

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 2023

(The figures have not been audited)

	Current Qtr Ended 31/03/2023	Comparative Qtr Ended 31/03/2022	Cumulative 31/03/2023	11 months Cumulative 31/03/2022
	RM'000	RM'000	RM'000	RM'000
Revenue	10,006	13,073	40,741	62,742
Cost of sales	(9,080)	(13,131)	(38,129)	(58,133)
Gross Profit/(Loss)	<u>926</u>	<u>(58)</u>	<u>2,612</u>	<u>4,609</u>
Other income	1	79	2,617	640
Employee benefits expenses	(1,202)	(1,435)	(4,499)	(7,286)
Other operating expenses	(1,959)	(3,073)	(6,326)	(7,585)
Fair value adjustment on other investment	2,348	-	2,348	-
Finance costs	(187)	(50)	(604)	(709)
Loss before tax	<u>(73)</u>	<u>(4,537)</u>	<u>(3,852)</u>	<u>(10,331)</u>
Income tax expense	380	147	380	141
Profit/(Loss) from continuing operations	<u>307</u>	<u>(4,390)</u>	<u>(3,472)</u>	<u>(10,190)</u>
Discontinued operation				
Loss from discontinued operation, net of tax	(4)	-	(1,344)	-
Profit/(Loss) after tax	<u>303</u>	<u>(4,390)</u>	<u>(4,816)</u>	<u>(10,190)</u>
Other Comprehensive (Loss)/Profit				
Tax effect on remeasurement gain of defined benefit plan	-	(112)	-	(112)
Fair value gain on investment in equity fund	(10)	(46)	(10)	(46)
Reversal of translation losses on deconsolidation a subsidiary	-	272	-	272
Exchange difference on translating foreign operations	(94)	8	(261)	112
	<u>(104)</u>	<u>122</u>	<u>(271)</u>	<u>226</u>
Total Comprehensive Profit/(Loss) for the period	<u>199</u>	<u>(4,268)</u>	<u>(5,087)</u>	<u>(9,964)</u>
Loss attributable to:				
Equity holders of the parent	589	(4,146)	(4,510)	(10,053)
Non-controlling interests	(286)	(244)	(306)	(137)
	<u>303</u>	<u>(4,390)</u>	<u>(4,816)</u>	<u>(10,190)</u>

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INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTD.)

For the period ended 31 March 2023

(The figures have not been audited)

	Current Qtr Ended 31/03/2023 RM'000	Comparative Qtr Ended 31/03/2022 RM'000	Cumulative 31/03/2023 RM'000	11 months Cumulative 31/03/2022 RM'000
Total Comprehensive Loss attributable to:				
Equity holders of the parent	485	(4,024)	(4,781)	(9,827)
Non-controlling interests	(286)	(244)	(306)	(137)
	<u>199</u>	<u>(4,268)</u>	<u>(5,087)</u>	<u>(9,964)</u>
Basic Loss per Ordinary Share (sen)	0.10	(0.77)	(0.78)	(1.74)
Diluted Loss per Ordinary Share (sen)	0.07	(0.54)	(0.55)	(1.23)

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 FINANCIAL POSITION
As at 31 March 2023

(The figures have not been audited)

	AS AT 31/03/2023	AS AT 31/03/2022 (Audited)
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	83,916	93,336
Intangible asset	61	82
Right of Use Assets	1,507	2,597
Other Investment	9,100	-
	<u>94,584</u>	<u>96,015</u>
Current Assets		
Inventories	9,209	13,554
Trade and Other Receivables	12,528	17,515
Tax Recoverable	140	103
Cash and Bank Balances	1,994	5,359
Assets held for sale	1,321	-
	<u>25,192</u>	<u>36,531</u>
Total Assets	<u>119,776</u>	<u>132,546</u>
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the parent		
Share Capital	132,927	132,927
Treasury Shares, at cost	(4)	(4)
Reserves	<u>(36,285)</u>	<u>(31,504)</u>
	96,638	101,419
Non Controlling Interest	<u>(392)</u>	<u>(86)</u>
Total Equity	<u>96,246</u>	<u>101,333</u>
Non-current liabilities		
Bank Borrowings	5,477	7,239
Leases Obligation	691	1,513
Post Employment Benefits	-	667
Deferred tax liabilities	<u>-</u>	<u>380</u>
	6,168	9,799
Current Liabilities		
Trade and Other Payables	14,966	17,321
Leases Obligation	822	1,121
Bank Borrowings	1,574	2,972
	<u>17,362</u>	<u>21,414</u>
Total Liabilities	<u>23,530</u>	<u>31,213</u>
Total Equity And Liabilities	<u>119,776</u>	<u>132,546</u>
 Net Assets per Share (RM)	 0.17	 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)

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INTERIM FINANCIAL STATEMENTS
Condensed Consolidated Statements of Changes in Equity

For the period ended 31 March 2023

For the period ended 31 March 2023	Attributable to Equity Holders of the Parent							Non Controlling Interest	Total Equity	
	Non- distributable					Distributable				
	Share Capital RM'000	Treasury Shares RM'000	General Reserve RM'000	Translation Reserve RM'000	Revaluation Surplus on PPE RM'000	Capital Reserve RM'000	Accumulated Losses RM'000	Total RM'000	RM'000	RM'000
At 1st April 2022	132,927	(4)	361	1,017	15,274	33,882	(82,038)	101,419	(86)	101,333
Total comprehensive loss for the period	-	-	-	(261)	-	-	(4,520)	(4,781)	(306)	(5,087)
As at 31st March 2023	132,927	(4)	361	756	15,274	33,882	(86,558)	96,638	(392)	96,246
At 1st May 2021	120,166	(4)	361	633	15,274	33,882	(71,827)	98,485	51	98,536
Issuance of ordinary shares pursuant to:										
- private placement	12,932	-	-	-	-	-	-	12,932	-	12,932
Share issue expenses	(171)	-	-	-	-	-	-	(171)	-	(171)
Total comprehensive loss for the period	-	-	-	384	-	-	(10,211)	(9,827)	(137)	(9,964)
As at 31st March 2022	132,927	(4)	361	1,017	15,274	33,882	(82,038)	101,419	(86)	101,333

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

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INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 March 2023

(The figures have not been audited)

	Period Ended	
	31/03/2023	31/03/2022
	RM'000	RM'000
Cash Flows from Operating Activities		
Loss Before Taxation		
- Continuing operations	(3,852)	(10,331)
- Discontinued operation	(1,344)	-
Adjustments for:		
Amortisation of right-of-use assets	1,090	641
Amortisation of intangible assets	21	29
Bad debts recovered	-	(4)
Bad debts written off	-	113
Allowance/(reversal) for impairment loss on receivables	620	(103)
(Reversal)/allowance for expected credit loss on receivables	(93)	95
Depreciation of property, plant and equipment	7,105	4,913
Deposit and prepayment written off	-	49
Fair value gain on investment	(2,348)	(46)
Deferred Income	-	(422)
Interest expenses	604	709
Interest income	(2)	(297)
Inventories written off	-	681
Gain on disposal of subsidiary	(1,927)	-
(Gain)/loss on disposal of property, plant and equipment	(61)	476
Allowance for slow-moving, detective and obsolete inventories	616	211
Property, plant and equipment written off	363	176
Unrealised loss on foreign exchange - net	74	4
Operating income before working capital changes	866	(3,106)
Changes in working capital:		
Inventories	2,349	(8,655)
Trade and other receivables	1,144	(3,127)
Trade and other payables	1,632	6,527
Cash Generated From/(Used In) Operations	5,991	(8,361)
Income Taxes (paid)/refund - net	(37)	42
Interest Paid	(604)	(709)
Interest Received	2	297
Net Cash Generated From/(Used In) Operating Activities	5,352	(8,731)

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INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)
For the period ended 31 March 2023

(The figures have not been audited)

	Period Ended	
	31/03/2023	31/03/2022
	RM'000	RM'000
Cash Flows from Investing Activity		
Investment in intangible assets	-	(111)
Deconsolidation of a subsidiary (net cash disposed)	-	(22)
Purchases of property, plant and equipment	(4,560)	(33,045)
Net Cash Used in Investing Activity	(4,560)	(33,178)
Cash Flows from Financing Activities		
Withdrawal of deposit pledged to licensed bank	-	651
Proceeds from disposal of property, plant and equipment	-	554
Proceeds from private placement	-	12,761
Repayment of lease liabilities	(1,121)	(636)
Repayment of Term Loans and other Borrowings	(2,723)	(3,327)
Net Cash (Used In)/Generated From Financing Activities	(3,844)	10,003
Net Decrease in Cash and Cash Equivalents	(3,052)	(31,906)
Effect of exchange rate changes	(261)	374
Cash and Cash Equivalents at Beginning of the Period (i)	5,307	36,839
Cash and Cash Equivalents at End of the Period	1,994	5,307
(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	1,994	5,359
Less : Deposit pledged with licensed Bank	-	(52)
	<u>1,994</u>	<u>5,307</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 2022.

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

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 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
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 Cyclical 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 2023****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 31 March 2023.

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:

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023**
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

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				991
Unallocated Expenses				(878)
Interest Income				1
Finance Costs				(187)
Loss before taxation				(73)
Income Tax Expenses				380
Loss from discontinued operation, net of tax				(4)
Profit for the period				303

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				(1,240)
Unallocated Expenses				(2,010)
Interest Income				2
Finance Costs				(604)
Loss before taxation				(3,852)
Income Tax Expenses				380
Loss from discontinued operation, net of tax				(1,344)
Loss for the period				(4,816)

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023**
A10. Segmental Information (contd.)

<u>Financial quarter ended 31 March 2022</u>	Label and Packaging	Mask	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000
Revenue	9,451	6,838	(3,216)	13,073
Loss				(4,304)
Unallocated Expenses				(193)
Interest Income				10
Finance Costs				(50)
Loss before taxation				(4,537)
Income Tax Expenses				147
Loss for the period				(4,390)

<u>11 months ended 31 March 2022</u>	Label and Packaging	Mask	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000
Revenue	48,186	24,811	(10,255)	62,742
Loss				(7,993)
Unallocated Expenses				(1,926)
Interest Income				297
Finance Costs				(709)
Loss before taxation				(10,331)
Income Tax Expenses				141
Loss for the period				(10,190)

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 2023 except as disclosed in this report.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023****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 2023, the Company has given corporate guarantee of RM7.051 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 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 (3 rd Quarter)		Changes RM'000	Cumulative Year		Changes RM'000
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Quarter	
	31/03/2023	31/03/2022		31/03/2023	31/03/2022	
	RM'000	RM'000		RM'000	RM'000	
Revenue	10,006	13,073	(3,067)	40,741	62,742	(22,001)
Profit/(loss) Before Interest and Tax	114	(4,487)	4,601	(3,248)	(9,622)	6,374
Loss Before Tax	(73)	(4,537)	4,464	(3,852)	(10,331)	6,479
Profit/(loss) from continuing operations	307	(4,390)	4,697	(3,472)	(10,190)	6,718
Loss from discontinued operation, net of tax	(4)	-	(4)	(1,344)	-	(1,344)
Profit/(loss) After Tax	303	(4,390)	4,693	(4,816)	(10,190)	(5,374)
Profit/(loss) Attributable to Holders of the Parent	589	(4,146)	4,735	(4,510)	(10,053)	5,543

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023**
B1. Review of Performance (Cont'd)
Analysis of Quarters Performance

For current quarter ended 31 March 2023, the Group recorded a revenue of RM10.006 million compared to preceding year corresponding quarter of RM13.073 million; a decrease of RM3.067 million due to the Group had ceased to consolidate Komark Thailand's revenue.

The Group recorded loss before tax of RM0.073 million compared to preceding year corresponding quarter of RM4.537 million. The improvement was due to fair value adjustment on other investment during the period under review and one off event arising from impairment and loss on disposal of assets captured under Indonesia and Singapore subsidiaries in the preceding year corresponding quarter.

B2. Comparison with the Preceding Quarter's Results

	Current Quarter 31/03/2023	Immediate Preceding Quarter 31/12/2022	Changes
	RM'000	RM'000	RM'000
Revenue	10,006	9,070	936
Profit /(loss) Before Interest and Tax	114	(207)	321
Loss Before Tax	(73)	(329)	256
Profit /(loss) from continuing operations	307	(329)	636
Loss from discontinued operation, net of tax	(4)	(215)	211
Profit /(loss) After Tax	303	(544)	847
Profit /(loss) Attributable to Holders of the Parent	589	(508)	1,097

The Group recorded a revenue of RM10.006 million as compared to RM9.070 million for the preceding quarter, representing an increase of RM0.936 million or 10.32%. Higher revenue reported for the quarter was mainly attributed to increase in Mask Division's revenue.

The Group recorded loss before tax of RM0.073 million compared to the loss before tax of RM0.329 million for the preceding quarter. The improvement was due to fair value adjustment on quoted shares.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 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 FOURTH QUARTER ENDED 31 MARCH 2023**
B6. Taxation

	Current Quarter (RM'000)	Year to date (RM'000)
Income Tax		
- Current	-	-
- (Overprovision) in prior year	(380)	(380)
Total income tax provision	(380)	(380)

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 Right shall be commenced for trading on 30 May 2023. The listing and quotation of Rights Share and Warrant D shall be 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
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023**

B8. 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 2023		
	Long Term	Short Term	Total Borrowings
	RM'000 denomination	RM'000 denomination	RM'000 denomination
Secured			
Term Loan	4,150	821	4,971
Finance Lease and Hire Purchase Liabilities	1,327	753	2,080
Total	5,477	1,574	7,051

	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
Secured						
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
Total		7,239		2,972		13,211

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

KOMARKCORP BERHAD

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023****B10. Material Litigation****(i) Kuala Lumpur High Court (“High Court”) Civil Suit No. WA-23NCVC-43-05/2021 Komarkcorp v The Edge Communications Sdn Bhd (“The Edge”)**

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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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023****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")**

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 31 March 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.

	Period Ended
Loss attributable to Shareholders of Parent (RM'000)	(4,510)
Weighted Average Number of Ordinary Shares ('000)	577,347
Basic Loss Per Share (Sen)	(0.78)

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023**

B13. Notes to the Statement of Comprehensive Loss

		Period Ended	Period Ended
		March 2023	March 2022
		RM'000	RM'000
a)	Allowance for expected credit loss on receivables	(93)	95
b)	Bad debts recovered	-	(4)
c)	Bad debts written off	-	113
d)	Deposit and prepayment written off	-	49
e)	Depreciation and amortization	7,298	5,583
f)	Gain on disposal of subsidiary	(1,927)	-
g)	Interest Income	(2)	(297)
h)	Interest expense	(604)	709
i)	Impairment of inventories	616	857
j)	Fair value adjustment on investment	(2,348)	-
k)	(Gain)/loss on disposal of property, plant and equipment	(61)	476
l)	Property, plant and equipment written off	363	211
m)	Realised/unrealised foreign exchange (gain)/loss, net	(76)	68
n)	Allowance/(Reversal) for impairment losses on receivables	620	(103)

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