

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

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE YEAR ENDED 30 April 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 (“Bursa”). 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 st July 2009
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards	1 st January 2010
FRS 7	Financial Instruments: Disclosures	1 st January 2010
FRS123	Borrowing Costs	1 st January 2010
Amendments to FRS127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity Or Associate	1 st January 2010
FRS 139	Financial Instruments: Recognition And Measurement	1 st 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 30 April 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 paid for the quarter ended 30 April 2010.

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A9. Segmental Information

Business Segments (30 April 2010)

	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	111,550	445	--	111,995
Inter-segment revenue	--	2,288	(2,288)	--
Total Revenue	111,550	2,733	(2,288)	111,995
Segment Results	10,856	574	--	11,430
Unallocated Expenses				(3,019)
Interest Income				82
Finance Costs				(5,686)
Share of loss of associate				--
Profit before Taxation				2,807
Income Tax Expenses				(841)
Net Profit for the Period				1,966

Business Segments (30 April 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	112,821	4,936	--	117,757
Inter-segment revenue	--	1,470	(1,470)	--
Total Revenue	112,821	6,406	(1,470)	117,757
Segment Results	8,822	1,353	--	10,175
Unallocated Expenses				(3,172)
Interest Income				76
Finance Costs				(6,204)
Share of loss of associate				--
Profit before Taxation				875
Income Tax Expenses				(528)
Net Profit for the Period				347

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Geographical Segments (30 April 2010)

	Malaysia RM'000	Overseas RM'000	Elimination RM'000	Consolidated RM'000
Revenue from				
External Customers	36,101	75,894	--	111,995
Inter-segment revenue	8,959	549	(9,508)	--
Total Revenue	<u>45,060</u>	<u>76,443</u>	<u>(9,508)</u>	<u>111,995</u>
Segment Results	<u>4,635</u>	<u>6,877</u>		11,512
Unallocated expenses				(3,019)
Finance Costs				(5,686)
Share of loss of associate	<u>(0)</u>			<u>(0)</u>
Profit before Taxation				2,807
Income Tax Expense				<u>(841)</u>
Net Profit for the Period				<u>1,966</u>

Geographical Segments (30 April 2009)

	Malaysia RM'000	Overseas RM'000	Elimination RM'000	Consolidated RM'000
Revenue from				
External Customers	47,420	70,337	--	117,757
Inter-segment revenue	6,005	2,388	(8,393)	--
Total Revenue	<u>53,425</u>	<u>72,725</u>	<u>(8,393)</u>	<u>117,757</u>
Segment Results	<u>5,031</u>	<u>5,220</u>		10,251
Unallocated expenses				(3,172)
Finance Costs				(6,204)
Share of loss of associate	<u>(0)</u>			<u>(0)</u>
Profit before Taxation				875
Income Tax Expense				<u>(528)</u>
Net Profit for the Period				<u>347</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 30 April 2010.

A12. Changes in the Composition of the Group

There were no changes in the composition of the group.

A13. Change in Contingent Liabilities or Contingent Assets

As at 30 April 2010, the group has given guarantee of RM124.5 million to banks and financial institutions for its subsidiaries banking facilities.

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

B1. Review of Performance

The Group revenue for the reported quarter of RM29.14 million remained stable as compared to the revenue of RM29.47 million reported in the corresponding quarter of previous year. The Group reported a profit before taxation of RM0.60 million for this quarter which has taken into consideration of the provision for doubtful debts and obsolete inventories totaling to RM0.18 million and RM0.42 million respectively. The higher profit before tax recorded in current quarter as compared to a profit before taxation of RM0.57 million in the corresponding quarter was mainly due to effect of various cost cutting measures implemented by the group.

B2. Comparison with the Preceding Quarter's Results

The Group achieved revenue of RM29.14 million with a profit before taxation of RM0.60 million for the current quarter as compared to revenue of RM26.40 million, a profit before taxation of RM1.21 million reported in the preceding quarter ended 31 January 2010. The lower profit recorded in this quarter was mainly due to additional in making specific provisions of doubtful debts and obsolete inventories totaling to RM0.60 million.

B3. Current Year Prospects

Barring unforeseen circumstances, the Board expects the market outlook of Asia Pacific region in the coming quarters to be positive and the orders coming in to be more encouraging as the economic crisis seems to subside and consumers have resumed retail spending.

B4. Variance of Actual Profit From Forecast

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

B5. Taxation

	Current Quarter
	<u>RM'000</u>
Income tax	
- Current expenses	507
	=====

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.

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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 Apr'10</u>	<u>Y/E Apr'09</u>
	<u>RM'000</u>	<u>RM'000</u>
<u>Short Term Borrowings</u>		
Revolving Credit - Secured	500	--
Bankers' Acceptance - Secured	13,725	17,675
- Unsecured	11,759	1,633
Trust Receipts - Secured	10	--
- Unsecured	12	--
Term Loan - Secured	515	2,220
- Unsecured	1,870	--
Bank overdraft - Secured	15,369	17,124
- Unsecured	1,169	2,483
Short Term Loan - Secured	--	1,044
- Unsecured	7,557	9,662
Finance Lease and Hire Purchase Liabilities	<u>4,797</u>	<u>9,564</u>
	<u>57,283</u>	<u>61,405</u>
<u>Long Term Borrowings</u>		
Term Loans - Secured	12,685	17,461
- Unsecured	1,474	3,033
Finance Lease and Hire Purchase Liabilities	<u>10,129</u>	<u>8,480</u>
	<u>24,288</u>	<u>28,974</u>

All borrowings are in Ringgit Malaysia except for USD630,433, RMB35,405,951 Thai Baht 75,548,567 and SGD12,274 (equivalent of RM26,087,423).

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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 28 June 2010 for the year ended 30 April 2010.

B11. Material Litigation

There is no pending material litigation as at 28 June 2010 for the year ended 30 April 2010.

B12. Dividend Paid

There was no dividend recommended by the Board of Directors for the year ended 30 April 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.

	<u>Current Quarter</u>
Profit attributable to Shareholders	RM92,961
Weighted Average Number of Ordinary Shares	79,741,235
Basic Earnings Per Share (Sen)	0.12

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.