

KOMARKCORP BERHAD
AND ITS SUBSIDIARIES
(Company No. 374265 - A)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE PERIOD ENDED 31ST JANUARY 2009

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with the Financial Reporting Standard (öFRSö) 134 ö Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 30 April 2008.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 April 2008 except for the adoption of the following Financial Reporting Standards (öFRSö) effective for the financial period beginning 1 May 2008:

FRS 117	Leases
FRS 140	Investment Property

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

The Group has applied the change in accounting policy in respect of leasehold land & investment property in accordance with the transitional provisions of FRS 117 FRS 140. At 1 May 2008, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and certain comparatives have been restated.

The adoption of FRS140 has resulted in a reclassification of property held for rental or long-term appreciation in value as investment properties. The Group adopted the cost model to measure all its investment properties. Under the cost model, investment property is measured at cost less accumulated depreciation and impairment losses.

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A3. Comparatives

The following comparative amounts have been restated due to the adoption of the revised FRS 117 & FRS 140:

	Previously stated RM'000	Adjustment RM'000	Restated RM'000
At 30 April 2008			
Property, plant and Equipment	145,838	(2,100)	143,378
Prepaid land lease payments	-	1,890	1,890
Investment Properties	-	210	210

A4. Audit Report

The audited report of the Group's annual financial statements for the year ended 30 April 2008 was not qualified.

A5. Seasonal or Cyclicity of Interim Operations

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

A6. Exceptional / Extraordinary Items

There were no exceptional / extraordinary items for the current financial period.

A7. Changes in Estimates

There were no changes in estimates of the amounts reported in prior financial years that have a materials effect in the current quarter.

A8. Debts and Equity Securities

During the current quarter, the company had purchased 333,200 of its own shares from the open market for total cash consideration of RM63,658.46 which inclusive the transaction costs, and this was financed by company internally generated funds. The average price paid for the shares repurchased was RM0.191 per share. These shares repurchased were held as treasury shares as at 31st January 2009 in accordance with Section 67A of the Companies Act, 1965 and stated as cost.

The company also disposed 82,100 of its treasury shares for total proceed of RM14,461.03 on 12th of December 2008.

As at 31st January 2009, the number of treasury shares held was 1,531,900 ordinary shares at total cost at RM444,126.85.

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There was no issuance and repayment of debt and equity securities and share cancellation for the current financial period to date.

A9. Dividend Paid

There was no dividend has been recommended by the Board of Directors for the period ended 31st January 2009.

A10. Segmental Information

Business Segments (31st January 2009)

	Manufacturing Of Self Adhesive Labels and Stickers and Trading Of Related Products RM -000	Manufacturing of Automatic Labelling Machineries RM -000	Elimination RM -000	Consolidated RM000
Revenue from				
External Customers	85,646	2,661	--	88,306
Inter-segment revenue	5,558	1,239	(6,797)	--
Total Revenue	<u>91,204</u>	<u>3,900</u>	<u>(6,797)</u>	<u>88,306</u>
Segment Results	<u>6,831</u>	<u>772</u>		7,603
Unallocated Expenses				(2,464)
Finance Costs				(4,806)
Share of profit of associate	<u>0</u>			<u>0</u>
Profit before Taxation				333
Income Tax Expenses				<u>(167)</u>
Net Profit for the Period				<u>166</u>

Business Segments (31st January 2008)

	Manufacturing Of Self Adhesive Labels and Stickers and Trading Of Related Products RM -000	Manufacturing of Automatic Labelling Machineries RM -000	Elimination RM -000	Consolidated RM000
Revenue from				
External Customers	82,966	4,227	--	87,193
Inter-segment revenue	--	1,744	(1,744)	--
Total Revenue	<u>82,966</u>	<u>5,971</u>	<u>(1,744)</u>	<u>87,193</u>
Segment Results	<u>7,822</u>	<u>1,268</u>		9,090
Unallocated Expenses				(2,198)
Finance Costs				(4,753)
Share of profit of associate	<u>(95)</u>			<u>(95)</u>
Profit before Taxation				2,044
Income Tax Expenses				<u>(548)</u>
Net Profit for the Period				<u>1,496</u>

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Geographical Segments (31 January 2009)

	Malaysia RMø000	Overseas RMø000	Elimination RMø000	Consolidated RMø000
Revenue from				
External Customers	37,174	51,133	--	88,306
Inter-segment revenue	<u>5,006</u>	<u>1,791</u>	<u>(6,797)</u>	--
Total Revenue	<u>42,180</u>	<u>52,924</u>	<u>(6,797)</u>	<u>88,306</u>
Segment Results	<u>4,057</u>	<u>3,546</u>		7,603
Unallocated expenses				(2,464)
Finance Costs				(4,806)
Share of profit				
of associate	<u>0</u>			<u>0</u>
Profit before Taxation				333
Income Tax Expense				<u>(167)</u>
Net Profit for the Period				<u>166</u>

Geographical Segments (31 January 2008)

	Malaysia RMø000	Overseas RMø000	Elimination RMø000	Consolidated RMø000
Revenue from				
External Customers	42,477	44,716	--	87,193
Inter-segment revenue	<u>5,828</u>	<u>985</u>	<u>(6,813)</u>	--
Total Revenue	<u>48,305</u>	<u>45,701</u>	<u>(6,813)</u>	<u>87,193</u>
Segment Results	<u>3,589</u>	<u>5,501</u>		9,090
Unallocated expenses				(2,198)
Finance Costs				(4,753)
Share of profit				
of associate	<u>(95)</u>			<u>(95)</u>
Profit before Taxation				2,044
Income Tax Expense				<u>(548)</u>
Net Profit for the Period				<u>1,496</u>

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A11. Property, Plant And Equipment

During the period, the Group does not have any revaluations policy on landed properties.

A12. Material Events Subsequent to the Interim Period

There were no material events subsequent to the quarter ended 31st January 2009.

A13. Changes in the Composition of the Group

There were no changes in the composition of the group.

A14. Change in Contingent Liabilities or Contingent Assets

As at 31st January 2009, the group has given guarantee of RM114.5 million to banks and financial institutions for its subsidiaries banking facilities.

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING
REQUIREMENTS**

B1. Review of Performance

The Group revenue for the reported quarter of RM24.8 million was RM5.2 million lower than a revenue of RM30.0 million reported in the corresponding quarter of previous year. The Group reported a loss before taxation of RM1,613,000 and a loss after taxation of RM810,000 for this quarter as compared to RM1,726,000 and RM1,372,000 profits reported respectively in the corresponding quarter previous year. This was due to profit margin before taxation declined by approximately 10% as compared to previous year corresponding quarter as a result of the lower utilization of the production capacity and higher material costs incurred.

B2. Comparison with the Preceding Quarter's Results

The Group achieved a revenue of RM24.8 million with a loss before taxation of RM1,613,000 and a loss after taxation of RM810,000 for the current quarter as compared to a revenue of RM32.3 million, profit before taxation of RM928,000 and profit after taxation RM403,000 respectively reported in the preceding quarter ended 31st October 2008. The lower profit was mainly due to the lower utilization of production capacity.

B3. Current Year Prospects

The directors are cautiously optimistic to overcome the impacts of the global financial crisis and economy slow down which might affect performance of the group in the remaining quarter of the financial year by imposing various cut cost measures and tightening credit control policies.

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B4. Variance of Actual Profit From Forecast

The profit forecast or profit guarantee is not applicable for this announcement.

B5. Taxation

	Current Quarter <u>RMø000</u>
Income tax	
- Current expenses	(804)
	=====

The Group's tax charge for the period relates to the profits of certain subsidiary. This tax charge cannot be offset against losses or tax allowances of other subsidiaries for tax purposes.

B6. Profit /(Loss) on Sale of Unquoted Investments and/or Properties

There is no sale of unquoted investments and/or properties for the current financial period to date.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

B7. Quoted Investments

The investment in quoted shares as at end of the reporting period is:-

Long Term	RMø000
Quoted Shares, at cost	4
	===
Quoted Shares, at market value	2
	===

B8. Status of Corporate Proposal

There is no corporate proposal for the current quarter.

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B9. Group Borrowings and Debt Securities

Group borrowings and debt securities as at the end of the reporting period are as follows:

	<u>P/E Jan09</u>	<u>Y/E Apr08</u>
	<u>RM000</u>	<u>RM000</u>
<u>Short Term Borrowings</u>		
Bankers' Acceptance - Secured	14,412	16,980
- Unsecured	7,471	13,773
Trust Receipts - Secured	1,806	--
- Unsecured	346	--
Term Loan - Secured	7,385	1,283
- Unsecured	--	--
Bank overdraft - Secured	16,877	16,884
- Unsecured	1,195	1,846
Short Term Loan - Secured	--	2,707
- Unsecured	6,340	5,866
Finance Lease and Hire Purchase Liabilities	<u>6,096</u>	<u>3,468</u>
	<u>61,928</u>	<u>62,807</u>
<u>Long Term Borrowings</u>		
Term Loans - Secured	14,694	20,445
- Unsecured	--	1,166
Finance Lease and Hire Purchase Liabilities	<u>13,685</u>	<u>8,213</u>
	<u>28,379</u>	<u>29,824</u>

All borrowings are in Ringgit Malaysia except for USD1,237,312, RMB39,077,738 Thai Baht 88,370,274 and SGD25,203 (equivalent of RM34,271,816).

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

B10. Financial Instruments with Off Balance Sheet Risks

The Group does not have any material financial instruments with off balance sheet risk as at 24th March 2009 for the period ended 31st January 2009.

B11. Material Litigation

There is no pending material litigation as at 24th March 2009 for the period ended 31st January 2009.

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B12. Dividend Paid

There was no dividend has been recommended by the Board of Directors for the period ended 31st January 2009.

B13. Earnings Per Share (EPS)

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders of the parent and the weighted average number of ordinary shares in issue during the period.

	<u>Current Quarter</u>
Profit attributable to Shareholders	(RM809,958)
Weighted Average Number of Ordinary Shares	79,910,810
Basic Earning Per Share (Sen)	(1.01)

The diluted earning per ordinary shares is not computed as the exercise of warrant is anti-dilutive. As the exercise price of the warrant is higher than the average market value of the ordinary share.