of Excess Rights Shares with Warrants D will be allocated by performing the same sequence of allocation i.e. items (ii), (iii) and (iv) again in succession until all Excess Rights Shares with Warrants D are allotted.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants D applied for in such manner as our Board deems fit, expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis manner, and that the intention of our Board as set out in steps (i) to (iv) above is achieved. Our Board also reserves the rights at its absolute discretion to accept in full or in part any application for the Excess Rights Shares with Warrants D without assigning any reason thereof.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR THE SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS D. HOWEVER, IF YOUR EXCESS APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH WARRANTS D WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.

APPLICATIONS FOR THE EXCESS RIGHTS SHARES WITH WARRANTS D SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS D IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE MADE BY ONLINE TRASFER OR ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

10.10 Form of issuance

Bursa Securities has already prescribed Komarkcorp Shares and Warrants D to be listed on the Main Market of Bursa Securities and to be deposited with Bursa Depository. Accordingly, the Rights Shares and Warrants D are prescribed securities and as such, the SICDA and the Rules of Bursa Depository shall apply to all dealings in the Rights Shares and Warrants D.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share or warrant certificates shall be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares and the Warrants D will be credited directly into your CDS Account.

A notice of allotment will be despatched to you and/or your renounee(s) and/or your transferee(s) (if applicable) by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

Where the Rights Shares with Warrants D are provisionally allotted to the Entitled Shareholders in respect of their existing Komarkcorp Shares standing to the credit in their CDS Account as at the Entitlement Date, the acceptance by the Entitled Shareholders of the Provisional Allotments shall mean that they consent to receive such Rights Shares and Warrants D as prescribed or deposited securities which will be credited directly into their CDS Account.

Any person who has purchased the Provisional Allotments or to whom the Provisional Allotments has been transferred and intends to subscribe for the Rights Shares with Warrants D must state his or her CDS Account number in the space provided in the RSF. The Rights Shares and Warrants D will be credited directly as prescribed or deposited securities into his or her CDS Account upon allotment and issuance.

The Excess Rights Shares with Warrants D, if allotted to the successful applicant who applies for Excess Rights Shares with Warrants D, will be credited directly as prescribed securities into his or her CDS Account. The allocation will be made on a fair and equitable basis in such manner as our Board in its absolute discretion deems fit and expedient and in the best interest of our Company, as disclosed in **Section 10.9** of this Abridged Prospectus.

10.11 Foreign Entitled Shareholders

This Abridged Prospectus, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) for subscription of any foreign jurisdiction. The Rights Issue with Warrants will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this Abridged Prospectus, and the accompanying NPA and RSF will not be sent to the Foreign Entitled Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) may collect this Abridged Prospectus, and the accompanying NPA and RSF from the Share Registrar, in which event the Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting these documents relating to the Rights Issue with Warrants.

The Foreign Entitled Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so. TA Securities, the Share Registrar, our Company, the Directors and officers and other professional advisers would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. TA Securities, the Share Registrar, our Company, Directors and officers and other professional advisers shall not accept any responsibility or liability if any acceptance or renunciation made by any Foreign Entitled Shareholders and/or renounee(s) and/or transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The Foreign Entitled Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) for any such issue, transfer or other taxes or other requisite payments. They will have no claims whatsoever against us and/or TA Securities in respect of their rights and entitlements under the Rights Issue with Warrants. Such Foreign Entitled Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing the RSF, the Foreign Entitled Shareholders and/or their renouncee(s) and/or their transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) TA Securities, the Share Registrar, our Company, Directors and officers and other professional advisers that:

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/or renouncee(s) and/or transferee(s) (if applicable) are or may be subject to;
- (ii) the Foreign Entitled Shareholders and/or their renouncee(s) and/or their transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Allotments;
- (iii) the Foreign Entitled Shareholders and/or their renouncee(s) and/or their transferee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are aware that the Rights Shares with Warrants D can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have received a copy of this Abridged Prospectus, have access to such financial and other information and have been provided the opportunity to ask such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants D; and
- (vi) the Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants D, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and the Warrants D.

Persons receiving this Abridged Prospectus, and the accompanying NPA and RSF (including without limitation to custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, and the accompanying NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus and the accompanying NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section of the Abridged Prospectus and we reserve the right to reject a purported acceptance of the Provisional Allotments from any such application by Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Provisional Allotments as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements.

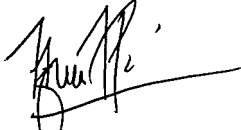
11. TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants D pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll D, the NPA and RSF.

12. FURTHER INFORMATION

You are requested to refer to the enclosed Appendix I for further information.

Yours faithfully
For and on behalf of the Board of
KOMARKCORP BERHAD



YM TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD
Chairman / Independent Non-Executive Director

APPENDIX I - INFORMATION ON OUR COMPANY

1. SHARE CAPITAL

As at the LPD, the issued share capital of our Company is RM132,923,387 comprising 577,338,548 Shares (excluding 18,000 treasury shares).

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to **Section 8.3** of this Abridged Prospectus for information on the substantial Shareholders' shareholdings before and after the Rights Issue with Warrants.

3. DIRECTORS

The details of our Board as at the LPD are set out in the table below:

Name (Designation)	Age	Address	Nationality
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Chairman / Independent Non-Executive Director)	45	No 2, Jalan Kenyalang 11/4G Seksyen 11, Kota Damansara 47810 Petaling Jaya Selangor	Malaysian
Roy Ho Yew Kee (Executive Director)	48	Unit 6-5 Damai Resort Condominium Jalan Kiara 2, Mont Kiara 50480 Kuala Lumpur	Malaysian
Chan Jee Peng (Independent Non-Executive Director)	43	No 28, Jalan Hujan Batu 3 Jalan Klang Lama 58200 Kuala Lumpur	Malaysian
Ihsan Bin Ismail (Independent Non-Executive Director)	60	22A Jalan USJ 1/1F 47620 Subang Jaya Selangor	Malaysian
Koo Kien Keat (Independent Non-Executive Director)	38	Jalan Kiara 2 Bayu Mont Kiara 31-01 50480 Kuala Lumpur	Malaysian

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

Save as disclosed below, none of our Directors have any direct and/or indirect shareholding in our Company as at the LPD. The pro forma effects of the Rights Issue with Warrants on our Directors' shareholdings are as follows:

Minimum Scenario

Directors	As at the LPD				(I) After the Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	200,000	0.03	-	-	200,000	0.03	-	-
Roy Ho	1,200,000	0.21	-	-	126,200,000	17.97	-	-

Directors	(II) After (I) and assuming full exercise of the Warrants D			
	Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	200,000	0.03	-	-
Roy Ho	167,866,666	22.56	-	-

Notes:

- (1) Based on 577,338,548 issued Shares (excluding treasury shares) as at the LPD.
- (2) Based on 702,338,548 enlarged issued Shares (excluding treasury shares) under the Minimum Scenario.
- (3) Based on 744,005,214 enlarged issued Shares (excluding treasury shares) under the Minimum Scenario, and assuming full exercise of Warrants D.

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

Base Case Scenario

Directors	As at the LPD				(I) After the Rights Issue with Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	200,000	0.03	-	-	400,000	0.03	-	-
Roy Ho	1,200,000	0.21	-	-	2,400,000	0.21	-	-

Directors	(II) After (I) and assuming full exercise of the Warrants D			
	Direct		Indirect	
	No. of Shares	⁽³⁾ %	No. of Shares	⁽³⁾ %
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	466,666	0.03	-	-
Roy Ho	2,800,000	0.21	-	-

Notes:

- (1) Based on 577,338,548 issued Shares (excluding treasury 18,000 shares) as at the LPD.
- (2) Based on 1,154,677,096 enlarged issued Shares (excluding treasury 18,000 shares) under the Base Case Scenario.
- (3) Based on 1,347,123,278 enlarged issued Shares (excluding treasury 18,000 shares) under the Base Case Scenario, and assuming full exercise of Warrants D.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

Maximum Scenario

Directors	As at the LPD				(I) After assuming all the treasury shares are resold and full exercise of Warrants C			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %	No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	200,000	0.03	-	-	200,000	0.02	-	-
Roy Ho	1,200,000	0.21	-	-	1,200,000	0.15	-	-

Directors	(II) After (I) and the Rights Issue with Warrants				(III) After (II) and assuming full exercise of the Warrants D			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	⁽³⁾ %	No. of Shares	⁽³⁾ %	No. of Shares	⁽⁴⁾ %	No. of Shares	⁽⁴⁾ %
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	400,000	0.02	-	-	466,666	0.02	-	-
Roy Ho	2,400,000	0.15	-	-	2,800,000	0.15	-	-

Notes:

- (1) Based on 577,338,548 issued Shares (excluding treasury 18,000 shares) as at the LPD.
- (2) Based on 817,817,238 enlarged issued Shares after assuming all the treasury shares are resold and full exercise of Warrants C.
- (3) Based on 1,635,634,476 enlarged issued Shares under the Maximum Scenario.
- (4) Based on 1,908,240,222 enlarged issued Shares under the Maximum Scenario, and assuming full exercise of Warrants D.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)**4. HISTORICAL FINANCIAL INFORMATION**

A summary of the historical financial information of our Group is as follows:

Historical financial performance

	Audited			Unaudited
	FYE 30 April 2020 (RM'000)	FYE 30 April 2021 (RM'000)	11-month FPE 31 March 2022 (RM'000)	9-month FPE 31 December 2022 ⁽²⁾ (RM'000)
Revenue	39,547	37,627	62,742	30,735
Cost of sales	(36,416)	(37,770)	(58,133)	(29,049)
GP / (GL)	3,131	(143)	4,609	1,686
Other income	1,928	1,733	640	4,964
Other operating expenses	(13,924)	(16,650)	(14,871)	(10,012)
Finance costs	(1,492)	(1,071)	(709)	(417)
LBT	(10,357)	(16,131)	(10,331)	(3,779)
Taxation	(349)	176	141	-
Loss from discontinued operations, net of tax	-	-	-	(1,340)
LAT	(10,706)	(15,955)	(10,190)	(5,119)
LAT attributable to:				
- owners of our Company	(10,706)	(15,834)	(10,053)	(5,063)
- non-controlling interest	-	(121)	(137)	(56)
GP / (GL) margin (%)	7.92	(0.38)	7.35	5.49
LAT margin (%)	(27.07)	(42.40)	(16.24)	(16.66)
Weighted average number of Shares in issue ('000)	224,067	261,780	577,347	577,347
Basic EPS / (LPS) (sen) ⁽¹⁾	(4.78)	(6.05)	(1.74)	(0.88)

Notes:

- (1) Diluted LPS is not presented as the exercise of convertible securities would be anti-dilutive.
- (2) Our Company has changed its financial year end from 30 April 2022 to 31 March 2022 to realign our Company's period of quarters with calendar year. As such, there were no comparative financial information available for the 9-month FPE 31 December 2022.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)**Historical financial position**

	Audited			Unaudited
	FYE 30 April 2020 (RM'000)	FYE 30 April 2021 (RM'000)	11-month FPE 31 March 2022 (RM'000)	9-month FPE 31 December 2022 (RM'000)
Non-current assets	68,954	66,831	96,015	95,126
Current assets	15,579	60,326	36,531	23,623
Total assets	84,533	127,157	132,546	118,749
Share capital	62,789	120,166	132,927	132,927
Treasury shares	(4)	(4)	(4)	(4)
Other reserves	50,176	50,150	50,534	50,271
Accumulated losses	(56,031)	(71,827)	(82,038)	(87,101)
Shareholders' equity / NA	56,930	98,485	101,419	96,093
Non-controlling interests	-	51	(86)	(142)
Total equity	56,930	98,536	101,333	95,951
Non-current liabilities	12,959	9,439	9,799	7,423
Current liabilities	14,644	19,182	21,414	15,375
Total liabilities	27,603	28,621	31,213	22,798
Total equity and liabilities	84,533	127,157	132,546	118,749

Historical cash flow

	Audited			Unaudited
	FYE 30 April 2020 (RM'000)	FYE 30 April 2021 (RM'000)	11-month FPE 31 March 2022 (RM'000)	9-month FPE 31 December 2022 (RM'000)
Net cash from / (used in)				
Operating activities	(5,195)	(12,787)	(8,731)	2,304
Investing activities	(492)	(4,763)	(33,178)	(2,638)
Financing activities	4,829	53,895	10,003	(2,764)
Net increase / (decrease) in cash and cash equivalents	(858)	36,345	(31,906)	(3,098)
Cash and cash equivalents at beginning of the year	1,279	417	36,839	5,307
Effect on foreign exchange gain / (loss) on cash and cash equivalents	(4)	77	374	(263)
Cash and cash equivalents at end of the year	417	36,839	5,307	1,946

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)**(i) 9-month FPE 31 December 2022**

Our Group recorded a revenue of RM30.74 million for the 9-month FPE 31 December 2022. This was mainly contributed by its label and sticker manufacturing business amounted to RM15.83 million, which represents 51.49% of the total revenue.

Our Group recorded a GP of RM1.69 million (GP margin of 5.49%) for the 9-month FPE 31 December 2022. As compared to the 11-month FPE 31 March 2022, the GP margin has decreased by 1.86%. This was mainly due to the label and sticker manufacturing business recorded a gross loss margin of 0.55% for 9-month FPE 31 December 2022 as compared to a gross profit margin of 11.83% for the 11-month FPE 31 March 2022. This gross loss margin recorded for the label and sticker manufacturing business was mainly due to a decrease in revenue from this business coupled with fixed factory overhead costs.

Our Group recorded a LAT of RM5.12 million for the 9-month FPE 31 December 2022 which was mainly due to:

- (a) employee benefit expenses of RM3.30 million which mainly consist of staff costs; and
- (b) loss from discontinued operations (i.e. Komark (Thailand) Co., Ltd) amounted to RM1.34 million. Komark (Thailand) Co., Ltd has been disposed on 29 December 2022.

Our Group recorded a decrease in cash and cash equivalents of RM3.10 million (11-month FPE 31 March 2022: decrease of RM31.91 million). This was mainly due to the net effect of the following:

- (i) net cash used generated from operating activities of RM2.30 million, mainly due to the decrease in receivables amounting to RM3.43 million (11-month FPE 31 March 2022: increase in receivable of RM3.13 million), which was partially offset by the operating losses of RM5.12 million (11-month FPE 31 March 2022: RM10.33 million);
- (ii) net cash used in investing activities of RM2.64 million, due to the acquisition of property, plant and equipment amounting to RM2.64 million (11-month FPE 31 March 2022: RM33.05 million), mainly comprising renovation works for our factory at Klang and enterprise resource planning system as part of our expansion of the face mask business; and
- (iii) net cash used in financing activities of RM 2.76 million, mainly due to repayment of term loans and other borrowings amounting to RM2.31 million (11-month FPE 31 March 2022: nil).

(ii) 11-month FPE 31 March 2022 vs FYE 30 April 2021

Our Group's revenue for the 11-month FPE 31 March 2022 increased by RM25.12 million or 66.75% to RM62.74 million as compared to the previous financial year (the annualised revenue for the 11-month FPE 31 March 2022 was RM68.45 million, representing an increase of RM30.82 million or 81.91% on an annualised basis). This was mainly due to the annualised revenue from face mask manufacturing which increased by RM24.64 million to RM27.07 million (FYE 30 April 2021: RM2.43 million) arising from the increase in production capacity by 54 production lines to 62 production lines during the 11-month FPE 31 March 2022 as well as the increase in the demand for face masks due to the COVID-19 pandemic. Further, the face mask business of our Group only commenced business operations in October 2020.

Our Group recorded a GP of RM4.61 million (GP margin of 7.35%) in the 11-month FPE 31 March 2022 as compared to a GL of RM0.14 million (GL margin of 0.38%) in the previous financial year. The GP and GP margin recorded were mainly due to cost management in our Group's manufacturing processes which has managed to expand production capacity and reduce the costs of manufacturing.

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

Our Group recorded a lower LAT of RM10.19 million for the 11-month FPE 31 March 2022 as compared to a LAT of RM15.96 million in the previous financial year (the annualised LAT for the 11-month FPE 31 March 2022 was RM11.12 million, representing a decrease of RM4.84 million or 30.33% on an annualised basis). The lower LAT was mainly due to the increase in the GP as set out above.

Our Group recorded a decrease in cash and cash equivalents of RM31.91 million (FYE 30 April 2021: increase of RM36.35 million). This was mainly due to the net effect of the following:

- (i) net cash used in operating activities of RM8.73 million, mainly due to operating losses and the increase in inventories amounting to RM10.33 million and RM8.66 million respectively (FYE 30 April 2021: RM16.13 million and increase in inventories of RM2.61 million);
- (ii) net cash used in investing activities of RM33.18 million, due to the acquisition of property, plant and equipment amounting to RM33.05 million (FYE 30 April 2021: RM4.76 million), mainly comprising face mask / packing / printing machines and renovation works for our factories at Balakong and Klang as part of our expansion for the face mask business; and
- (iii) net cash generated from financing activities of RM10.00 million, mainly due to the receipt of proceeds from private placement exercise amounting to RM12.76 million (FYE 30 April 2021: RM57.34 million).

(iii) FYE 30 April 2021 vs FYE 30 April 2020

Our Group's revenue for FYE 30 April 2021 decreased by RM1.92 million or 4.85% to RM37.63 million as compared to the previous financial year. This was mainly due to the following:

- (a) intense competition in the labels segment;
- (b) loss of certain customers who have changed their product packaging specifications which no longer require labels; and
- (c) the outbreak of the COVID-19 pandemic.

Our Group recorded a GL of RM0.14 million (GL margin of 0.38%) in FYE 30 April 2021 as compared to a GP of RM3.13 million (GP margin of 7.92%) in the previous financial year. This was mainly due to the increase in raw material prices.

Our Group recorded a higher LAT of RM15.96 million in FYE 30 April 2021 as compared to a LAT of RM10.71 million in the previous financial year, representing a decrease of RM5.25 million or 49.03%. The higher LAT was mainly due to amortization of goodwill of RM1.75 million and mobilisation cost incurred for the expansion of face mask division.

Our Group recorded an increase in cash and cash equivalents of RM36.35 million (FYE 30 April 2020: decrease of RM0.86 million). This was mainly due to the net effect of the following:

- (i) net cash used in operating activities of RM12.79 million, mainly due to operating losses and the increase in receivables amounting to RM7.48 million and RM6.05 million respectively (FYE 30 April 2020: RM4.64 million and decrease in receivable of RM0.89 million);
- (ii) net cash used in investing activities of RM4.76 million, due to the acquisition of property, plant and equipment amounting to RM14.06 million (FYE 30 April 2020: RM0.49 million), mainly comprising face mask / packing machines, renovation works for our factory at Balakong, furniture and fittings as well as office equipment as part of our expansion for the face mask business; and

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

- (iii) net cash generated from financing activities of RM53.90 million, mainly due to the receipt of proceeds from private placement exercise amounting to RM57.34 million (FYE 30 April 2020: nil).

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Komarkcorp Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Abridged Prospectus are as follows:

	High RM	Low RM
<u>2022</u>		
May	0.090	0.060
June	0.075	0.060
July	0.075	0.055
August	0.075	0.055
September	0.060	0.050
October	0.060	0.045
November	0.085	0.055
December	0.080	0.055
<u>2023</u>		
January	0.060	0.050
February	0.065	0.050
March	0.080	0.050
April	0.125	0.070
Last transacted market price on 17 August 2021, being the last market day immediately prior to the first announcement of the Rights Issue with Warrants (RM)	0.115	
Last transacted market price on 25 May 2023, being the Market Day immediately prior to the ex-date for the Rights Issue with Warrants (RM)	0.075	
Last transacted market price on the LPD (RM)	0.090	

(Source: Bloomberg)

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

6. OPTION TO SUBSCRIBE FOR SHARES

As at the LPD, save as disclosed below and the Provisional Allotments as well as Excess Rights Shares with Warrants D, no option to subscribe for any securities of our Company has been granted or is entitled to be granted to any person:

- (i) 240,460,690 outstanding Warrants C as at the LPD which entitle the Warrants C holders to subscribe for 1 new Share at an exercise price of RM0.56 per Warrant C at any time until the maturity of the Warrants C on 10 January 2024, subject to the provision of the Deed Poll C; and
- (ii) under the ESOS, our Company may grant ESOS Options to subscribe for new Shares up to but not exceeding 15% of our Company's total number of issued Shares (excluding treasury shares, if any) at any point of time during the duration of 5 years from the effective date of the ESOS (i.e. 14 January 2021). The exercise price of such ESOS Options shall be determined by our Board at its discretion upon recommendation of the ESOS committee based on the 5-day VWAP of the Shares immediately prior to the date of offer with a discount of not more than 10%.

As at the LPD, our Company has up to 86,600,700 ESOS Options which may be granted pursuant to the maximum allowable amount under the ESOS and there are no ESOS Option which have been granted but not exercised. Our Company does not intend to grant any ESOS Options prior to the completion of the Rights Issue with Warrants.

7. MATERIAL CONTRACTS

Save as disclosed below, our Board confirmed that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group during the 2 years preceding the date of this Abridged Prospectus:

- (i) Outright sale and purchase agreement dated 28 October 2022 between Komark International (M) Sdn Bhd ("**Komark International**"), a wholly-owned subsidiary of our Company, and Vsolar Engineering Sdn Bhd ("**Vsolar**") for Komark International to outright purchase the roof-top solar photovoltaic panels from Vsolar at the contract price of RM1.23 million;
- (ii) Share sale agreement dated 11 August 2022 between D'Nonce Technology Bhd ("**DTB**") and General Labels and Labelling (M) Sdn Bhd ("**GLLM**") (a wholly owned subsidiary of our Company) for the disposal of 333,397 ordinary shares by GLLM to DTB, representing 99.9991% of the issued share of Komark (Thailand) Co., Ltd. ("**Komark Thailand**"), an indirect subsidiary of our Company, for the purchase consideration of RM9.10 million, which shall be fully satisfied by the allotment and issuance of 58,709,677 new shares in DTB at an issue price of RM0.155 each ("**Disposal**"). The Disposal was completed on 29 December 2022, and Komark Thailand ceased to be the subsidiary of GLLM and indirect subsidiary of our Company; and
- (iii) Sale and purchase agreement dated 3 March 2023 between GLLM and Raymond Chong How Kiat to dispose of a unit of semi-detached factory (with mezzanine office) held under Geran 391021 Lot 182594 in the Mukim of Plentong, District of Johor Bahru, State of Johor bearing postal address of No. 4, Jalan Bayu 3, Bandar Seri Alam, 81750 Masai, Johor Bahru, Johor at the purchase price of RM1.30 million.

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

8. MATERIAL LITIGATION

As at the LPD, save as disclosed below, Komarkcorp Group is not involved in any material litigation, claims or arbitration and our Board confirmed that there are no proceedings pending or threatened involving the Komarkcorp Group, or of any facts likely to give rise to any such proceedings:

(i) **Kuala Lumpur High Court (“High Court”) Civil Suit No. WA-23NCVC-43-05/2021 Komarkcorp v The Edge Communications Sdn Bhd (“The Edge”)**

Our Company had on 11 May 2021, filed a Writ and Statement of Claim in the High Court against The Edge for, amongst others, damages and an injunction to restrain The Edge whether by itself, its agents or servants or otherwise from publishing or causing to be published the same or similar words defamatory of our Company.

The Edge then filed its Defence on 19 July 2021. On 11 August 2021, our Company filed an application for, among others, further and better particulars in respect of the Defence and extension of time to file their Reply. On 19 August 2021, the Edge filed an application to strike out the Writ and Statement of Claim.

On 13 October 2021, both applications were dismissed by the Court with costs of RM5,000.00 payable to our Company (in respect of the striking out application) and costs of RM5,000.00 payable to The Edge (in respect of the further and better particulars application). The Court further ordered our Company to file a Reply by 27 October 2021 and had advised Parties to mediate the case.

Our Company filed its Reply on 27 October 2021 and had informed the Court that it had proposed to The Edge to mediate the case through the Malaysian Mediation Centre as this would allow parties to explore their positions better. However, The Edge was not agreeable to our Company’s suggestion and had proposed to mediate through the Kuala Lumpur Court Mediation Centre (“**KLCMC**”) instead.

Both our Company and The Edge failed to reach a resolution via the mediation which was fixed for 29 June 2022.

The matter is now fixed for trial for 5 days, from 5 February 2024 to 9 February 2024 before YA Puan Hayatul Akmal binti Abdul Aziz and fixed for e-Review before Puan Haslinda A. Raof on 6 September 2023 for both the solicitors of our Company and The Edge to update the court about the compliance of pre-trial directions.

Our Board is of the view that Komarkcorp has a fair chance in its claims against The Edge. In view that our Company is the claimant for this case, this litigation is not expected to result in any material adverse impact to our Group’s business operations and financial performance.

(ii) **Kuala Lumpur Industrial Court Suit No. 20.4-312/22 Chin Kim Meng (“Claimant”) v General Labels & Labelling (M) Sdn Bhd (“Respondent”)**

This is an industrial court claim brought by a former employee of the Respondent, namely Chin Kim Meng (the Claimant), against the Respondent which is a wholly-owned subsidiary of Komarkcorp.

The case is now in post-trial written submissions stage. Should the Claimant be successful in his claim, the Respondent may be required to pay up to 36 months of the employee’s wages i.e. RM173,016.00.

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

Our Board is of the view that the Respondent has a fair chance against the claim by the Claimant. In view that the damages to be awarded is unlikely to exceed RM173,016.00 if the Claimant is successful, this litigation is not expected to result in any material adverse impact to our Group's business operations and financial performance.

9. CONSENTS

- (i) The written consents of the Principal Adviser, Company Secretary, Share Registrar, Reporting Accountants, Independent Market Researcher and the Solicitor for the Rights Issue with Warrants for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.
- (ii) The written consent of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Komarkcorp at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan Malaysia during normal business hours from Monday to Friday (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:

- (i) the Constitution of our Company;
- (ii) the Undertaking referred to in **Section 3** of this Abridged Prospectus;
- (iii) the IMR Report referred to in **Section 7.3** of this Abridged Prospectus;
- (iv) the material contracts referred to in **Section 7** of **Appendix I** of this Abridged Prospectus;
- (v) the relevant cause papers in respect of the material litigation referred in **Section 8** of **Appendix I** of this Abridged Prospectus;
- (vi) the letters of consent referred to in **Section 9** of **Appendix I** of this Abridged Prospectus; and
- (vii) the Deed Poll D.

11. RESPONSIBILITY STATEMENT

- (i) Our Board has seen and approved this Abridged Prospectus, together with the NPA and RSF, and they collectively and individually accept full responsibility for the accuracy of the information contained therein and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.
- (ii) TA Securities, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of their knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue with Warrants.

-THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK-