

**KOMARKCORP BERHAD**

Company No.: 199601001919 (374265 - A)

Incorporated in Malaysia

**INTERIM FINANCIAL STATEMENTS**
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**For the period ended 30 June 2023**

(The figures have not been audited)

	<b>Current Qtr Ended 30/06/2023 RM'000</b>	<b>Comparative Qtr Ended 30/06/2022 RM'000</b>	<b>Cumulative 30/06/2023 RM'000</b>	<b>Cumulative 30/06/2022 RM'000</b>
Revenue	7,728	10,871	7,728	10,871
Cost of sales	<u>(7,060)</u>	<u>(9,742)</u>	<u>(7,060)</u>	<u>(9,742)</u>
<b>Gross Profit</b>	<b>668</b>	<b>1,129</b>	<b>668</b>	<b>1,129</b>
Other income	88	292	88	292
Employee benefits expenses	(988)	(1,163)	(988)	(1,163)
Other operating expenses	(640)	(2,179)	(640)	(2,179)
Fair value adjustment on other investment	(1,174)	-	(1,174)	-
Finance costs	<u>(126)</u>	<u>(145)</u>	<u>(126)</u>	<u>(145)</u>
<b>Loss before tax</b>	<b>(2,172)</b>	<b>(2,066)</b>	<b>(2,172)</b>	<b>(2,066)</b>
Income tax expense	-	-	-	-
<b>Loss from continuing operations</b>	<b>(2,172)</b>	<b>(2,066)</b>	<b>(2,172)</b>	<b>(2,066)</b>
<b>Discontinued operation</b>				
Loss from discontinued operation, net of tax	-	(630)	-	(630)
<b>Loss after tax</b>	<b>(2,172)</b>	<b>(2,696)</b>	<b>(2,172)</b>	<b>(2,696)</b>
<b>Other Comprehensive Loss</b>				
Exchange difference on translating foreign operations	-	(115)	-	(115)
	<u>-</u>	<u>(115)</u>	<u>-</u>	<u>(115)</u>
<b>Total Comprehensive Loss for the period</b>	<b>(2,172)</b>	<b>(2,811)</b>	<b>(2,172)</b>	<b>(2,811)</b>
<b>Loss attributable to:</b>				
Equity holders of the parent	(2,166)	(2,664)	(2,166)	(2,664)
Non-controlling interests	(6)	(32)	(6)	(32)
	<u>(2,172)</u>	<u>(2,696)</u>	<u>(2,172)</u>	<u>(2,696)</u>

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTD.)**
**For the period ended 30 June 2023**

(The figures have not been audited)

	<b>Current Qtr Ended 30/06/2023 RM'000</b>	<b>Comparative Qtr Ended 30/06/2022 RM'000</b>	<b>Cumulative 30/06/2023 RM'000</b>	<b>Cumulative 30/06/2022 RM'000</b>
<b>Total Comprehensive Loss attributable to:</b>				
Equity holders of the parent	(2,166)	(2,779)	(2,166)	(2,779)
Non-controlling interests	(6)	(32)	(6)	(32)
	<u>(2,172)</u>	<u>(2,811)</u>	<u>(2,172)</u>	<u>(2,811)</u>
Basic Loss per Ordinary Share (sen)	(0.38)	(0.46)	(0.38)	(0.46)
Diluted Loss per Ordinary Share (sen)	(0.20)	(0.33)	(0.20)	(0.33)

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 2023.

**KOMARKCORP BERHAD**

Company No.: 199601001919 (374265 - A)

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**INTERIM FINANCIAL STATEMENTS**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**As at 30 June 2023**

(The figures have not been audited)

	AS AT 30/06/2023	AS AT 31/03/2023 (Audited)
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	75,311	71,612
Intangible asset	55	61
Right of Use Assets	7,852	13,369
Other Investment	7,926	9,100
	<u>91,144</u>	<u>94,142</u>
<b>Current Assets</b>		
Inventories	8,279	8,777
Trade and Other Receivables	13,265	12,437
Tax Recoverable	147	140
Cash and Bank Balances	46,157	2,025
Assets held for sale	1,298	1,300
	<u>69,146</u>	<u>24,679</u>
<b>Total Assets</b>	<u>160,290</u>	<u>118,821</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to the equity holders of the parent</b>		
Share Capital	178,088	132,927
Treasury Shares, at cost	(4)	(4)
Reserves	(39,344)	(37,178)
	<u>138,740</u>	<u>95,745</u>
Non Controlling Interest	(429)	(423)
<b>Total Equity</b>	<u>138,311</u>	<u>95,322</u>
<b>Non-current liabilities</b>		
Bank Borrowings	4,064	4,151
Leases Obligation	1,646	1,999
	<u>5,710</u>	<u>6,150</u>
<b>Current Liabilities</b>		
Trade and Other Payables	14,472	14,934
Leases Obligation	1,444	1,594
Bank Borrowings	353	821
	<u>16,269</u>	<u>17,349</u>
<b>Total Liabilities</b>	<u>21,979</u>	<u>23,499</u>
<b>Total Equity And Liabilities</b>	<u>160,290</u>	<u>118,821</u>
Net Assets per Share (RM)	0.12	0.17

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 2023.

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**INTERIM FINANCIAL STATEMENTS**
**Condensed Consolidated Statements of Changes in Equity**
**For the period ended 30 June 2023**

	Attributable to Equity Holders of the Parent							Total	Non Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Non-distributable			Distributable				
			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	RM'000	
<b>At 1st April 2023</b>	132,927	(4)	-	103	15,274	33,882	(86,437)	95,745	(423)	95,322
Issuance of ordinary shares pursuant to:										
- right issue	46,181	-	-	-	-	-	-	46,181	-	46,181
Share issue expenses	(1,020)	-	-	-	-	-	-	(1,020)	-	(1,020)
Total comprehensive loss for the period	-	-	-	-	-	-	(2,166)	(2,166)	(6)	(2,172)
<b>As at 30th June 2023</b>	<b>178,088</b>	<b>(4)</b>	<b>-</b>	<b>103</b>	<b>15,274</b>	<b>33,882</b>	<b>(88,603)</b>	<b>138,740</b>	<b>(429)</b>	<b>138,311</b>
<b>At 1st April 2022</b>	132,927	(4)	361	1,017	15,274	33,882	(82,038)	101,419	(86)	101,333
Loss for the financial year	-	-	-	-	-	-	(4,760)	(4,760)	(337)	(5,097)
Other comprehensive loss, net of tax	-	-	-	(262)	-	-	-	(262)	-	(262)
Recycle to profit or loss on deconsolidation of subsidiary	-	-	-	(652)	-	-	-	(652)	-	(652)
Derecognition upon deconsolidation of subsidiary	-	-	(361)	-	-	-	361	-	-	-
<b>As at 31st March 2023</b>	<b>132,927</b>	<b>(4)</b>	<b>-</b>	<b>103</b>	<b>15,274</b>	<b>33,882</b>	<b>(86,437)</b>	<b>95,745</b>	<b>(423)</b>	<b>95,322</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 2023.

**KOMARKCORP BERHAD**

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**INTERIM FINANCIAL STATEMENTS**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
**For the period ended 30 June 2023**

(The figures have not been audited)

	Period Ended	
	30/06/2023	30/06/2022
	RM'000	RM'000
<b>Cash Flows from Operating Activities</b>		
Loss Before Taxation		
- Continuing operations	(2,172)	(2,066)
- Discontinued operation	-	(630)
Adjustments for:		
Amortisation of right-of-use assets	275	244
Amortisation of intangible assets	6	-
Allowance for expected credit loss on receivables	-	3
Depreciation of property, plant and equipment	1,583	1,787
Fair value loss on quoted shares	1,174	-
Interest expenses	126	171
Interest income	-	(6)
Impairment of inventories	-	1,254
Gain on disposal of property, plant and equipment	(29)	-
Realised/Unrealised (gain)/loss on foreign exchange - net	(8)	63
Operating income before working capital changes	955	820
Changes in working capital:		
Inventories	498	(4,174)
Trade and other receivables	(828)	(570)
Trade and other payables	(454)	5,535
Cash Generated From Operations	171	1,611
Income Taxes paid	(7)	(5)
Interest Paid	(126)	(171)
Interest Received	-	6
<b>Net Cash Generated From Operating Activities</b>	<b>38</b>	<b>1,441</b>

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**INTERIM FINANCIAL STATEMENTS**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)**
**For the period ended 30 June 2023**

(The figures have not been audited)

	Period Ended	
	30/06/2023	30/06/2022
	RM'000	RM'000
<b>Cash Flows from Investing Activity</b>		
Purchases of property, plant and equipment	(42)	(2,730)
<b>Net Cash Used in Investing Activity</b>	<u>(42)</u>	<u>(2,730)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from disposal of property, plant and equipment	33	-
Net proceeds from issuance of ordinary shares pursuant to right issue	45,161	-
Repayment of lease liabilities	(503)	(209)
Repayment of Term Loans and other Borrowings	(555)	(1,018)
<b>Net Cash Generated From/(Used In) Financing Activities</b>	<u>44,136</u>	<u>(1,227)</u>
Net Decrease in Cash and Cash Equivalents	44,132	(2,516)
Effect of exchange rate changes	-	(115)
Cash and Cash Equivalents at Beginning of the Period (i)	<u>2,025</u>	<u>5,307</u>
<b>Cash and Cash Equivalents at End of the Period</b>	<u>46,157</u>	<u>2,676</u>
<u>(i) Cash and Cash Equivalents</u>		
Cash and cash equivalents included in the cash flow statements comprise the following:-		
	RM'000	RM'000
Cash and Bank Balances	<u>46,157</u>	<u>2,676</u>

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 2023.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2023****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 2023 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 31 March 2023.

**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 31 March 2023, 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:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations)	1 January 2022
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment)	1 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)	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.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2023**
**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
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i> (Amendments to MFRS 17 <i>Insurance Contract</i> )	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i> )	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> )	1 January 2023
<i>Deferred tax related to Assets and Liabilities arising from a Single</i> <i>Transaction</i> (Amendments to MFRS 112 <i>Income Taxes</i> )	1 January 2023
<i>Lease liability in a sale and leaseback</i> (Amendments to MFRS 16 <i>Leases</i> )	1 January 2024
<i>Classification of Liabilities as Current or Non-current</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i> )	1 January 2024
<i>Non-current Liabilities with Covenants</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i> )	1 January 2024
<i>Supplier Finance Arrangements</i> (Amendments to MFRS 107 <i>Statement</i> <i>of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures</i> )	1 January 2024
<i>International Tax Reform – Pillar Two Model Rules</i> (Amendments to MFRS 112 <i>Income Taxes</i> )	See paragraph 98M of MFRS 112
<i>Sale or Contribution of Assets between an Investor and its Associate or</i> <i>Joint Venture</i> (Amendments to MFRS 10 <i>Consolidated Financial</i> <i>Statements</i> and MFRS 128 <i>Investments in Associates and Joint</i> <i>Ventures</i> )	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 year ended 31 March 2023 was not subject to any qualification.



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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2023**
**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.

**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 577,256,790 ordinary shares of RM0.08 each pursuant to the Rights Issue with Warrants.

As at 30 June 2023, the issued and paid-up ordinary share capital of the Company was RM178,087,812. The details were as follows:-

<b>Issued and Paid up Share Capital</b>	<b>Unit of Ordinary Share</b>	<b>RM'000</b>
As at 1 April 2023	577,356,548	132,927
Issuance of share pursuant to Rights Issue with Warrants	577,256,790	46,181
Share issue expenses	-	(1,020)
As at 30 June 2023	1,154,613,338	178,088

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 repayment of debts and equity securities for the current quarter.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2023**
**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.

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

<b>Financial quarter ended 30 June 2023</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	5,176	2,650	(98)	7,728
Loss				(1,837)
Unallocated Expenses				(209)
Finance Costs				(126)
Loss before taxation				(2,172)
Income Tax Expenses				-
Loss for the period				(2,172)

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2023**
**A9. Segmental Information (cont'd.)**

<b>Financial quarter ended 30 June 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	6,759	5,667	(1,555)	10,871
Loss				(1,567)
Unallocated Expenses				(360)
Interest Income				6
Finance Costs				(145)
Loss before taxation				(2,066)
Income Tax Expenses				-
Loss from discontinued operation, net of tax				(630)
Loss for the period				(2,696)

**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 30 June 2023 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 other than as disclose in Note B7.

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

As at 30 June 2023, the Company has given corporate guarantee of RM5.999 million to banks and financial institutions for banking facilities extended to its subsidiaries.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2023**
**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 <sup>st</sup> Quarter)		Changes  RM'000	Cumulative Year		Changes  RM'000
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Quarter	
	30/06/2023	30/06/2022		30/06/2023	30/06/2022	
	RM'000	RM'000		RM'000	RM'000	
Revenue	7,728	10,871	(3,143)	7,728	10,871	(3,143)
Loss Before Interest and Tax	(2,046)	(1,921)	(125)	(2,046)	(1,921)	(125)
Loss Before Tax	(2,172)	(2,066)	(106)	(2,172)	(2,066)	(106)
Loss from continuing operations	(2,172)	(2,066)	(106)	(2,172)	(2,066)	(106)
Loss from discontinued operation, net of tax	-	(630)	630	-	(630)	630
Loss After Tax	(2,172)	(2,696)	524	(2,172)	(2,696)	524
Loss Attributable to Holders of the Parent	(2,166)	(2,664)	498	(2,166)	(2,664)	498

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2023**
**B1. Review of Performance (Cont'd)**
**Analysis of Quarters Performance**

For current quarter ended 30 June 2023, the Group recorded a revenue of RM7.728 million compared to preceding year corresponding quarter of RM10.871 million; a decrease of RM3.143 million due to the decrease of revenue in mask segment as a result of the decrease in the face mask demand.

For the current quarter under review, the Group recorded a loss before tax of RM2.172 million compared to preceding year corresponding quarter of RM2.066 million. The loss recorded during the quarter under review was due to one off fair value adjustment on quoted shares and the reduce in loss mainly due to lower operating expenses.

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

	Current Quarter	Immediate	Changes
	30/06/2023	Preceding Quarter	
	RM'000	31/03/2023	RM'000
Revenue	7,728	10,006	(2,278)
Loss Before Interest and Tax	(2,046)	(172)	(1,874)
Loss Before Tax	(2,172)	(354)	(1,818)
(Loss) /profit from continuing operations	(2,172)	26	(2,198)
Loss from discontinued operation, net of tax	-	(4)	4
(Loss) /profit After Tax	(2,172)	22	(2,194)
(Loss) /profit Attributable to Holders of the Parent	(2,166)	303	(2,469)

The Group recorded a revenue of RM7.728 million as compared to RM10.006 million for the preceding quarter, representing a decrease of RM2.278 million or 22.77%. Lower revenue reported for the quarter was mainly attributed to the decrease in Mask Division's revenue.

The Group recorded a loss before tax of RM2.172 million compared to the loss before tax of RM0.354 million for the preceding quarter. The higher loss recorded during the quarter under review was due to fair value adjustment on quoted shares.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2023****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.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2023**

**B6. Taxation**

	<b>Current Quarter (RM'000)</b>	<b>Year to date (RM'000)</b>
Income Tax		
- Current tax expenses	-	-
- Deferred tax expenses	-	-
<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 ("The Right") 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 9 May 2023, Bursa Securities had granted the Company an extension of time until 4 July 2023 to complete the implementation of the Rights Issue with Warrants.

On 26 May 2023, the abridged prospectus in relation to the Rights Issue with Warrants, together with the notice of provisional allotments and rights subscription form have been duly registered by Securities Commission Malaysia and lodged with the Registrar of Companies.

The Proposed Rights Issue with Warrants were completed on 28 June 2023.

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

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
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**B8. Status of Utilisation of Rights Issue Proceeds**

- (i) Pursuant to the Rights Issue Exercise which was duly completed upon the subscription and listing of the 577,256,790 Placement Shares at RM0.08 each on the Main Market of Bursa Malaysia Securities Berhad with effect 28 June 2023, the gross proceeds raised from the Rights Issue Exercise was RM46,180,543.20 and the utilisation status as at 15 August 2023 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 the manufacturing business	36,000	7,882	By 30 June 2025	-	-
(ii) Product Development	5,000	2,000	By 30 June 2025	-	-
(iii) Working Capital	4,481	1,863	By 31 December 2024	-	-
(iv) Estimated expenses for the Rights Issue with Warrants	700	700	Immediate	-	-



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**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 June 2023		
	Long Term	Short Term	Total Borrowings
	RM'000 denomination	RM'000 denomination	RM'000 denomination
<b>Secured</b>			
Term Loan	4,064	353	4,417
<b>Total</b>	<b>4,064</b>	<b>353</b>	<b>4,417</b>

	As At 31 March 2023		
	Long Term	Short Term	Total Borrowings
	RM'000 denomination	RM'000 denomination	RM'000 denomination
<b>Secured</b>			
Term Loan	4,151	821	4,972
<b>Total</b>	<b>4,151</b>	<b>821</b>	<b>4,972</b>

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
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Our Company had on 11 May 2021, filed a Writ and Statement of Claim in the High Court against The Edge 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 of our Company.

The Edge then filed its Defence on 19 July 2021. On 11 August 2021, our Company filed an application for, among others, further and better particulars in respect of the Defence and extension of time 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 our 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 our Company to file a Reply by 27 October 2021 and had advised Parties to mediate the case.

Our Company filed its Reply on 27 October 2021 and had informed the Court that it had proposed to The Edge to mediate the case through the Malaysian Mediation Centre as this would allow parties to explore their positions better. However, The Edge was not agreeable to our Company’s suggestion and had proposed to mediate through the Kuala Lumpur Court Mediation Centre (“KLCMC”) instead.

Both our Company and The Edge failed to reach a resolution via the mediation which was fixed for 29 June 2022.

The matter is now fixed for trial for 5 days, from 5 February 2024 to 9 February 2024 before YA Puan Hayatul Akmal binti Abdul Aziz and fixed for e-Review before Puan Haslinda A. Raof on 6 September 2023 for both the solicitors of our Company and The Edge to update the court about the compliance of pre-trial directions.

Our Board is of the view that Komarkcorp has a fair chance in its claims against The Edge. In view that our Company is the claimant for this case, this litigation is not expected to result in any material adverse impact to our Group’s business operations and financial performance.

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This is an industrial court claim brought by a former employee of the Respondent, namely Chin Kim Meng (the Claimant), against the Respondent which is a wholly-owned subsidiary of Komarkcorp.

The case is now in post-trial written submissions stage. Should the Claimant be successful in his claim, the Respondent may be required to pay up to 36 months of the employee’s wages i.e. RM173,016.00.

Our Board is of the view that the Respondent has a fair chance against the claim by the Claimant. In view that the damages to be awarded is unlikely to exceed RM173,016.00 if the Claimant is successful, this litigation is not expected to result in any material adverse impact to our Group’s business operations and financial performance.

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 June 2023.

**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)	(2,166)
Weighted Average Number of Ordinary Shares ('000)	577,347
Basic Loss Per Share (Sen)	(0.38)

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS  
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**B13. Notes to the Statement of Comprehensive Loss**

		Period Ended	Period Ended
		June 2023	June 2022
		RM'000	RM'000
a)	Allowance of expected credit loss on receivables	-	3
b)	Depreciation and amortisation	1,864	2,031
c)	Fair value adjustment on quoted shares	1,174	-
d)	Gain on disposal of property, plant and equipment	(29)	-
e)	Interest income	-	(6)
f)	Interest expense	126	171
g)	Impairment of inventories	-	1,254
h)	Realised/unrealised foreign exchange (gain)/loss, net	(8)	63

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