

KOMARKCORP BERHAD
AND ITS SUBSIDIARIES
Company No.: 199601001919 (374265 - A)
Incorporated in Malaysia
INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 July 2021

(The figures have not been audited)

	Current Qtr Ended 31/07/2021 RM'000	Comparative Qtr Ended 31/07/2020 RM'000	12 months Cumulative 31/07/2021 RM'000	12 months Cumulative 31/07/2020 RM'000
Revenue	13,409	8,680	13,409	8,680
Cost of sales	(11,501)	(8,091)	(11,501)	(8,091)
Gross Profit	<u>1,908</u>	<u>589</u>	<u>1,908</u>	<u>589</u>
Other income	265	389	265	389
Employee benefits expenses	(2,195)	(1,089)	(2,195)	(1,089)
Other operating expenses	(2,391)	(1,158)	(2,391)	(1,158)
Finance costs	(190)	(221)	(190)	(221)
Loss before tax	<u>(2,603)</u>	<u>(1,490)</u>	<u>(2,603)</u>	<u>(1,490)</u>
Income tax expense	(13)	(78)	(13)	(78)
Loss after tax	<u>(2,616)</u>	<u>(1,568)</u>	<u>(2,616)</u>	<u>(1,568)</u>
Other Comprehensive Income				
Transfer from warrant reserve upon expiry of warrants	-	-	-	-
Gain on revaluation	-	-	-	-
Deferred tax on revaluation gain	-	-	-	-
Deferred tax on gain of defined benefit plan	-	-	-	-
Fair value gain on investment in equity fund	-	-	-	-
Remeasurement gain on defined benefit plan	-	-	-	-
Exchange difference on translating foreign operations	13	151	13	151
	<u>13</u>	<u>151</u>	<u>13</u>	<u>151</u>
Total Comprehensive Loss for the period	<u>(2,603)</u>	<u>(1,417)</u>	<u>(2,603)</u>	<u>(1,417)</u>
Loss attributable to:				
Equity holders of the parent	(2,652)	(1,568)	(2,652)	(1,568)
Non-controlling interests	36	-	36	-
	<u>(2,616)</u>	<u>(1,568)</u>	<u>(2,616)</u>	<u>(1,568)</u>
Total Comprehensive Loss attributable to:				
Equity holders of the parent	(2,639)	(1,417)	(2,639)	(1,417)
Non-controlling interests	36	-	36	-
	<u>(2,603)</u>	<u>(1,417)</u>	<u>(2,603)</u>	<u>(1,417)</u>
Basic Losses per Ordinary Share (sen)	(0.76)	(0.76)	(0.76)	(0.76)
Diluted Losses per Ordinary Share (sen)	(0.45)	N/A	(0.45)	N/A

This statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

KOMARKCORP BERHAD
AND ITS SUBSIDIARIES
Company No. : 199601001919 (374265 - A)
Incorporated in Malaysia
INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2021

(The figures have not been audited)

	AS AT 31/07/2021 RM'000	AS AT 30/04/2021 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	71,061	66,018
Right of Use Assets	596	703
Deferred Tax Assets	112	110
	<u>71,769</u>	<u>66,831</u>
Current Assets		
Inventories	9,549	5,782
Trade and Other Receivables	19,115	14,542
Tax Recoverable	112	93
Cash and Bank Balances	39,043	39,909
	<u>67,819</u>	<u>60,326</u>
Total Assets	<u>139,588</u>	<u>127,157</u>
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share Capital	133,099	120,166
Treasury Shares, at cost	(4)	(4)
Reserves	(24,316)	(21,677)
	<u>108,779</u>	<u>98,485</u>
Non Controlling Interest	87	51
Total Equity	<u>108,866</u>	<u>98,536</u>
Non-current liabilities		
Bank Borrowings	6,787	7,562
Leases Obligation	-	262
Post Employment Benefits	1,132	1,138
Deferred tax liabilities	479	477
	<u>8,398</u>	<u>9,439</u>
Current Liabilities		
Trade and Other Payables	16,008	12,446
Leases Obligation	627	473
Bank Borrowings	5,163	5,750
Taxation	526	513
	<u>22,324</u>	<u>19,182</u>
Total Liabilities	<u>30,722</u>	<u>28,621</u>
Total Equity And Liabilities	<u>139,588</u>	<u>127,157</u>
Net Assets per Share (RM)	0.23	0.17

This statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**
Company No.: 199601001919 (374265 - A)
Incorporated in Malaysia
INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statements of Changes in Equity
For the period ended 31 July 2021
(The figures have not been audited)

	Attributable to Equity Holders of the Parent							Non	Total		
	Share Capital RM'000	Treasury Shares RM'000	Non- distributable				Distributable	Total	Controlling Interest RM'000	Equity RM'000	
			General Reserve RM'000	Translation Reserve RM'000	Revaluation Surplus on PPE RM'000	Capital Reserve RM'000	Warrant Reserve RM'000				Accumulated Losses RM'000
At 1st May 2021	120,166	(4)	361	633	15,274	33,882	-	(71,827)	98,485	51	98,536
Issuance of ordinary shares pursuant to:											
- private placement	12,933	-	-	-	-	-	-	-	12,933	-	12,933
Share issue expenses	-	-	-	-	-	-	-	-	-	-	-
Warrant exercised	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	13	-	-	-	(2,652)	(2,639)	36	(2,603)
As at 31st July 2021	133,099	(4)	361	646	15,274	33,882	-	(74,479)	108,779	87	108,866
At 1st May 2020	62,789	(4)	361	659	15,274	33,882	-	(56,031)	56,930		56,930
Total comprehensive income/(loss) for the period	-	-	-	(26)	-	-	-	(15,796)	(15,822)	51	(15,771)
Issuance of ordinary shares pursuant to:											
- private placement	59,208	-	-	-	-	-	-	-	59,208	-	59,208
Share issue expenses	(1,866)	-	-	-	-	-	-	-	(1,866)	-	(1,866)
Warrant exercised	35	-	-	-	-	-	-	-	35	-	35
As at 30th April 2021	120,166	(4)	361	633	15,274	33,882	-	(71,827)	98,485	51	98,536

This statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

KOMARKCORP BERHAD
AND ITS SUBSIDIARIES
Company No.: 199601001919 (374265 - A)
Incorporated in Malaysia
INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 July 2021

(The figures have not been audited)

	12 months ended	
	31/07/2021	31/07/2020
	RM'000	RM'000
Cash Flows from Operating Activities		
Loss Before Taxation	(2,603)	(1,490)
Adjustments for:		
Allowance for slow moving inventories	(9)	15
Amortisation of right-of-use assets	145	-
Allowance for provision for doubtful debts	-	20
Depreciation of property, plant and equipment	1,124	1,268
Unrealised loss/(gain) on foreign exchange, net	317	(65)
Interest expense	190	221
Interest income	(147)	(9)
Inventories written off	452	-
Reversal of expected credit losses	(11)	(8)
Reversal of provision for gratuity payment	-	(638)
Gain on disposal of property, plant and equipment	(28)	-
	<hr/>	<hr/>
Operating loss before working capital changes	(570)	(686)
Decrease in inventories	(4,210)	45
(Decrease)/increase in receivables	(4,562)	87
Increase in payables	3,263	596
	<hr/>	<hr/>
Cash Used in Operations	(6,079)	42
Income Taxes Paid	(31)	-
Interest Paid	(190)	(221)
Interest Received	147	9
	<hr/>	<hr/>
Net Cash Used in Operating Activities	(6,153)	(170)

KOMARKCORP BERHAD
AND ITS SUBSIDIARIES
Company No.: 199601001919 (374265 - A)
Incorporated in Malaysia
INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

For the period ended 31 July 2021

(The figures have not been audited)

	12 months ended	
	31/07/2021	31/07/2020
	RM'000	RM'000
Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(6,167)	(21)
Proceeds from disposal of assets	28	-
	<u>(6,139)</u>	<u>(21)</u>
Net Cash Used in Investing Activities		
Cash Flows from Financing Activities		
Drawdown of Term loan and other facilities	-	895
Proceeds from private placement	12,933	-
Repayment of lease liabilities	(146)	(118)
Repayment of Term Loans and other Borrowings	(891)	(833)
	<u>11,896</u>	<u>(56)</u>
Net Cash Generated from Financing Activities		
Net Increase/(Decrease) in Cash and Cash Equivalents	(396)	(247)
Effect of exchange rate changes	13	68
Cash and Cash Equivalents at Beginning of Period	36,839	417
	<u>36,456</u>	<u>238</u>
Cash and Cash Equivalents at End of Period	(i) <u>36,456</u>	<u>238</u>

(i) Cash and Cash Equivalents

Cash and cash equivalents included in the cash flow statements comprise the following:-

<u>Continuing Operations</u>	RM' 000	RM' 000
Cash and Bank Balances	39,043	2,926
Less : Deposits pledged with licensed institutions	(691)	(845)
Bank Overdrafts	(1,896)	(1,843)
	<u>36,456</u>	<u>238</u>

This statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 and Appendix 9B of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 April 2020 which were prepared under Malaysian Financial Reporting Standards (“MFRS”). These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2020.

A2. Changes in Accounting Policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 30 April 2020, except for the adoption of the following new MFRS, amendments to MFRSs and IC Interpretation that are effective for the financial statements effective from 1 May 2021, as disclosed below:

The accounting policies adopted are consistent with those of the previous financial year, except in the current period, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 May 2021.

Description	Effective for annual periods beginning on or after
Amendment to MFRS16: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform – Phase 2	1 January 2021

The adoption of these amendments did not have any material effect on the financial performance or position of the Group and of the Company.

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

A2. Changes in Accounting Policies (contd.)

Standards Issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MF RS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018- 2020	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred

A3. Audit Report

The audit report for the financial statements of the Group for the financial year ended 30 April 2021 was not subject to any qualification.

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 or extraordinary items for the current quarter except as disclosed in the notes to this report.

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

A6. Changes in Estimates

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

A7. Debts and Equity Securities

During the current quarter, the Company increased its issued and paid-up ordinary share capital by way of issuance of 96,223,000 ordinary shares of RM0.1344 each pursuant to the Private Placement.

As at 31 July 2021, the issued and paid up ordinary share capital of the Company was RM133,098,535. The details were as follows:-

Issued and Paid up Share Capital	Unit of Ordinary Share	RM'000
As at 1 May 2021	481,133,548	120,166
Issuance of share pursuant to private placement	96,223,000	12,933
As at 31 July 2021	577,356,548	133,099

The number of treasury shares held were 18,000 ordinary shares at a total cost of RM3,547. There was no share buy-back during the current quarter.

Save for the above, there was no other issuance, cancellation, resale and repayments of debts and equity securities for the current quarter.

A8. Dividend Paid

No dividend was proposed or paid during the current quarter.

A9. Segmental Information

The Group's principal activities are involved in manufacturing self-adhesive labels and OPP roll-fed and shrink sleeves and other related products for large global and small-medium customers in Malaysia, Thailand, Singapore and Indonesia and manufacturing of disposable surgical face masks.

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

A9. Segmental Information (contd.)

The Group has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarized as follows:

The Group's reportable segments were identified as follows:

- (i) Label and Packaging – manufacturing of self-adhesive stickers and trading of related products
- (ii) Mask – manufacturing of disposable surgical face mask and protective apparels

<u>3 months ended</u> <u>31 July 2021</u>	Label and			Consolidation
	Packaging	Mask	Elimination	
	RM'000	RM'000	RM'000	RM'000
Revenue	12,279	3,000	(1,870)	13,409
Loss				(1,723)
Unallocated Expenses				(837)
Interest Income				147
Finance Costs				(190)
Loss before taxation				(2,603)
Income Tax Expenses				(13)
Loss for the period				(2,616)

- * There are no comparative figures for business segment reporting as Mask Division commenced its operation in 3rd Quarter of 2021.

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

A9. Segmental Information (contd.)

Geographical segment

The Group's business is conducted in Malaysia, Singapore, Thailand and Others. The reportable segments were identified as below:-

<u>3 months ended</u>	Malaysia	Singapore	Thailand	Others	Elimination	Consolidation
<u>31 July 2021</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	9,403	1,683	3,932	261	(1,870)	13,409
Loss						(1,723)
Unallocated Expenses						(837)
Interest Income						147
Finance Costs						(190)
Loss before taxation						(2,603)
Income Tax Expenses						(13)
Loss for the period						(2,616)

<u>3 months ended</u>	Malaysia	Singapore	Thailand	Others	Elimination	Consolidation
<u>31 July 2020</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	3,773	1,557	4,045	297	(992)	8,680
Loss						(698)
Unallocated Expenses						(580)
Interest Income						9
Finance Costs						(221)
Loss before taxation						(1,490)
Income Tax Expenses						(78)
Loss for the period						(1,568)

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

A10. Property, Plant and Equipment

The revaluation of land and buildings have been brought forward, without any amendment to the previous annual financial statement.

A11. Material Events Subsequent to the Interim Period

There were no material events subsequent to the quarter ended 31 July 2021 except as disclosed in this report.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A13. Change in Contingent Liabilities or Contingent Assets

As at 31 July 2021, the Company has given corporate guarantee of RM11.95 million to banks and financial institutions for banking facilities extended to its subsidiaries.

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

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

B1. Review of Performance

Performance of current quarter against the preceding year corresponding quarter

	Individual Period (1 st Quarter)		Changes RM'000	Cumulative Year		Changes RM'000
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Quarter	
	31/07/2021	31/07/2020		31/07/2021	31/07/2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	13,409	8,680	4,729	13,409	8,680	4,729
Loss Before Interest and Tax	(2,413)	(1,269)	(1,144)	(2,413)	(1,269)	(1,144)
Loss Before Tax	(2,603)	(1,490)	(1,113)	(2,603)	(1,490)	(1,113)
Loss After Tax	(2,616)	(1,568)	(1,048)	(2,616)	(1,568)	(1,048)
Loss Attributable to Holders of the Parent	(2,652)	(1,568)	(1,084)	(2,652)	(1,568)	(1,084)

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

B1. Review of Performance (contd.)

Analysis of Quarters Performance

For the current quarter ended 31 July 2021, the Group recorded a revenue of RM13.409 million compared to preceding year corresponding quarter of RM8.680 million; an increase of RM4.729 million. The increase in revenue was mainly contributed by the revenue generated from Mask Division which started its operation in 3rd Quarter of 2021.

For the current quarter under review, the Group recorded a loss before tax of RM2.603 million compared to a loss before tax of RM1.490 million for the preceding year corresponding quarter. Lower loss recorded in preceding year corresponding quarter was mainly due to the reversal of the provision of gratuity last year.

B2. Comparison with the Preceding Quarter's Results

	Current Quarter	Immediate	Changes
	31/07/2021	Preceding Quarter	
	RM'000	30/04/2021	RM'000
Revenue	13,409	10,967	2,442
Loss Before Interest and Tax	(2,413)	(7,959)	5,546
Loss Before Tax	(2,603)	(8,247)	5,644
Loss After Tax	(2,616)	(8,308)	5,692
Loss Attributable to Ordinary Equity Holders	(2,652)	(8,244)	5,592

The Group recorded a revenue of RM13.409 million as compared to RM10.967 million for the preceding quarter, representing an increase of RM2.442 million or 22.27%.

The Group recorded loss before tax of RM2.603 million compared to the loss before tax of RM8.247 million for the preceding quarter. Higher loss recorded in preceding quarter was mainly due to amortization of goodwill and higher operational costs incurred.

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

B3. Commentary of Prospects

Growth of the Malaysian economy is expected to recover in 2021. However, Malaysia's economy is projected to grow by 4.5% in 2021, lower than initial projections of 6.0% as a result of the slower pathway in subduing the pandemic and slower than expected vaccine rollout, according to the "Malaysia Economic Monitor June 2021: Weathering the Surge" publication issued by the World Bank.

The Group anticipates the economic landscape for consumer packaging and printing services industry to remain challenging in the near future. As such, moving forward, the Group will be focusing on developing the face mask business in order to cushion any adverse impacts from the consumer packaging and printing services industry.

For the face mask business, the Group plans to gradually expand the production capacity of its face mask manufacturing operations up to 102 manufacturing lines for 3-ply face masks and 26 manufacturing lines for respirator face mask by 2023.

The Group will also plan to streamline its manufacturing processes to reduce the higher operating costs and focus in hiring competent procurement personnel to source for good quality raw material at a reasonable price in order to achieve a sustainable profit for its business.

The Group believes that the synergies between both business segments can be leveraged upon to create distinctive opportunities for growth and expansion. As such, the Group remains optimistic of its future prospects and growth in the coming financial year despite the challenging operating environment.

B4. Profit Forecast or Profit Guarantee

The Group did not announce or disclose any profit forecast or profit guarantee in a public document.

B5. Board of Directors Statement on Internal Targets

The Group did not announce or disclose any profit estimates, forecast, projections or internal management targets in a public document.

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

B6. Taxation

	Current Quarter (RM'000)	Year to date (RM'000)
Income Tax		
- Current tax expenses	(11)	(11)
- Deferred tax	(2)	(2)
Total	(13)	(13)

B7. Status of Corporate Proposal

Proposed Rights Issue with Warrants

On 18 August 2021, the Company announced that it proposed to undertake a renounceable rights issue of up to 817,817,238 new ordinary shares in Komarkcorp together with up to 272,605,748 free detachable warrants in Komarkcorp (“Warrant D”) on the basis of 3 Rights Shares together with 1 free Warrant D for every 3 existing Shares held by entitled shareholders of Komarkcorp on an entitlement date to be determined later (“Proposed Rights Issue with Warrants”).

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

B8. Status of Utilisation of Private Placement Proceeds

- (i) Pursuant to the Private Placement Exercise which was duly completed upon the subscription and listing of the 61,675,000 Placement Shares at RM0.96 each on the Main Market of Bursa Malaysia Securities Berhad with effect from 28 December 2020, the gross proceeds raised from the Private Placement Exercise was RM59,208,000 and the utilisation status as at 16 September 2021 is as set out below:-

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Intended timeframe for utilisation	Deviation amount	
				Amount RM'000	%
(i) Investment in the New Business	17,900	14,772	By 27 December 2022	-	-
(ii) Repayment of borrowings	1,423	1,423	By 27 March 2022	-	-
(iii) Working Capital	38,725	29,783	By 27 December 2022	-	-
(iv) Estimated expenses for the Proposals	1,160	1,160	Immediate	-	-

- (ii) Pursuant to the Private Placement Exercise which was duly completed upon the subscription and listing of the 96,223,000 Placement Shares at RM0.1344 each on the Main Market of Bursa Malaysia Securities Berhad with effect 31 May 2021, the gross proceeds raised from the Private Placement Exercise was RM12,932,371.20 and the utilisation status as at 19 July 2021 is as set out below:-

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Intended timeframe for utilisation	Deviation amount	
				Amount RM'000	%
(i) Expansion of production capacity for the face mask manufacturing business	12,793	-	By 30 November 2022	-	-
(ii) Estimated expenses for the Proposals	139	139	Immediate	-	-

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

B9. Group's Bank Borrowings and Debt Securities

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

	As at 31 July 2021					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM'000 denomination	Foreign denomination	RM'000 denomination	Foreign denomination	RM'000 denomination
Secured						
Bank Overdraft			THB 14,753,945 Exc Rate 0.1285	1,896	THB 14,753,945 Exc Rate 0.1285	1,896
Term Loan		5,235		445		5,680
Finance Lease and Hire Purchase Liabilities	THB 4,801,206 Exc Rate 0.1285	617	THB 5,549,683 Exc Rate 0.1285	713	THB 10,350,889 Exc Rate 0.1285	1,330
Finance Lease and Hire Purchase Liabilities		935		2,109		3,044
Total		6,787		5,163		11,950

Interest rates for the hire purchase are between 2.33% to 3.99% per annum.

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

B9. Group's Bank Borrowings and Debt Securities (contd.)

	As at 30 April 2021					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM'000 denomination	Foreign denomination	RM'000 denomination	Foreign denomination	RM'000 denomination
Secured						
Bank Overdraft			THB 18,001,102 Exc Rate 0.1315	2,367		2,367
Term Loans		5,373		422		5,795
Finance Lease and Hire Purchase Liabilities	THB 5,094,919 Exc Rate 0.1315	670	THB 5,514,346 Exc Rate 0.1315	725	THB 10,609,265 Exc Rate 0.1315	1,395
Finance Lease and Hire Purchase Liabilities		1,519		2,236		3,755
		7,562		5,750		13,312

Interest rates for the hire purchase are between 2.33% to 3.99% per annum.

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

B10. Material Litigation

Writ and Statement of Claim against The Edge Communications Sdn Bhd

On 11 May 2021, The Company filed a Writ and Statement of Claim in the High Court in Kuala Lumpur against The Edge Communications Sdn Bhd for, amongst others, damages and an injunction to restrain The Edge whether by itself, its agents or servants or otherwise from publishing or causing to be published the same or similar words defamatory to the Company.

Further to the e-review case management held on 16 July 2021, The Defendant's solicitors informed the court that it has received letter of approval to operate on 5th July 2021. The court thereby instructed that the Defendant to file its defence by 19th July 2021 and a reply to be filed by the plaintiff by 2nd August 2021.

A Notice of Application and Affidavit in Support for Enclosure 8 (Further and Better Particulars Application) have been served to the Defendant on 12 August 2021. The Defendant has also served a Notice of Application for Enclosure 11 (Striking Out Application) on 23 August 2021, with the Affidavit in Support being served earlier on 19 August 2021.

In relation to the above, an e-review has been fixed for 29 September 2021. Further, Enclosure 8 and Enclosure 11 have been fixed for hearing for 13 October 2021

Save for the above, there were no other pending material litigations against the Group as at the date of this report.

B11. Dividend Payable

No dividend has been proposed or paid for the quarter ended 31 July 2021.

B12. Loss Per Share (LPS)

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

	Current Quarter
Loss attributable to Shareholders of Parent (RM)	(2,652,758)
Weighted Average Number of Ordinary Shares (unit)	346,704,158
Basic Loss Per Share (Sen)	(0.76)

**KOMARKCORP BERHAD
AND ITS SUBSIDIARIES**

Company No. : 199601001919 (374265-A)
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 JULY 2021**

B13. Notes to the Statement of Comprehensive Loss

		Period Ended	Period Ended
		July 2021	July 2020
		RM'000	RM'000
a)	Allowance for impairment losses on amount due from associated company	-	20
b)	(Reversal)/Allowance for slow moving inventories	(9)	15
c)	Reversal of expected credit loss on receivables	(11)	(8)
d)	Depreciation and amortization	1,269	1,268
e)	Gain on disposal of property, plant & equipment	(28)	-
f)	Interest Income	(147)	(9)
g)	Interest expense	190	221
h)	Inventories written off	452	-
i)	Realised/unrealised foreign exchange loss/(gain)	301	(65)
j)	Reversal of gratuity provision	-	(638)