

KOMARKCORP BERHAD

Company No.: 199601001919 (374265 - A)

Incorporated in Malaysia

INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 March 2024

(The figures have not been audited)

	Current Quarter Ended 31/03/2024	Comparative Quarter Ended 31/03/2023	Cumulative 31/03/2024	Cumulative 31/03/2023
	RM'000	RM'000	RM'000	RM'000
Revenue	5,213	10,006	24,438	40,741
Cost of sales	(6,593)	(9,512)	(26,424)	(38,561)
Gross (loss)/profit	<u>(1,380)</u>	<u>494</u>	<u>(1,986)</u>	<u>2,180</u>
Other income	518	(418)	999	4,546
Employee benefits expenses	(1,023)	(1,202)	(3,853)	(4,499)
Other operating expenses	(12,569)	(1,394)	(16,722)	(8,109)
Fair value adjustment on other investment	(1,912)	2,348	(2,793)	2,348
Finance costs	(156)	(182)	(547)	(599)
Loss before tax	<u>(16,522)</u>	<u>(354)</u>	<u>(24,902)</u>	<u>(4,133)</u>
Income tax expense	-	380	-	380
(Loss)/Profit from continuing operations	<u>(16,522)</u>	<u>26</u>	<u>(24,902)</u>	<u>(3,753)</u>
Discontinued operation				
Loss from discontinued operation, net of tax	-	(4)	-	(1,344)
(Loss)/Profit after tax	<u>(16,522)</u>	<u>22</u>	<u>(24,902)</u>	<u>(5,097)</u>
Other Comprehensive Loss				
Exchange difference on translating foreign operations	-	1	-	(262)
	<u>-</u>	<u>1</u>	<u>-</u>	<u>(262)</u>
Total Comprehensive (Loss)/Profit for the period	<u><u>(16,522)</u></u>	<u><u>23</u></u>	<u><u>(24,902)</u></u>	<u><u>(5,359)</u></u>
(Loss)/Profit attributable to:				
Equity holders of the parent	(15,683)	303	(23,850)	(4,760)
Non-controlling interests	(839)	(281)	(1,052)	(337)
	<u>(16,522)</u>	<u>22</u>	<u>(24,902)</u>	<u>(5,097)</u>
Total Comprehensive (Loss)/Profit attributable to:				
Equity holders of the parent	(15,683)	304	(23,850)	(5,022)
Non-controlling interests	(839)	(281)	(1,052)	(337)
	<u>(16,522)</u>	<u>23</u>	<u>(24,902)</u>	<u>(5,359)</u>
Basic (Loss)/Profit per Ordinary Share (sen)	(2.51)	0.05	(3.81)	(0.82)
Diluted (Loss)/Profit per Ordinary Share (sen)	(2.36)	0.04	(3.59)	(0.58)

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)

Incorporated in Malaysia

INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2024

(The figures have not been audited)

	AS AT 31/03/2024	AS AT 31/03/2023 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	81,629	71,612
Intangible assets	39	61
Right-of-use assets	3,325	13,369
Other investment	8,413	9,100
	<u>93,406</u>	<u>94,142</u>
Current assets		
Inventories	6,764	8,777
Trade and other receivables	11,216	12,437
Tax recoverable	158	140
Cash and bank balances	24,469	2,025
Assets held for sale	-	1,300
	<u>42,607</u>	<u>24,679</u>
Total Assets	<u>136,013</u>	<u>118,821</u>
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share capital	178,088	132,927
Treasury shares, at cost	(4)	(4)
Reserves	(61,028)	(37,178)
	<u>117,056</u>	<u>95,745</u>
Non-controlling interest	(1,475)	(423)
Total Equity	<u>115,581</u>	<u>95,322</u>
Non-current liabilities		
Loans and borrowings	3,802	4,151
Lease liabilities	759	1,999
	<u>4,561</u>	<u>6,150</u>
Current liabilities		
Trade and other payables	10,033	14,934
Lease liabilities	1,244	1,594
Loans and borrowings	4,594	821
	<u>15,871</u>	<u>17,349</u>
Total Liabilities	<u>20,432</u>	<u>23,499</u>
Total Equity And Liabilities	<u>136,013</u>	<u>118,821</u>
Net Assets per Share (RM)	0.50	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.

KOMARKCORP BERHAD

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INTERIM FINANCIAL STATEMENTS
Condensed Consolidated Statements of Changes in Equity
For the period ended 31 March 2024

	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	
At 1st April 2023	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	-	-	-	-	-	-	(23,850)	(23,850)	(1,052)	(24,902)
As at 31st March 2024	178,088	(4)	-	103	15,274	33,882	(110,287)	117,056	(1,475)	115,581
At 1st April 2022	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	-	-	-
As at 31st March 2023	132,927	(4)	-	103	15,274	33,882	(86,437)	95,745	(423)	95,322

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)

Incorporated in Malaysia

INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 March 2024

(The figures have not been audited)

	Period Ended	
	31/03/2024	31/03/2023
	RM'000	RM'000
Cash Flows from Operating Activities		
Loss Before Taxation		
- Continuing operations	(24,902)	(4,133)
- Discontinued operation	-	(1,344)
Adjustments for:		
Amortisation of right-of-use assets	1,415	1,975
Amortisation of intangible assets	22	21
Allowance/(reversal) for impairment loss on receivables	9,944	(551)
Depreciation of property, plant and equipment	6,293	5,969
Fair value loss/(gain) in investment quoted share	2,793	(2,348)
Gain on disposal of subsidiary	-	(1,403)
Interest expenses	547	328
Interest income	(309)	(2)
Inventories written down	1,843	-
Lease concession	-	15
Loss/(gain) on disposal of property, plant and equipment	8	(61)
Loss on disposal of quoted shares	1,299	-
Loss allowance for slow-moving, defective and obsolete inventories	16	917
Property, plant and equipment written off	-	363
Right-of-use assets written off	-	292
Unrealised loss on foreign exchange - net	-	31
Operating (loss)/profit before working capital changes	<u>(1,031)</u>	<u>69</u>
Changes in working capital:		
Inventories	154	4,161
Trade and other receivables	(8,723)	5,389
Trade and other payables	(4,901)	(2,386)
Cash (Used In)/Generated From Operations	<u>(14,501)</u>	<u>7,233</u>
Income taxes paid	(18)	(37)
Interest paid	(547)	(604)
Interest received	<u>309</u>	<u>2</u>
Net Cash (Used in)/Generated From Operating Activities	<u>(14,757)</u>	<u>6,594</u>

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INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)
For the period ended 31 March 2024

(The figures have not been audited)

	Period Ended	
	31/03/2024	31/03/2023
	RM'000	RM'000
Cash Flows from Investing Activity		
Investment in other investment	(6,450)	-
Advances to subsidiaries	-	(193)
Proceeds from disposal of quoted shares	3,045	-
Proceeds from disposal of property, plant and equipment	1,333	61
Purchases of property, plant and equipment	(7,722)	(4,726)
Net Cash Used in Investing Activity	<u>(9,794)</u>	<u>(4,858)</u>
Cash Flows from Financing Activities		
(Placement)/withdrawal of deposit pledged to licensed bank	(5,000)	52
Net proceeds from issuance of ordinary shares pursuant to right issue	45,161	-
Repayment of lease liabilities	(1,590)	(3,714)
Repayment of term loans and other borrowings	(805)	(442)
Net Cash Generated From/(Used In) Financing Activities	<u>37,766</u>	<u>(4,104)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	13,215	(2,368)
Effect of exchange rate changes	-	(914)
Cash and Cash Equivalents at Beginning of the Period (i)	<u>2,025</u>	<u>5,307</u>
Cash and Cash Equivalents at End of the Period	<u>15,240</u>	<u>2,025</u>
(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	24,469	2,025
Less : Deposits pledged with licensed institutions	(5,000)	-
Bank Overdraft	(4,229)	-
	<u>15,240</u>	<u>2,025</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.

KOMARKCORP BERHAD

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Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2024**

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, as disclosed below:

Description	Effective for annual periods beginning on or after
<i>Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)</i>	1 January 2023
<i>Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)</i>	1 January 2023
<i>Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)</i>	1 January 2023
<i>International Tax Reform – Pillar Two Model Rules (Amendments to MFRS 112 Income Taxes)</i>	1 January 2023

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 FOURTH QUARTER ENDED 31 MARCH 2024**
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
<i>Lease liability in a sale and leaseback (Amendments to MFRS 16 Leases)</i>	1 January 2024
<i>Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)</i>	1 January 2024
<i>Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)</i>	1 January 2024
<i>Supplier Finance Arrangements (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures)</i>	1 January 2024
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint 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.

A4. Seasonal or Cyclicity of Interim Operations

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2024**

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. Changes of Financial Year End

On 19 January 2024, the Group had announced that it has changed its financial year end from 31 March to 30 June. The Group's current financial reporting period shall be fifteen (15) months commencing from 1 April 2023 to 30 June 2024. Thereafter, the financial year of the Group will commence on 1 July and end on 30 June in each subsequent year.

A8. Debts and Equity Securities

Save for the following, there was no other issuance, cancellations, resale and repayment of debts and equity securities for the period under review:

- (i) Consolidation of every 5 existing ordinary shares into 1 share.

As at 31 March 2024, the issued and paid-up ordinary share capital of the Company was RM178,087,812. The details were as follows:

Issued and Paid up Share Capital	Unit of Ordinary Share	RM'000
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)
Share Consolidation	(923,691,962)	-
As at 31 March 2024	230,921,376	178,088

The number of treasury shares held were 3,600 ordinary shares at a total cost of RM3,547. There was no share buy-back during the current quarter.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2024**

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, 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

Financial quarter ended 31 March 2024	Label and Packaging	Mask	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000
Revenue	4,898	315	-	5,213
Loss				(15,913)
Unallocated Expenses				(491)
Interest Income				38
Finance Costs				(156)
Loss before taxation				(16,522)
Income Tax Expenses				-
Loss for the period				(16,522)

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2024**
A10. Segmental Information (Cont'd)

Financial year-to-date ended 31 March 2024	Label and Packaging	Mask	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000
Revenue	19,514	5,135	(211)	24,438
Loss				(22,960)
Unallocated Expenses				(1,704)
Interest Income				309
Finance Costs				(547)
Loss before taxation				(24,902)
Income Tax Expenses				-
Loss for the period				(24,902)

Financial quarter ended 31 March 2023	Label and Packaging	Mask	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000
Revenue	4,539	5,797	(330)	10,006
Profit				796
Unallocated Expenses				(969)
Interest Income				1
Finance Costs				(182)
Loss before taxation				(354)
Income Tax Expenses				380
Loss from discontinued operation, net of tax				(4)
Profit for the period				22

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2024**
A10. Segmental Information (Cont'd)

Financial year-to-date ended 31 March 2023	Label and Packaging	Mask	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000
Revenue	22,511	20,703	(2,473)	40,741
Loss				(1,546)
Unallocated Expenses				(1,990)
Interest Income				2
Finance Costs				(599)
Loss before taxation				(4,133)
Income Tax Expenses				380
Loss from discontinued operation, net of tax				(1,344)
Loss for the period				(5,097)

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 31 March 2024 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 31 March 2024, the Company has given corporate guarantee of RM5.494 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 FOURTH QUARTER ENDED 31 MARCH 2024**
ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS
B1. Review of Performance

Performance of current quarter against the preceding year corresponding quarter:

	Individual Period (4 th Quarter)		Changes RM'000	Cumulative Year		Changes RM'000
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Quarter	
	31/03/2024	31/03/2023		31/03/2024	31/03/2023	
	RM'000	RM'000		RM'000	RM'000	
Revenue	5,213	10,006	(4,793)	24,438	40,741	(16,303)
Loss Before Interest and Tax	(16,404)	(173)	(16,231)	(24,664)	(3,536)	(21,128)
Loss Before Tax	(16,522)	(354)	(16,168)	(24,902)	(4,133)	(20,769)
(Loss)/profit from continuing operations	(16,522)	26	(16,548)	(24,902)	(3,753)	(21,149)
Loss from discontinued operation, net of tax	-	(4)	4	-	(1,344)	1,344
(Loss)/profit After Tax	(16,522)	22	(16,544)	(24,902)	(5,097)	(19,805)
(Loss)/profit Attributable to Holders of the Parent	(15,683)	303	(15,986)	(23,850)	(4,760)	(19,090)

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2024**

B1. Review of Performance (Cont'd)

Analysis of Quarters Performance

For current quarter ended 31 March 2024, the Group recorded a revenue of RM5.213 million compared to preceding year corresponding quarter of RM10.006 million, a decrease of RM4.793 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 RM16.522 million compared to preceding year corresponding quarter of RM0.354 million. The increased loss reported for the current quarter under review was primarily stems from impairment of trade receivable, attributed to a significant customer within the mask division failing to repay the outstanding amount.

B2. Comparison with the Preceding Quarter's Results

	Current Quarter	Immediate	Changes
	31/03/2024	Preceding Quarter	
	RM'000	31/12/2023	RM'000
Revenue	5,213	5,629	(416)
Loss Before Interest and Tax	(16,404)	(4,861)	(11,543)
Loss Before Tax	(16,522)	(4,911)	(11,611)
Loss After Tax	(16,522)	(4,911)	(11,611)
Loss Attributable to Holders of the Parent	(15,683)	(4,764)	(10,919)

The Group recorded a revenue of RM5.213 million as compared to RM5.629 million for the preceding quarter, representing a decrease of RM0.416 million or 7.39%.

The Group recorded a loss before tax of RM16.522 million compared to the loss before tax of RM4.911 million for the preceding quarter. The higher loss recorded during the quarter under review was primarily stems from impairment of trade receivable, attributed to a significant customer within the mask division failing to repay the outstanding amount.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2024****B3. Commentary of Prospects**

The Group anticipates the economic landscape for consumer packaging and printing services to remain challenging in the near future. However, there are signs with the recent uptick in economic numbers that the local manufacturing industry is recovery and this can be seen in a gradual increase in our printing and labelling numbers.

Meanwhile the mask business saw a small spike due to the recent influenza outbreak, however the short-term demand increase was insufficient to provide any material impact into what appears to be an overall overstocked position.

During the past three quarters the Group has valiantly attempted to penetrate surgical mask business locally and abroad. To this date, Komark Mask has made little headway in market penetration, in what is a highly commoditised business.

Increase in minimum wages, weakening ringgit and general global economic turbulence has made international marketing of our products extremely difficult, while locally the preference to continue to use China made low grade masks remains.

In light of this, the management is making adjustments in its forecasts and budgets to redirect all free resources into boosting its labels and printing business.

Our Johor operation has seen a revival in the past two quarters, driven by increasing Singaporean orders.

Despite the war in Gaza having an effect on some of our customers whose demand has been reduced due to the boycott movements, we have as stated above, seen a revival in the manufacturing space with increasing demand for labelling, packaging and printing services.

The management will continue to drive a two-pronged strategy, diverting its focus in line with the general economic trends.

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 FOURTH QUARTER ENDED 31 MARCH 2024**
B6. Taxation

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

B7. Status of Corporate Proposal

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

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 24 May 2024 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	14,452	By 30 June 2025	-	-
(ii) Product Development	5,000	2,000	By 30 June 2025	-	-
(iii) Working Capital	4,481	6,757	By 31 December 2024	2,276	4.9
(iv) Estimated expenses for the Rights Issue with Warrants	700	700	Immediate	-	-

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2024**
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 March 2024		
	Long Term	Short Term	Total Borrowings
	RM'000 denomination	RM'000 denomination	RM'000 denomination
Secured			
Bank Overdraft	-	4,229	4,229
Term Loan	3,802	365	4,167
Total	3,802	4,594	8,396

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

KOMARKCORP BERHAD

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2024****B10. Material Litigation****(i) Kuala Lumpur High Court (“High Court”) Civil Suit No. WA-23NCVC-43-05/2021 Komarkcorp (“The Company”) v The Edge Communications Sdn Bhd (“The Edge”)**

The 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 The Company.

The Edge then filed its Defence on 19 July 2021. On 11 August 2021, The 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 High 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 High Court further ordered The Company to file a Reply by 27 October 2021 and had advised Parties to mediate the case.

The Company filed its Reply on 27 October 2021 and had informed the High 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 The Company’s suggestion and had proposed to mediate through the Kuala Lumpur Court Mediation Centre (“KLCMC”) instead.

The parties failed to reach a resolution via the mediation which was fixed for 29 June 2022.

The trial for this matter proceeded for 2 days on 5.2.2024 and 7.2.2024. Following to the trial's conclusion, the High Court instructed the parties to file Submission by 18.3.2024, with a decision scheduled on 26.3.2024.

On 26 March 2024, the High Court rendered judgement dismissing The Company’s claims against The Edge. Costs of RM35,000 were awarded to The Edge, subject to an allocatur fee, payable within fourteen (14) days from the date of judgement.

On 22 April 2024, The Company filed a Notice of Appeal against the judgement of the High Court on 26 March 2024.

The Court of Appeal (“The Court”) has fixed a case management on 22 July 2024.

Our Board is of the view that Komarkcorp has a fair chance to overturn the High Court judgement.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2024****B10. Material Litigation (Cont'd)****(ii) Kuala Lumpur Industrial Court Suit No. 20.4-312/22 Chin Kim Meng (“Claimant”) v General Labels & Labelling (M) Sdn Bhd (“Respondent”)**

Vide Industrial Court Suit No. 20/4 – 312/22, Chin Kim Meng (‘CKM’) (now deceased), a former employee of General Labels & Labelling (M) Sdn Bhd (‘GL’), brought an action based on wrongful dismissal against GL, a wholly-owned subsidiary of Komarkcorp.

The Industrial Court had on 5.9.2023 decided in CKM’s favour and awarded the sum of RM118,330.41 [less statutory deductions (if any)] to CKM, to be paid within thirty (30) days from the date of the award.

Aggrieved, GL has filed an against the Industrial Court’s award in the Kuala Lumpur High Court vide Civil Appeal No. WA-16A-61-09/2023 on 18.9.2023. The appeal is against Mau Yu Mei as the representative to the estate of CKM (deceased).

The appeal is fixed for hearing on 24.6.2024.

Our Board is of the view that GL has a fair chance to overturn the Industrial Court’s award.

(iii) Kuala Lumpur High Court (“High Court”) Winding Up Petition No. WA-28NCC-210-03/2024 (“WU Petition”) Komark Mask (M) Sdn Bhd (“KMM”) v Jovian Apparel Sdn Bhd (“Jovian Apparel”)

The Company subsidiary, Komark Mask (M) Sdn Bhd had on 1.3.2024 presented a Winding-Up Petition No. WA-28NCC-210-03/2024 against Jovian Apparel Sdn Bhd in the High Court of Malaya at Kuala Lumpur. The WU Petition is fixed for hearing on 25.07.2024 and case management on 28.06.2024 for parties to update the Court on the application filed by Jovian Apparel pursuant to sections 366 and 368 of the Companies Act 2016 (‘CA 2016’) and the effect of the same on the WU Petition.

Jovian Apparel (Receiver and Manager appointed) had on 17.05.2024 filed Originating Summons No. WA-24NCC-233-05/2024 (‘OS 233’) in the High Court of Malaya at Kuala Lumpur pursuant to sections 366 and 368 of CA 2016. OS 233 and the affidavit in support were served on KMM’s solicitors on 27.05.2024. KMM filed an application for leave to intervene in OS 233. OS 233 is fixed for case management on 04.06.2024.

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 March 2024.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2024**
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.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year To-date	Preceding Year-to-Date
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
(Loss)/profit attributable to Shareholders of Parent (RM'000)	(15,683)	303	(23,850)	(4,760)
Weighted Average Number of Ordinary Shares ('000)	625,415	577,347	625,415	577,347
Basic (loss)/profit Per Share (Sen)	(2.51)	0.05	(3.81)	(0.82)

B13. Notes to the Statement of Comprehensive Loss/(Profit)

		Period Ended	Period Ended
		March 2024	March 2023
		RM'000	RM'000
a)	Allowance /(reversal) for impairment loss on receivables	9,944	(551)
b)	Depreciation and amortisation	7,730	7,965
c)	Fair value loss/(gain) in quoted shares	2,793	(2,348)
d)	Gain on disposal of subsidiary	-	(1,403)
e)	Interest income	(309)	(2)
f)	Interest expense	547	328
g)	Inventories written down	1,843	-
h)	Loss allowance for slow-moving, defective and obsolete inventories	16	917
i)	Loss/(gain) on disposal of property, plant and equipment	8	(61)
j)	Loss on disposal of quoted shares	1,299	-
k)	Property, plant and equipment written off	-	363
l)	Right-of-use assets written off	-	292
m)	Realised/unrealised foreign exchange (gain)/loss, net	(111)	728

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