

**KOMARKCORP BERHAD**

Company No.: 199601001919 (374265 - A)

Incorporated in Malaysia

**INTERIM FINANCIAL STATEMENTS**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**As at 30 September 2022**

(The figures have not been audited)

	<b>AS AT 30/09/2022</b>	<b>AS AT 31/03/2022 (Audited)</b>
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	87,842	93,418
Right of Use Assets	1,932	2,597
	<u>89,774</u>	<u>96,015</u>
<b>Current Assets</b>		
Inventories	13,784	13,554
Trade and Other Receivables	10,959	17,515
Tax Recoverable	140	103
Cash and Bank Balances	2,430	5,359
	<u>27,313</u>	<u>36,531</u>
Assets classified as held for sale	10,080	-
	<u>37,393</u>	<u>36,531</u>
<b>Total Assets</b>	<u>127,167</u>	<u>132,546</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the parent</b>		
Share Capital	132,927	132,927
Treasury Shares, at cost	(4)	(4)
Reserves	(36,226)	(31,504)
	<u>96,697</u>	<u>101,419</u>
Non Controlling Interest	(106)	(86)
<b>Total Equity</b>	<u>96,591</u>	<u>101,333</u>
<b>Non-current liabilities</b>		
Bank Borrowings	6,316	7,239
Leases Obligation	1,180	1,513
Post Employment Benefits	-	667
Deferred tax liabilities	380	380
	<u>7,876</u>	<u>9,799</u>
<b>Current Liabilities</b>		
Trade and Other Payables	15,203	17,321
Leases Obligation	825	1,121
Bank Borrowings	1,762	2,972
	<u>17,790</u>	<u>21,414</u>
Liabilities classified as held for sale	4,910	-
	<u>22,700</u>	<u>21,414</u>
<b>Total Liabilities</b>	<u>30,576</u>	<u>31,213</u>
<b>Total Equity And Liabilities</b>	<u>127,167</u>	<u>132,546</u>
Net Assets per Share (RM)	0.20	0.18

This statement should be read in conjunction with the notes to interim financial report and the Company's Annual Audited Financial Statements for the year ended 31 March 2022.

**KOMARKCORP BERHAD**

Company No.: 199601001919 (374265 - A)

Incorporated in Malaysia

**INTERIM FINANCIAL STATEMENTS**
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**For the period ended 30 September 2022**

(The figures have not been audited)

	<b>Current Qtr Ended 30/09/2022</b>	<b>Comparative Qtr Ended 30/09/2021</b>	<b>Cumulative 30/09/2022</b>	<b>Cumulative 30/09/2021</b>
	RM'000	RM'000	RM'000	RM'000
Revenue	7,095	N/A	21,665	N/A
Cost of sales	(6,389)	N/A	(19,349)	N/A
<b>Gross Profit</b>	<u>706</u>	<u>N/A</u>	<u>2,316</u>	<u>N/A</u>
Other income	150	N/A	442	N/A
Employee benefits expenses	(775)	N/A	(2,275)	N/A
Other operating expenses	(1,168)	N/A	(3,638)	N/A
Finance costs	(124)	N/A	(295)	N/A
<b>Loss before tax</b>	<u>(1,211)</u>	<u>N/A</u>	<u>(3,450)</u>	<u>N/A</u>
Income tax expense	-	N/A	-	N/A
<b>Loss from continuing operations</b>	<u>(1,211)</u>	<u>N/A</u>	<u>(3,450)</u>	<u>N/A</u>
<b>Discontinued operation</b>				
Loss from discontinued operation, net of tax	(668)	N/A	(1,125)	N/A
<b>Loss after tax</b>	<u>(1,879)</u>	<u>N/A</u>	<u>(4,575)</u>	<u>N/A</u>
<b>Other Comprehensive Loss</b>				
Fair value gain on investment in equity fund	-	N/A	-	N/A
Exchange difference on translating foreign operations	(52)	N/A	(167)	N/A
	<u>(52)</u>	<u>N/A</u>	<u>(167)</u>	<u>N/A</u>
<b>Total Comprehensive Loss for the period</b>	<u><u>(1,931)</u></u>	<u><u>N/A</u></u>	<u><u>(4,742)</u></u>	<u><u>N/A</u></u>
<b>Loss attributable to:</b>				
Equity holders of the parent	(1,891)	N/A	(4,555)	N/A
Non-controlling interests	12	N/A	(20)	N/A
	<u>(1,879)</u>	<u>N/A</u>	<u>(4,575)</u>	<u>N/A</u>

**KOMARKCORP BERHAD**

Company No.: 199601001919 (374265 - A)

Incorporated in Malaysia

**INTERIM FINANCIAL STATEMENTS**
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTD.)**
**For the period ended 30 September 2022**

(The figures have not been audited)

	<b>Current Qtr Ended 30/09/2022 RM'000</b>	<b>Comparative Qtr Ended 30/09/2021 RM'000</b>	<b>Cumulative 30/09/2022 RM'000</b>	<b>Cumulative 30/09/2021 RM'000</b>
<b>Total Comprehensive Loss attributable to:</b>				
Equity holders of the parent	(1,943)	N/A	(4,722)	N/A
Non-controlling interests	12	N/A	(20)	N/A
	<u>(1,931)</u>	<u>N/A</u>	<u>(4,742)</u>	<u>N/A</u>
Basic Loss per Ordinary Share (sen)	(0.33)	N/A	(0.79)	N/A
Diluted Loss per Ordinary Share (sen)	(0.23)	N/A	(0.56)	N/A

This statement should be read in conjunction with the notes to interim financial report and the Company's Annual Audited Financial Statements for the year ended 31 March 2022.

**Note :**

On 24 March 2022, the Company changed its financial year ended from 30 April 2022 to 31 March 2022 and made up its financial statements for the 11 months period ended 31 March 2022. As such, the result of correspondence 2 months and 11 months period in the prior year are not presented.



**KOMARKCORP BERHAD**

Company No.: 199601001919 (374265 - A)

Incorporated in Malaysia

**INTERIM FINANCIAL STATEMENTS**

**Condensed Consolidated Statements of Changes in Equity**

**For the period ended 30 September 2022**

	Attributable to Equity Holders of the Parent							Non Controlling Interest	Total Equity	
	Share Capital	Treasury Shares	Non- distributable			Distributable				Total
			General Reserve	Translation Reserve	Revaluation Surplus on PPE	Capital Reserve	Accumulated Losses			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>At 1st April 2022</b>	132,927	(4)	361	1,017	15,274	33,882	(82,038)	101,419	(86)	101,333
Issuance of ordinary shares pursuant to:										
- private placement	-	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(167)	-	-	(4,555)	(4,722)	(20)	(4,742)
<b>As at 30th September 2022</b>	<b>132,927</b>	<b>(4)</b>	<b>361</b>	<b>850</b>	<b>15,274</b>	<b>33,882</b>	<b>(86,593)</b>	<b>96,697</b>	<b>(106)</b>	<b>96,591</b>
<b>At 1st May 2021</b>	120,166	(4)	361	633	15,274	33,882	(71,827)	98,485	51	98,536
Issuance of ordinary shares pursuant to:										
- private placement	-	-	-	-	-	-	-	-	-	-
Share issue expenses	12,932	-	-	-	-	-	-	12,932	-	12,932
Total comprehensive loss for the period	(171)	-	-	-	-	-	-	(171)	-	(171)
	-	-	-	384	-	-	(10,211)	(9,827)	(137)	(9,964)
<b>As at 31st March 2022</b>	<b>132,927</b>	<b>(4)</b>	<b>361</b>	<b>1,017</b>	<b>15,274</b>	<b>33,882</b>	<b>(82,038)</b>	<b>101,419</b>	<b>(86)</b>	<b>101,333</b>

This statement should be read in conjunction with the notes to interim financial report and the Company's Annual Audited Financial Statements for the year ended 31 March 2022.



**KOMARKCORP BERHAD**

Company No.: 199601001919 (374265 - A)

Incorporated in Malaysia

**INTERIM FINANCIAL STATEMENTS**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the period ended 30 September 2022**

(The figures have not been audited)

	Period Ended	
	30/09/2022	30/09/2021
	RM'000	RM'000
<b>Cash Flows from Operating Activities</b>		
Loss Before Taxation		
- Continuing operations	(3,450)	N/A
- Discontinued operation	(1,125)	N/A
Adjustments for:		
Amortisation of right-of-use assets	486	N/A
Depreciation of property, plant and equipment	3,655	N/A
Realised/Unrealised loss on foreign exchange, net	190	N/A
Interest expense	295	N/A
Interest income	(11)	N/A
Impairment of inventories	1,560	N/A
Allowance of expected credit losses	19	N/A
Operating income before working capital changes	1,619	N/A
Changes in working capital:		
Inventories	(3,047)	N/A
Trade and other receivables	3,314	N/A
Trade and other payables	1,521	N/A
Cash Generated from Operations	3,407	N/A
Income Taxes Paid	(37)	N/A
Interest Paid	(295)	N/A
Interest Received	11	N/A
<b>Net Cash Generated from Operating Activities</b>	<b>3,086</b>	<b>N/A</b>

**KOMARKCORP BERHAD**

Company No.: 199601001919 (374265 - A)

Incorporated in Malaysia

**INTERIM FINANCIAL STATEMENTS**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)**
**For the period ended 30 September 2022**

(The figures have not been audited)

	Period Ended	
	30/09/2022 RM'000	30/09/2021 RM'000
<b>Cash Flows from Investing Activity</b>		
Acquisition of Property, Plant and Equipment	(3,589)	N/A
<b>Net Cash Used in Investing Activity</b>	(3,589)	N/A
<b>Cash Flows from Financing Activities</b>		
Repayment of lease liabilities	(446)	N/A
Repayment of Term Loans and other Borrowings	(1,581)	N/A
<b>Net Cash Used in Financing Activities</b>	(2,027)	N/A
Net Decrease in Cash and Cash Equivalents	(2,530)	N/A
Effect of exchange rate changes	(167)	N/A
Cash and Cash Equivalents at Beginning of Period	5,307	N/A
<b>Cash and Cash Equivalents at End of Period</b>	( i ) 2,610	N/A

( i ) Cash and Cash Equivalents

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

	RM' 000	RM' 000
Cash and Bank Balances	2,430	N/A
Cash and cash equivalents under assets classified as held for sale	180	N/A
	2,610	N/A

This statement should be read in conjunction with the notes to interim financial report and the Company's Annual Audited Financial Statements for the year ended 31 March 2022.

**Note :**

On 24 March 2022, the Company changed its financial year ended from 30 April 2022 to 31 March 2022 and made up its financial statements for the 11 months period ended 31 March 2022. As such, the result of correspondence 2 months and 11 months period in the prior year are not presented.

**KOMARKCORP BERHAD**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**
**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 31 March 2022 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 period ended 31 March 2022.

**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 period ended 31 March 2022, 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 April 2022, as disclosed below:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: COVID-19 - Related Rent Concessions beyond 30 June 2021	1 April 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 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

The directors expect that the adoption of the above standards and amendments will have no material impact on the financial statements in the period of initial application.

**KOMARKCORP BERHAD**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**
**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 4: Extension of the Temporary Exemption from Applying MFRS 9	1 January 2023
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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 112: Deferred tax Related to Assets and Liabilities arising from a Single Transaction	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

The directors expect that the adoption of the above standards and amendments will have no material impact on the financial statements in the period of initial application.

**A3. Audit Report**

The audit report for the financial statements of the Group for the financial period ended 31 March 2022 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.



**KOMARKCORP BERHAD**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022****A5. Exceptional / Extraordinary Items**

There were no exceptional or extraordinary items for the current quarter except as disclosed in the notes to this report.

**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. Change of Financial Year End**

On 24 March 2022, the Group had announced that it has changed its financial year end from 30 April to 31 March. The Group's current financial reporting period is twelve (12) months commencing from 1 April 2022 to 31 March 2023.

**A8. Debts and Equity Securities**

There were no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares in the current quarter and financial period ended 30 September 2022.

**A9. Dividend Paid**

No dividend was proposed or paid during the current quarter.

**A10. 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.

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:

**KOMARKCORP BERHAD**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**
**A10. Segmental Information (contd.)**

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

<b>Financial quarter ended 30 September 2022</b>	<b>Label and Packaging</b>	<b>Mask</b>	<b>Elimination</b>	<b>Consolidation</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	2,903	4,639	(447)	7,095
Loss				(677)
Unallocated Expenses				(415)
Interest Income				5
Finance Costs				(124)
Loss before taxation				(1,211)
Income Tax Expenses				-
Loss from discontinued operation, net of tax				(668)
Loss for the period				(1,879)

<b>Financial year-to-date ended 30 September 2022</b>	<b>Label and Packaging</b>	<b>Mask</b>	<b>Elimination</b>	<b>Consolidation</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	13,361	10,306	(2,002)	21,665
Loss				(2,391)
Unallocated Expenses				(775)
Interest Income				11
Finance Costs				(295)
Loss before taxation				(3,450)
Income Tax Expenses				-
Loss from discontinued operation, net of tax				(1,125)
Loss for the period				(4,575)

**KOMARKCORP BERHAD**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**

**A11. Property, Plant and Equipment**

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

**A12. Material Events Subsequent to the Interim Period**

There were no material events subsequent to the quarter ended 30 September 2022 except as disclosed in this report.

**A13. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter under review other than as disclose in Note B7.

**A14. Change in Contingent Liabilities or Contingent Assets**

As at 30 September 2022, the Company has given corporate guarantee of RM8.630 million to banks and financial institutions for banking facilities extended to its subsidiaries.

This page has been intentionally left blank.

**KOMARKCORP BERHAD**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**
**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS**
**B1. Review of Performance**

Performance of current quarter against the preceding year corresponding quarter:

	Individual Period (2 <sup>nd</sup> Quarter)		Cumulative Year	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Quarter
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM'000	RM'000	RM'000	RM'000
Revenue	7,095	N/A	21,665	N/A
Loss Before Interest and Tax	(1,078)	N/A	(3,146)	N/A
Loss Before Tax	(1,211)	N/A	(3,450)	N/A
Loss from continuing operations	(1,211)	N/A	(3,450)	N/A
Loss from discontinued operation, net of tax	(668)	N/A	(1,125)	N/A
Loss After Tax	(1,879)	N/A	(4,575)	N/A
Loss Attributable to Holders of the Parent	(1,891)	N/A	(4,555)	N/A

**Analysis of Quarters Performance**

For current quarter ended 30 September 2022, the Group recorded a revenue of RM7.095 million and posted a loss after tax of RM1.211 million. This is mainly due to depreciation and amortization amounted to RM1.793mil.

**KOMARKCORP BERHAD**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**
**B2. Comparison with the Preceding Quarter's Results**

	Current Quarter	Immediate	Changes
	30/09/2022	Preceding Quarter	
	RM'000	30/06/2022	RM'000
		RM'000	
Revenue	7,095	14,570	1,498
Loss Before Interest and Tax	(1,078)	(2,069)	2,395
Loss Before Tax	(1,211)	(2,239)	2,298
Loss from continuing operations	(1,211)	(2,239)	2,079
Loss from discontinued operation, net of tax	(668)	(457)	(457)
Loss After Tax	(1,879)	(2,696)	1,622
Loss Attributable to Holders of the Parent	(1,891)	(2,664)	1,939

The Group recorded a revenue of RM7.095 million as compared to RM14.570 million for the preceding quarter, representing a decrease of RM7.475 million or 51.30%. The decrease in revenue was mainly due to the proposed disposal of Komark Thailand.

The Group recorded loss before tax of RM1.211 million compared to the loss before tax of RM2.239 million for the preceding quarter. Lower loss recorded in current quarter was mainly due to allowance for slow moving inventories for the Group during the preceding period under review.

**KOMARKCORP BERHAD**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022****B3. Commentary of Prospects**

The Group anticipates the economic landscape for consumer packaging and printing services to remain challenging in the near future but slowly picking up as more tenders are opening. The Group will continue to remain active in participating in these tenders to secure more jobs and expand its customer base.

Therefore, the Group will be placing more focus on developing the face mask business in order to cushion any adverse impacts from the consumer packaging and printing services industry. The Group also believe that face masks will remain essential within majority daily lives despite the lenient mandate for face masks as Malaysians will continue to be cautious and more vigilant for their own safety.

Having said, the Group will gradually expand its production capacity to up to 102 manufacturing lines for 3-ply face masks and 26 manufacturing lines to be installed for the production of respirator face masks by 2023. The Group will also be investing in new machinery for the manufacturing of surgical masks for hospitals in preparation to cater to the medical industry.

The Group will be working on increasing its efficiency and have better cost control in order to remain competitive in the market. The Group will be eyeing to penetrate into export markets to enlarge its market capitalisation through greater participation in upcoming medical expositions.

While the operating environment continues to be challenging in the near future, the Group maintains an optimistic view of its future prospects in the coming financial year. The Group believes that the synergies between both business segments can be leveraged upon to create distinctive opportunities for business growth and in return generate greater and sustainable value for all the stakeholders.

**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**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**

**B6. Taxation**

	<b>Current Quarter (RM'000)</b>	<b>Year to date (RM'000)</b>
Income Tax		
- Current tax expenses	-	-
- Deferred tax	-	-
<b>Total</b>	-	-

**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 (“the Proposal”).

Bursa Securities had, vide its letter dated 5 November 2021, approved the Proposal.

The shareholders have approved the Proposals during the Extraordinary General Meetings held on 10 December 2021.

On 26 October 2022, Bursa Securities had granted the Company an extension of time until 4 May 2023 to implement the Right Issue with Warrants.

The Proposals is currently pending for price fix by the Company.

**KOMARKCORP BERHAD**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**
**B7. Status of Corporate Proposal (contd.)**
*Proposed Disposal of Komark (Thailand) Co., Ltd (“Komark Thailand”), an Indirect Subsidiary of The Company*

On 11 August 2022, the Group had entered into a share sale agreement (“SSA”) with D’Nonce Technology Bhd (“D’Nonce”) for the disposal of 333,997 ordinary shares, representing 99.9991% of the issued share capital in its subsidiary company, i.e. Komark Thailand for a consideration of RM9,100,000.00, which shall be fully satisfied by the allotment and issuance of D’Nonce’s shares.

Upon completion of the SSA, Komark Thailand will cease to be a subsidiary of GLLM and indirect subsidiary of Komarkcorp.

The Proposed Disposals is currently pending fulfilment of the conditions precedent in the share sale agreement

There was no other corporate proposal announced but not completed for the quarter under review.

**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 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 23 November 2022 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	12,793	By 30 November 2022	-	-
(ii) Estimated expenses for the Proposals	139	139	Immediate	-	-



**KOMARKCORP BERHAD**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**
**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 30 September 2022					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM'000 denomination	Foreign denomination	RM'000 denomination	Foreign denomination	RM'000 denomination
<b>Secured</b>						
Term Loan		4,721		459		5,180
Finance Lease and Hire Purchase Liabilities	THB 595,046 Exc Rate 0.1227	73	THB 3,896,770 Exc Rate 0.1227	478	THB 4,823,520 Exc Rate 0.1227	551
Finance Lease and Hire Purchase Liabilities		1,595		1,304		2,899
<b>Total</b>		<b>6,389</b>		<b>2,241</b>		<b>8,630</b>

	As at 31 March 2022					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM'000 denomination	Foreign denomination	RM'000 denomination	Foreign denomination	RM'000 denomination
<b>Secured</b>						
Term Loans		4,975		439		5,414
Finance Lease and Hire Purchase Liabilities	THB 1,507,489 Exc Rate 0.1248	188	THB 4,981,449 Exc Rate 0.1248	622	THB 6,488,938 Exc Rate 0.1248	810
Finance Lease and Hire Purchase Liabilities		2,076		1,911		3,987
<b>Total</b>		<b>7,239</b>		<b>2,972</b>		<b>13,211</b>

Interest rates for the hire purchase are between 2.33% to 3.99% (2022 : 2.33% to 3.99%) per annum.

**KOMARKCORP BERHAD**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022****B10. Material Litigation****Writ and Statement of Claim against The Edge Communications Sdn Bhd**

Since the last update regarding the e-review case management held on 17 June 2021, the Edge had went on to file its defence on 19 July 2021. On 11 August 2021, the Company had filed an application for, among others, further and better particulars in respect of the Defence, and an extension of time application to file their Reply. On 19 August 2021, the Edge filed an application to strike out the Writ and Statement of Claim.

On 13 October 2021, both applications were dismissed by the Court with costs of RM5,000.00 payable to the Company (in respect of the striking out application) and costs of RM5,000.00 payable to the Edge (in respect of the further and better particulars application). The Court further ordered the Company to file a Reply by 27 October 2021 and had advised Parties to mediate the case.

A mediation form was submitted to the Kuala Lumpur Court Mediation Centre (“KLCMC”) on 5 January 2022, and mediation has been fixed for 9 May 2022. The Company has also filed and served its Bundle of Pleadings to the Defendant. The Court had fixed tentative trial dates to fall on 5 to 9 February 2024, but the Company had requested for it to be held earlier preferably in June 2023.

During a case management on 1 July 2022, the Parties had updated the Court that they had failed to reach a settlement vide mediation and as such, trial will proceed. In the meantime, the trial dates have been maintained. The next e-review has been fixed for 13 February 2023.

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 30 September 2022.

**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.

	<b>Period Ended</b>
Loss attributable to Shareholders of Parent (RM'000)	(4,555)
Weighted Average Number of Ordinary Shares ('000)	577,347
Basic Loss Per Share (Sen)	(0.79)

**KOMARKCORP BERHAD**

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022****B13. Notes to the Statement of Comprehensive Loss**

		Period Ended	Period Ended
		September 2022	September 2021
		RM'000	RM'000
a)	Depreciation and amortization	3,507	N/A
b)	Interest Income	(11)	N/A
c)	Interest expense	295	N/A
e)	Impairment of inventories	1,546	N/A
f)	Realised/unrealised foreign exchange gain, net	(35)	N/A