

**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 31<sup>st</sup> July 2009**

**A1. Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with the Financial Reporting Standard (“FRS”) 134 – 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 2009.

**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 2009 except for the adoption of the following Financial Reporting Standards (“FRS”) which are not yet effective but are relevant to the group and company:

		<u>Effective For Financial Periods Beginning on or after</u>
FRS 8	Operating Segments	1 <sup>st</sup> July 2009
Amendments toFRS 1	First-time Adoption of Financial Reporting Standards	1 <sup>st</sup> January 2010
FRS 7	Financial Instruments: Disclosures	1 <sup>st</sup> January 2010
FRS123	Borrowing Costs	1 <sup>st</sup> January 2010
Amendments ToFRS127	Consolidated and Separate Financial Statements:Cost of an Investment in a Subsidiary, Jointly Controlled Entity Or Associate	1 <sup>st</sup> January 2010
FRS 139	Financial Instruments: Recognition And Measurement	1 <sup>st</sup> January 2010

The above FRSs are expected to have no significant impact on the financial statements of the group and the company upon their initial application. The group and the company are not required to disclose the possible impact of applying FRS 7 and FRS 139 on these financial statement by virtue of exemption provided under this FRS.

The new FRSs above are expected to have no significant impact on the financial statements of the group upon their initial application except for the changes in disclosures arising from the adoption of FRS8.

**A3. Audit Report**

The audited report of the Group’s annual financial statements for the year ended 30 April 2009 was not qualified.

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**A4. Seasonal or Cyclicity of Interim Operations**

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

**A5. Exceptional / Extraordinary Items**

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

**A6. 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.

**A7. Debts and Equity Securities**

During the current quarter, the company had purchased 1,000 of its own shares from the open market for total cash consideration of RM271.01 which inclusive the transaction costs, and this was financed by company internally generated funds. The average price paid for the shares repurchased was RM0.27 per share. These shares repurchased were held as treasury shares as at 31<sup>th</sup> July 2009 in accordance with Section 67A of the Companies Act, 1965 and stated as cost.

As at 31<sup>th</sup> July 2009, the number of treasury shares held was 1,532,900 ordinary shares at total cost at RM436,061.16.

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

**A8. Dividend Paid**

There was no dividend has been recommended by the Board of Directors for the period ended 31<sup>th</sup> July 2009.

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**A9. Segmental Information**

**Business Segments (31<sup>st</sup> July 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 RM'000
Revenue from				
External Customers	28,413	242	--	28,655
Inter-segment revenue	2,058	206	(2,264)	--
Total Revenue	<u>30,471</u>	<u>448</u>	<u>(2,264)</u>	<u>28,655</u>
Segment Results	<u>2,264</u>	<u>122</u>		2,386
Unallocated Expenses				(677)
Finance Costs				(1,434)
Share of profit of associate	<u>0</u>			<u>0</u>
Profit before Taxation				275
Income Tax Expenses				<u>(97)</u>
Net Profit for the Period				<u>178</u>

**Business Segments (31<sup>st</sup> July 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 RM'000
Revenue from				
External Customers	29,228	1,976	--	31,204
Inter-segment revenue	2,207	324	(2,531)	--
Total Revenue	<u>31,435</u>	<u>2,300</u>	<u>(2,531)</u>	<u>31,204</u>
Segment Results	<u>2,509</u>	<u>863</u>	--	3,372
Unallocated Expenses				(831)
Finance Costs				(1,523)
Share of loss of associate	<u>(0)</u>			<u>(0)</u>
Profit before Taxation				1,018
Income Tax Expenses				<u>(445)</u>
Net Profit for the Period				<u>573</u>

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**Geographical Segments (31<sup>st</sup> July 2009)**

	Malaysia RM'000	Overseas RM'000	Elimination RM'000	Consolidated RM'000
Revenue from				
External Customers	10,688	17,967	--	28,655
Inter-segment revenue	2,157	107	(2,264)	--
Total Revenue	<u>12,845</u>	<u>18,074</u>	<u>(2,264)</u>	<u>28,655</u>
Segment Results	<u>1,016</u>	<u>1,370</u>		2,386
Unallocated expenses				(677)
Finance Costs				(1,434)
Share of profit of associate	<u>0</u>			<u>0</u>
Profit before Taxation				275
Income Tax Expense				<u>(97)</u>
Net Profit for the Period				<u>178</u>

**Geographical Segments (31<sup>st</sup> July 2008)**

	Malaysia RM'000	Overseas RM'000	Elimination RM'000	Consolidated RM'000
Revenue from				
External Customers	15,682	15,522	--	31,204
Inter-segment revenue	1,393	1,138	(2,531)	--
Total Revenue	<u>17,075</u>	<u>16,660</u>	<u>(2,531)</u>	<u>31,204</u>
Segment Results	<u>1,859</u>	<u>1,513</u>		3,372
Unallocated expenses				(831)
Finance Costs				(1,523)
Share of loss of associate	<u>(0)</u>			<u>(0)</u>
Profit before Taxation				1,018
Income Tax Expense				<u>(445)</u>
Net Profit for the Period				<u>573</u>

**A10. Property, Plant And Equipment**

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

**A11. Material Events Subsequent to the Interim Period**

There were no material events subsequent to the quarter ended 31<sup>st</sup> July 2009.

**A12. Changes in the Composition of the Group**

There were no changes in the composition of the group.

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**A13. Change in Contingent Liabilities or Contingent Assets**

As at 31<sup>st</sup> July 2009, the group has given guarantee of RM124.5 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 RM28.6 million was lower than revenue of RM31.2 million reported in the corresponding quarter of previous year. The Group reported a profit before taxation of RM275,520 and a profit after taxation of RM178,066 for this quarter as compared to RM1.018million and RM573,000 reported respectively in the corresponding quarter previous year. This lower profit before tax recorded as compared to the corresponding quarter is due to decline in profit margin as a result of lower utilization of production capacity.

**B2. Comparison with the Preceding Quarter's Results**

The Group achieved a revenue of RM28.6 million with a profit before taxation of RM275,520 and a profit after taxation of RM178,066 for the current quarter as compared to a revenue of RM29.4 million, a profit before taxation of RM567,000 and profit after taxation RM192,000 respectively reported in the preceding quarter ended 30<sup>th</sup> April 2009. The lower profit recorded was mainly due to lower utilization of production capacity.

**B3. Current Year Prospects**

The directors expect the group performance in the coming quarters to be remained challenging.

**B4. Variance of Actual Profit From Forecast**

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

**B5. Taxation**

	<b>Current Quarter</b> <u>RM'000</u>
Income tax	
- Current expenses	97
	<u>=====</u>

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.

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**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	RM' 000
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.

**B9. Group Borrowings and Debt Securities**

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

	<u>Y/E July'09</u>	<u>Y/E Apr'09</u>
	<u>RM'000</u>	<u>RM'000</u>
<b><u>Short Term Borrowings</u></b>		
Revolving Credit - Secured	250	--
Bankers' Acceptance - Secured	14,291	17,675
- Unsecured	2,972	1,633
Trust Receipts - Secured	2,640	--
- Unsecured	424	--
Term Loan - Secured	2,079	2,220
- Unsecured	1,546	--
Bank overdraft - Secured	16,601	17,124
- Unsecured	1,214	2,483
Short Term Loan - Secured	--	1,044
- Unsecured	10,312	9,662
Finance Lease and Hire Purchase Liabilities	<u>10,248</u>	<u>9,564</u>
	<u>62,577</u>	<u>61,405</u>
<b><u>Long Term Borrowings</u></b>		
Term Loans - Secured	16,879	17,461
- Unsecured	2,466	3,033
Finance Lease and Hire Purchase Liabilities	<u>7,695</u>	<u>8,480</u>
	<u>27,040</u>	<u>28,974</u>

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All borrowings are in Ringgit Malaysia except for USD910,128, RMB44,697,795 Thai Baht 87,022,433 and SGD19,332 (equivalent of RM35,275,211).

**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 28<sup>th</sup> September 2009 for the period ended 31<sup>st</sup> July 2009.

**B11. Material Litigation**

There is no pending material litigation as at 28<sup>th</sup> September 2009 for the period ended 31<sup>st</sup> July 2009.

**B12. Dividend Paid**

There was no dividend has been recommended by the Board of Directors for the period ended 31<sup>st</sup> July 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	RM178,066
Weighted Average Number of Ordinary Shares	79,741,277
Basic Earning Per Share (Sen)	0.22

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.