

**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> October 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</u> <u>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, there was no repurchase and resale of debt and equity securities in accordance with Section 67A of the Companies Act, 1965 and stated as cost.

As at 31<sup>th</sup> October 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>st</sup> October 2009.

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**A9. Segmental Information**

**Business Segments (31<sup>st</sup> October 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	56,178	291	--	56,469
Inter-segment revenue	3,859	542	(4,401)	--
Total Revenue	<u>60,037</u>	<u>833</u>	<u>(4,401)</u>	<u>56,469</u>
Segment Results	<u>5,333</u>	<u>124</u>		5,457
Unallocated Expenses				(1,593)
Finance Costs				(2,866)
Share of profit of associate	<u>0</u>			<u>0</u>
Profit before Taxation				998
Income Tax Expenses				<u>(231)</u>
Net Profit for the Period				<u>767</u>

**Business Segments (31<sup>st</sup> October 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	61,387	2,158	--	63,345
Inter-segment revenue	3,600	1,116	(4,716)	--
Total Revenue	<u>64,987</u>	<u>3,274</u>	<u>(4,716)</u>	<u>63,545</u>
Segment Results	<u>6,152</u>	<u>652</u>	--	6,804
Unallocated Expenses				(1,640)
Finance Costs				(3,218)
Share of loss of associate	<u>(0)</u>			<u>(0)</u>
Profit before Taxation				1,946
Income Tax Expenses				<u>(970)</u>
Net Profit for the Period				<u>976</u>

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

	Malaysia RM'000	Overseas RM'000	Elimination RM'000	Consolidated RM'000
Revenue from				
External Customers	18,365	38,104	--	56,469
Inter-segment revenue	4,217	184	(4,401)	--
Total Revenue	<u>22,582</u>	<u>38,288</u>	<u>(4,401)</u>	<u>56,469</u>
Segment Results	<u>2,004</u>	<u>3,453</u>		5,457
Unallocated expenses				(1,593)
Finance Costs				(2,866)
Share of profit of associate	<u>0</u>			<u>0</u>
Profit before Taxation				275
Income Tax Expense				<u>(231)</u>
Net Profit for the Period				<u>767</u>

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

	Malaysia RM'000	Overseas RM'000	Elimination RM'000	Consolidated RM'000
Revenue from				
External Customers	25,997	37,548	--	63,545
Inter-segment revenue	3,241	1,475	(4,716)	--
Total Revenue	<u>29,238</u>	<u>39,023</u>	<u>(4,716)</u>	<u>63,545</u>
Segment Results	<u>3,730</u>	<u>3,074</u>		6,804
Unallocated expenses				(1,640)
Finance Costs				(3,218)
Share of loss of associate	<u>(0)</u>			<u>(0)</u>
Profit before Taxation				1,946
Income Tax Expense				<u>(970)</u>
Net Profit for the Period				<u>976</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> October 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> October 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**

For the current quarter ended 31<sup>st</sup> October 2009, the Group recorded revenue of RM27.8 million, representing a decrease of RM4.531 million or approximately 14% on a quarter-to-quarter basis. The decrease in turnover is mainly attributable to the current global financial and economic crisis.

The Group reported a profit before taxation ("PBT") of RM0.723 million for the current quarter ended 31<sup>st</sup> October 2009 compared to PBT of RM0.928 million recorded in the corresponding quarter ended 31<sup>st</sup> October 2008, representing a decrease of RM0.196 million or 21.12%. The decrease in PBT was mainly attributable to lower utilization of production capacity

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

The Group reported a higher PBT of RM0.723 million for the current quarter ended 31<sup>st</sup> October 2009 compared to PBT of RM0.275 million recorded in the preceding quarter ended 31<sup>st</sup> July 2009. The increase in PBT was mainly attributable to the increase in profit margin as a result of various cost cutting measures.

**B3. Current Year Prospects**

The directors expect the group performance in the coming quarters to remain 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	<b>134</b>
	=====

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 Oct'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	1,000	--
Bankers' Acceptance - Secured	14,078	17,675
- Unsecured	5,536	1,633
Trust Receipts - Secured	2,053	--
- Unsecured	390	--
Term Loan - Secured	1,981	2,220
- Unsecured	998	--
Bank overdraft - Secured	16,031	17,124
- Unsecured	1,010	2,483
Short Term Loan - Secured	--	1,044
- Unsecured	9,990	9,662
Finance Lease and Hire Purchase Liabilities	<u>9,559</u>	<u>9,564</u>
	<u>62,626</u>	<u>61,405</u>
<b><u>Long Term Borrowings</u></b>		
Term Loans - Secured	15,284	17,461
- Unsecured	2,216	3,033
Finance Lease and Hire Purchase Liabilities	<u>7,105</u>	<u>8,480</u>
	<u>24,605</u>	<u>28,974</u>

All borrowings are in Ringgit Malaysia except for USD845,434, RMB41,635,911 Thai Baht 81,792,214 and SGD16,396 (equivalent of RM32,042,406).

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**B10. Financial Instruments with Off Balance Sheet Risks**

The Group does not have any material financial instruments with off balance sheet risk as at 14<sup>th</sup> December 2009 for the period ended 31<sup>st</sup> October 2009.

**B11. Material Litigation**

There is no pending material litigation as at 14<sup>th</sup> December 2009 for the period ended 31<sup>st</sup> October 2009.

**B12. Dividend Paid**

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

	<b><u>Current Quarter</u></b>
Profit attributable to Shareholders	RM588,801
Weighted Average Number of Ordinary Shares	79,741,277
Basic Earning Per Share (Sen)	0.74

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.