

KOMARKCORP BERHAD

Company No.: 199601001919 (374265 - A)

Incorporated in Malaysia

INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 December 2023

(The figures have not been audited)

	Current Quarter Ended 31/12/2023 RM'000	Comparative Quarter Ended 31/12/2022 RM'000	Cumulative 31/12/2023 RM'000	Cumulative 31/12/2022 RM'000
Revenue	5,629	9,070	19,225	30,735
Cost of sales	(7,199)	(9,700)	(19,831)	(29,049)
Gross (loss)/profit	(1,570)	(630)	(606)	1,686
Other income	196	4,522	481	4,964
Employee benefits expenses	(867)	(1,022)	(2,830)	(3,297)
Other operating expenses	(2,230)	(3,077)	(4,153)	(6,715)
Fair value adjustment on other investment	(294)	-	(881)	-
Finance costs	(146)	(122)	(391)	(417)
Loss before tax	(4,911)	(329)	(8,380)	(3,779)
Income tax expense	-	-	-	-
Loss from continuing operations	(4,911)	(329)	(8,380)	(3,779)
Discontinued operation				
Loss from discontinued operation, net of tax	-	(215)	-	(1,340)
Loss after tax	(4,911)	(544)	(8,380)	(5,119)
Other Comprehensive Loss				
Exchange difference on translating foreign operations	-	(96)	-	(263)
	-	(96)	-	(263)
Total Comprehensive Loss for the period	(4,911)	(640)	(8,380)	(5,382)
Loss attributable to:				
Equity holders of the parent	(4,764)	(508)	(8,167)	(5,063)
Non-controlling interests	(147)	(36)	(213)	(56)
	(4,911)	(544)	(8,380)	(5,119)
Total Comprehensive Loss attributable to:				
Equity holders of the parent	(4,764)	(604)	(8,167)	(5,326)
Non-controlling interests	(147)	(36)	(213)	(56)
	(4,911)	(640)	(8,380)	(5,382)
Basic Loss per Ordinary Share (sen)	(0.67)	(0.09)	(1.15)	(0.88)
Diluted Loss per Ordinary Share (sen)	(0.63)	(0.06)	(1.09)	(0.62)

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 December 2023

(The figures have not been audited)

	AS AT 31/12/2023	AS AT 31/03/2023 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	83,421	71,612
Intangible assets	45	61
Right-of-use assets	3,663	13,369
Other investment	8,220	9,100
	<u>95,349</u>	<u>94,142</u>
Current assets		
Inventories	7,370	8,777
Trade and other receivables	23,350	12,437
Tax recoverable	158	140
Cash and bank balances	24,462	2,025
Assets held for sale	-	1,300
	<u>55,340</u>	<u>24,679</u>
Total Assets	<u>150,689</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	<u>(45,345)</u>	<u>(37,178)</u>
	132,739	95,745
Non-controlling interest	<u>(636)</u>	<u>(423)</u>
Total Equity	<u>132,103</u>	<u>95,322</u>
Non-current liabilities		
Loans and borrowings	3,890	4,151
Lease liabilities	920	1,999
	<u>4,810</u>	<u>6,150</u>
Current liabilities		
Trade and other payables	8,274	14,934
Lease liabilities	1,431	1,594
Loans and borrowings	4,071	821
	<u>13,776</u>	<u>17,349</u>
Total Liabilities	<u>18,586</u>	<u>23,499</u>
Total Equity And Liabilities	<u>150,689</u>	<u>118,821</u>
Net Assets per Share (RM)	0.57	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

Company No.: 199601001919 (374265 - A)

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INTERIM FINANCIAL STATEMENTS
Condensed Consolidated Statements of Changes in Equity

For the period ended 31 December 2023

For the period ended 31 December 2023									Non Controlling Interest	Total Equity
Attributable to Equity Holders of the Parent										
Share Capital RM'000	Treasury Shares RM'000	Non-distributable				Distributable	Total RM'000	RM'000	RM'000	
		General Reserve RM'000	Translation Reserve RM'000	Revaluation Surplus on PPE RM'000	Capital Reserve RM'000	Accumulated Losses 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	-	-	-	-	-	-	(8,167)	(8,167)	(213)	(8,380)
As at 31st December 2023	178,088	(4)	-	103	15,274	33,882	(94,604)	132,739	(636)	132,103
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)

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

(The figures have not been audited)

	Period Ended	
	31/12/2023	31/12/2022
	RM'000	RM'000
Cash Flows from Operating Activities		
Loss Before Taxation		
- Continuing operations	(8,380)	(3,779)
- Discontinued operation	-	(1,340)
Adjustments for:		
Amortisation of right-of-use assets	1,077	500
Amortisation of intangible assets	16	-
Allowance for expected credit loss on receivables	-	5
Depreciation of property, plant and equipment	4,607	4,190
Fair value loss in investment quoted share	881	2,348
Loss on disposal of subsidiary	-	(4,429)
Interest expenses	391	417
Interest income	(271)	(1)
Inventories written down	1,730	1,192
Loss on disposal of property, plant and equipment	8	-
Realised/Unrealised gain on foreign exchange - net	(96)	(106)
Operating loss before working capital changes	(37)	(1,003)
Changes in working capital:		
Inventories	(324)	363
Trade and other receivables	(10,913)	3,429
Trade and other payables	(6,563)	(32)
Cash (used in)/generated From Operations	(17,837)	2,757
Income taxes paid	(18)	(37)
Interest paid	(391)	(417)
Interest received	271	1
Net Cash (Used in)/Generated From Operating Activities	(17,975)	2,304

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

(The figures have not been audited)

	Period Ended	
	31/12/2023	31/12/2022
	RM'000	RM'000
Cash Flows from Investing Activity		
Investment in other investment	(1)	-
Proceeds from disposal of property, plant and equipment	1,333	-
Purchases of property, plant and equipment	(7,828)	(2,638)
Net Cash Used in Investing Activity	(6,496)	(2,638)
Cash Flows from Financing Activities		
Placement of deposit pledged to licensed bank	(5,000)	-
Net proceeds from issuance of ordinary shares pursuant to right issue	45,161	-
Repayment of lease liabilities	(1,242)	(453)
Repayment of term loans and other borrowings	(721)	(2,311)
Net Cash Generated From/(Used In) Financing Activities	38,198	(2,764)
Net Increase/(Decrease) in Cash and Cash Equivalents	13,727	(3,098)
Effect of exchange rate changes	-	(263)
Cash and Cash Equivalents at Beginning of the Period (i)	2,025	5,307
Cash and Cash Equivalents at End of the Period	15,752	1,946

(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	24,462	1,946
Less : Deposits pledged with licensed institutions	(5,000)	-
Bank Overdraft	(3,710)	-
	15,752	1,946

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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Company No. : 199601001919 (374265-A)

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 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, as disclosed below:

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 Transaction</i> (Amendments to MFRS 112 <i>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 THIRD QUARTER ENDED 31 DECEMBER 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
<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 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 Joint Venture</i> (Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>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 THIRD QUARTER ENDED 31 DECEMBER 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. 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 December 2023, 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 December 2023	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 THIRD QUARTER ENDED 31 DECEMBER 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, 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 December 2023	Label and Packaging	Mask	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000
Revenue	4,613	1,016	-	5,629
Loss				(4,362)
Unallocated Expenses				(499)
Interest Income				96
Finance Costs				(146)
Loss before taxation				(4,911)
Income Tax Expenses				-
Loss for the period				(4,911)

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**
A10. Segmental Information (Cont'd)

Financial year-to-date ended 31 December 2023	Label and Packaging	Mask	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000
Revenue	14,616	4,820	(211)	19,225
Loss				(7,047)
Unallocated Expenses				(1,213)
Interest Income				271
Finance Costs				(391)
Loss before taxation				(8,380)
Income Tax Expenses				-
Loss for the period				(8,380)

Financial quarter ended 31 December 2022	Label and Packaging	Mask	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000
Revenue	4,611	4,600	(141)	9,070
Profit				49
Unallocated Expenses				(246)
Interest Income				(10)
Finance Costs				(122)
Loss before taxation				(329)
Income Tax Expenses				-
Loss from discontinued operation, net of tax				(215)
Loss for the period				(544)

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023**
A10. Segmental Information (Cont'd)

Financial year-to-date ended 31 December 2022	Label and Packaging	Mask	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000
Revenue	17,972	14,906	(2,143)	30,735
Loss				(2,342)
Unallocated Expenses				(1,021)
Interest Income				1
Finance Costs				(417)
Loss before taxation				(3,779)
Income Tax Expenses				-
Loss from discontinued operation, net of tax				(1,340)
Loss for the period				(5,119)

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 December 2023 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 December 2023, the Company has given corporate guarantee of RM5.714 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 THIRD QUARTER ENDED 31 DECEMBER 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	Cumulative Year		Changes
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Quarter	
	31/12/2023	31/12/2022		31/12/2023	31/12/2022	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	5,629	9,070	(3,441)	19,225	30,735	(11,510)
Loss Before Interest and Tax	(4,861)	(207)	(4,654)	(8,260)	(3,362)	(4,898)
Loss Before Tax	(4,911)	(329)	(4,582)	(8,380)	(3,779)	(4,601)
Loss from continuing operations	(4,911)	(329)	(4,582)	(8,380)	(3,779)	(4,601)
Loss from discontinued operation, net of tax	-	(215)	215	-	(1,340)	1,340
Loss After Tax	(4,911)	(544)	(4,367)	(8,380)	(5,119)	(3,261)
Loss Attributable to Holders of the Parent	(4,764)	(508)	(4,256)	(8,167)	(5,063)	(3,104)

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

For current quarter ended 31 December 2023, the Group recorded a revenue of RM5.629 million compared to preceding year corresponding quarter of RM9.070 million, a decrease of RM3.441 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 RM4.911 million compared to preceding year corresponding quarter of RM0.329 million. The increased loss reported for the current quarter under review primarily stems from inventory write-down, attributed to a significant customer within the mask division failing to fulfill the remaining open purchase order.

B2. Comparison with the Preceding Quarter's Results

	Current Quarter 31/12/2023	Immediate Preceding Quarter 30/09/2023	Changes
	RM'000	RM'000	RM'000
Revenue	5,629	5,868	(239)
Loss Before Interest and Tax	(4,861)	(1,178)	(3,683)
Loss Before Tax	(4,911)	(1,297)	(3,614)
Loss After Tax	(4,911)	(1,297)	(3,614)
Loss Attributable to Holders of the Parent	(4,764)	(1,237)	(3,527)

The Group recorded a revenue of RM5.629 million as compared to RM5.868 million for the preceding quarter, representing a decrease of RM0.239 million or 4.07%.

The Group recorded a loss before tax of RM4.911 million compared to the loss before tax of RM1.297 million for the preceding quarter. The higher loss recorded during the quarter under review was due to fair value adjustment on quoted shares and primarily stems from inventory write-down, attributed to a significant customer within the mask division failing to fulfill the remaining open purchase order.

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 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 THIRD QUARTER ENDED 31 DECEMBER 2023**
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 22 February 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	6,375	By 31 December 2024	1,894	4.1
(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 THIRD QUARTER ENDED 31 DECEMBER 2023**

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 December 2023		
	Long Term	Short Term	Total Borrowings
	RM'000 denomination	RM'000 denomination	RM'000 denomination
Secured			
Bank Overdraft	-	3,710	3,710
Term Loan	3,890	361	4,251
Total	3,890	4,071	7,961

	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

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 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.

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

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.

KOMARKCORP BERHAD

Company No. : 199601001919 (374265-A)

Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 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")**

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.

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 December 2023.

KOMARKCORP BERHAD

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**NOTES TO THE INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 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.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year To-date	Preceding Year-to-Date
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Loss attributable to Shareholders of Parent (RM'000)	(4,764)	(508)	(8,167)	(5,063)
Weighted Average Number of Ordinary Shares ('000)	712,021	577,347	712,021	577,347
Basic Loss Per Share (Sen)	(0.67)	(0.09)	(1.15)	(0.88)

B13. Notes to the Statement of Comprehensive Loss

		Period Ended	Period Ended
		December 2023	December 2022
		RM'000	RM'000
a)	Depreciation and amortisation	5,700	5,338
b)	Fair value adjustment in quoted shares	881	2,348
c)	Gain on disposal of subsidiary	-	(4,429)
d)	Loss on disposal of property, plant and equipment	8	-
e)	Interest income	(271)	(1)
f)	Interest expense	391	417
g)	Impairment of inventories	1,730	1,192
h)	Realised/unrealised foreign exchange gain, net	(96)	(19)

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