

**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> January 2010**

**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.

**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> January 2010**

**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 100 of its own shares from the open market for total cash consideration of RM73.01 which inclusive the transaction costs, and this was financed by company internally generated funds. The average price paid for the shares repurchased was RM0.320 per share. These shares repurchased were held as treasury shares as at 31<sup>st</sup> January 2010 in accordance with Section 67A of the Companies Act, 1965 and stated as cost.

As at 31<sup>th</sup> January 2010, the number of treasury shares held was 1,534,000 ordinary shares at total cost at RM436,134.17.

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> January 2010.

**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> January 2010**

**A9. Segmental Information**

**Business Segments (31<sup>st</sup> January 2010)**

	Manufacturing Of Self Adhesive Labels and Stickers and Trading Of Related Products	Manufacturing of Automatic Labelling Machineries	Elimination	Consolidated
	RM '000	RM '000	RM '000	RM'000
Revenue from				
External Customers	82,507	344	--	82,851
Inter-segment revenue	5,809	2,010	(7,819)	--
Total Revenue	<u>88,316</u>	<u>2,354</u>	<u>(7,819)</u>	<u>82,851</u>
Segment Results	<u>8,256</u>	<u>466</u>		8,722
Unallocated Expenses				(2,422)
Finance Costs				(4,094)
Share of profit of associate	<u>0</u>			<u>0</u>
Profit before Taxation				2,206
Income Tax Expenses				<u>(333)</u>
Net Profit for the Period				<u>1,873</u>

**Business Segments (31<sup>st</sup> January 2009)**

	Manufacturing Of Self Adhesive Labels and Stickers and Trading Of Related Products	Manufacturing of Automatic Labelling Machineries	Elimination	Consolidated
	RM '000	RM '000	RM '000	RM'000
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 loss 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>

**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> January 2010**

**Geographical Segments (31<sup>st</sup> January 2010)**

	Malaysia RM'000	Overseas RM'000	Elimination RM'000	Consolidated RM'000
Revenue from				
External Customers	27,664	55,187	--	82,851
Inter-segment revenue	7,360	459	(7,819)	--
Total Revenue	<u>35,024</u>	<u>55,646</u>	<u>(7,819)</u>	<u>82,851</u>
Segment Results	<u>3,994</u>	<u>4,728</u>		8,722
Unallocated expenses				(2,422)
Finance Costs				(4,094)
Share of profit of associate	<u>0</u>			<u>0</u>
Profit before Taxation				2,206
Income Tax Expense				<u>(333)</u>
Net Profit for the Period				<u>1,873</u>

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

	Malaysia RM'000	Overseas RM'000	Elimination RM'000	Consolidated RM'000
Revenue from				
External Customers	37,174	51,133	--	88,306
Inter-segment revenue	5,006	1,791	(6,797)	--
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 loss 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>

**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> January 2010.

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

There were no changes in the composition of the group.

**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> January 2010**

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

As at 31<sup>st</sup> January 2010, 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 RM26.4 million was higher than revenue of RM24.8 million reported in the corresponding quarter of previous year. The Group reported a profit before taxation of RM1.209million for this quarter as compared to a loss before taxation of RM1.613million in the corresponding quarter previous year. This was due to various cost cutting measures implemented by the group.

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

The Group achieved a revenue of RM26.4 million with a profit before taxation of RM1.209million for the current quarter as compared to a revenue of RM27.8 million, a profit before taxation of RM0.723million reported in the preceding quarter ended 31<sup>st</sup> October 2009. The higher profit recorded in this quarter was mainly due to various cost cutting measures implemented by the group.

**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>102</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.

**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.

**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> January 2010**

**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>As At Jan'10</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	550	--
Bankers' Acceptance - Secured	13,685	17,675
- Unsecured	8,961	1,633
Trust Receipts - Secured	959	--
- Unsecured	218	--
Term Loan - Secured	634	2,220
- Unsecured	1,500	--
Bank overdraft - Secured	16,199	17,124
- Unsecured	1,133	2,483
Short Term Loan - Secured	--	1,044
- Unsecured	9,256	9,662
Finance Lease and Hire Purchase Liabilities	<u>9,207</u>	<u>9,564</u>
	<u>62,302</u>	<u>61,405</u>
<b><u>Long Term Borrowings</u></b>		
Term Loans - Secured	14,078	17,461
- Unsecured	2,049	3,033
Finance Lease and Hire Purchase Liabilities	<u>6,417</u>	<u>8,480</u>
	<u>22,544</u>	<u>28,974</u>

All borrowings are in Ringgit Malaysia except for USD961,480, RMB37,075,796 Thai Baht 81,685,927 and SGD16,403 (equivalent of RM32,042,406).

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

**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> January 2010**

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

The Group does not have any material financial instruments with off balance sheet risk as at 29<sup>th</sup> March 2010 for the period ended 31<sup>st</sup> January 2010.

**B11. Material Litigation**

There is no pending material litigation as at 29<sup>th</sup> March 2010 for the period ended 31<sup>st</sup> January 2010.

**B12. Dividend Paid**

There was no dividend has been recommended by the Board of Directors for the period ended 31<sup>st</sup> January 2010.

**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</u></b> <b><u>Quarter</u></b>
Profit attributable to Shareholders	RM1,106,327
Weighted Average Number of Ordinary Shares	79,741,235
Basic Earning Per Share (Sen)	1.39

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.