

IKOMARK

Registration No. 199601001919 (374265-A)

EMBRACE THE **DIGITAL ERA**

ANNUAL REPORT 2025





VISION

Becoming a world class total solution provider of premium labels and flexible packaging manufacturer and largest face mask manufacturer in Southeast Asia delivering sustainable shareholder value to all stakeholders.



MISSION

- To be a progressive organisation providing products and services of superior quality and reliability.
- To constantly pursue in research and development ("R&D") and pioneer into technological excellence.
- To excel in everything we do and attaining **"Total Customer's Satisfaction"**.
- **"Total Customer's Satisfaction"** guided by our core values, we have continuously develop prestige and innovative packaging and machineries through our established R&D centre, customer service and technical support team.



CORE VALUES

The **8 Core Values** of Komarkcorp Berhad are:



Trustability



Passion



Responsibility



Integrity



Innovation



Compliance



Commitment



Speed

29TH

ANNUAL GENERAL MEETING

Date : 27 November 2025

Time : 10.30 A.M.

Venue : Lot 132, Jalan 16/1, Kawasan Perindustrian Cheras Jaya, 43200 Balakong, Selangor Darul Ehsan, Malaysia



SCAN ME

For more information visit our website www.komark.com.my

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Proxy Form

CORPORATE INFORMATION

BOARD OF DIRECTORS

YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad
(Independent Non-Executive Chairman)

Roy Ho Yew Kee
(Executive Director)

Koo Kien Keat
(Independent Non-Executive Director)

Dr Chan Jee Peng
(Independent Non-Executive Director)

Dr Azizah Binti Sulaiman
(Independent Non-Executive Director)

AUDIT COMMITTEE

Dr Chan Jee Peng
Chairman
Koo Kien Keat
Member
Dr Azizah Binti Sulaiman
Member

NOMINATION COMMITTEE

Koo Kien Keat
Chairman
Dr Chan Jee Peng
Member
Dr Azizah Binti Sulaiman
Member

REMUNERATION COMMITTEE

Dr Azizah Binti Sulaiman
Chairperson
Dr Chan Jee Peng
Member
Koo Kien Keat
Member

COMPANY SECRETARY

Tan Tong Lang
(SSM PC NO. 202208000250/
MAICSA 7045482)

AUDITORS

MORISON LC PLT
(LLP0032572-LCA & AF 002469)
Chartered Accountants
Level 11-01, Uptown No. 3
Jalan SS 21/39
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
☎ +603-7491 4419

REGISTERED OFFICE

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
☎ +603-9770 2200
☎ +603-2201 7774
🌐 boardroom@boardroom.com.my

PRINCIPAL PLACE OF BUSINESS

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Kawasan Perindustrian Cheras
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Selangor Darul Ehsan
☎ +603 9080 3333
☎ +603 9080 5233
✉ <https://komark.com.my>
🌐 enquiry@komark.com.my

SHARE REGISTRAR

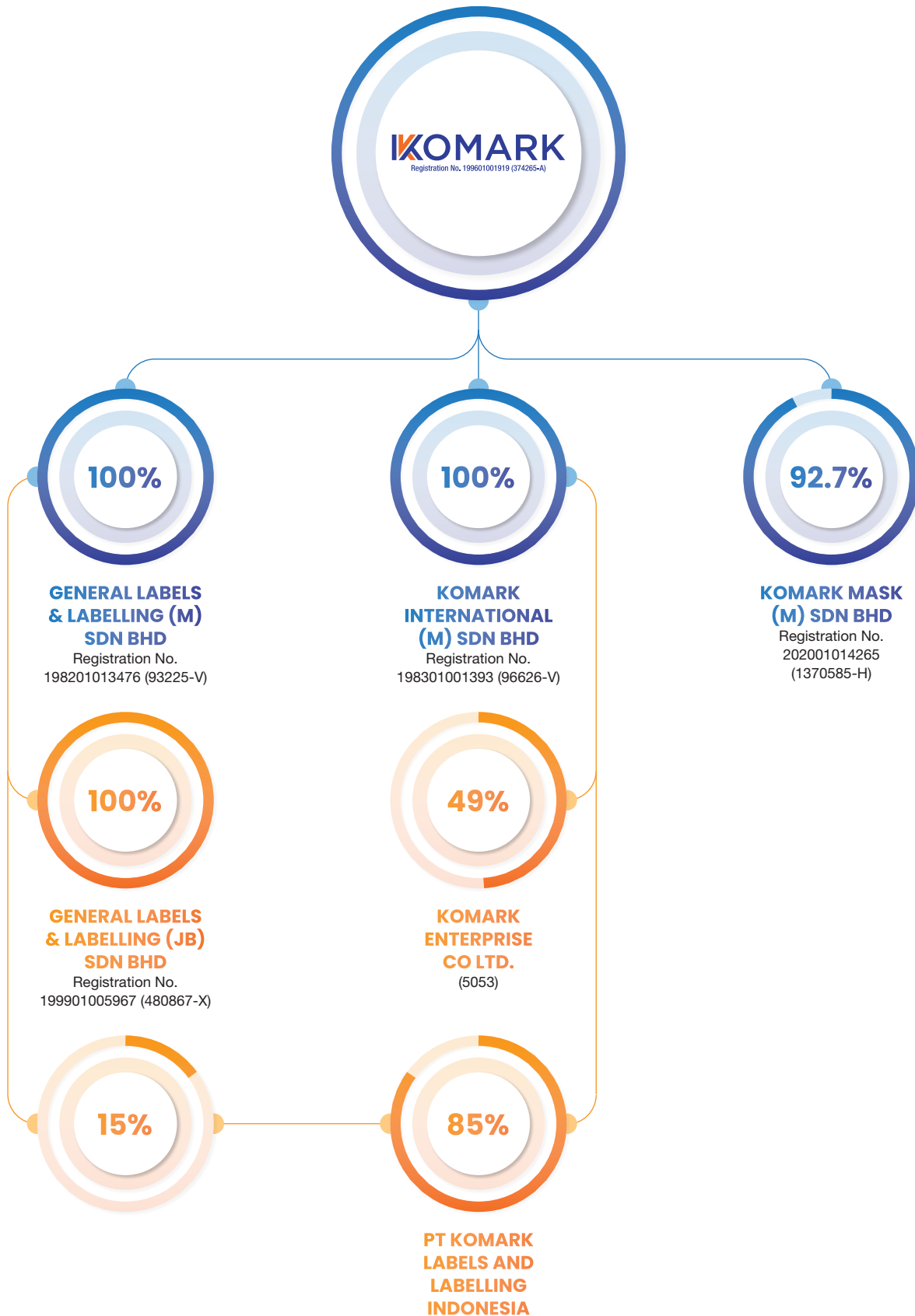
Aldpro Corporate Services Sdn Bhd
[Registration No. 202101043817
(1444117-M)]
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
☎ +603-9770 2200
☎ +603-2201 7774
🌐 admin@aldpro.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name: KOMARK
Stock Code: 7017
Sector: Industrial Products & Services



CORPORATE STRUCTURE



FIVE-YEARS GROUP FINANCIAL HIGHLIGHTS

	2021	2022	2023	2024	2025
OPERATING RESULT (RM'000)					
Revenue	37,627	48,322 [^]	40,741	29,357	19,921
Loss Before Tax	(16,131)	(7,940) [^]	(4,133)	(41,637)	(27,318)
Loss After Tax	(15,955)	(10,236) [^]	(5,097)	(41,641)	(26,479)
Total Comprehensive Loss	(15,943)	(9,964)	(5,359)	(41,641)	(18,855)
KEY BALANCE SHEET DATA (RM'000)					
Total Assets	127,157	132,546	118,821	124,971	111,037
Total Interest Bearing Borrowings	8,162	5,414	4,972	9,315	11,711
Total Liabilities	28,621	31,213	23,499	26,130	31,051
Paid-Up Capital	120,166	132,927	132,927	173,277	173,277
Shareholders' Equity	98,485	101,419	95,745	101,382	83,552
SHARE INFORMATION					
No of shares in issued ('000)	481,116	577,339	577,339	230,917	230,917
PER SHARE (SEN)					
Basic LPS	(6.05)	(1.78) [^]	(4.12) [^]	(18.80)	(11.02)
Gross Dividend (Recommended)	0.00	0.00	0.00	0.00	0.00
Gross Dividend Paid	0.00	0.00	0.00	0.00	0.00
Net Assets	20.48	17.57	16.58	43.90	36.18
FINANCIAL RATIO (%)					
Return on Equity	(16.20)	(10.09) [^]	(5.32)	(41.07)	(31.69)
Return on Total Assets	(12.55)	(7.72) [^]	(4.29)	(33.32)	(23.85)
Gearing ratio	14.26	12.67	8.95	16.01	22.63

[^] Restated





DIRECTORS' PROFILE

YM TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD

Independent Non-Executive Chairman

YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad ("YM Tengku Ezuan") was appointed to the Board as Independent Non-Executive Chairman on 11 August 2020. He does not hold any position on the Board Committees.

After graduated from the International Islamic University with a Master in Law majoring in Banking and Anti Money Laundering, YM Tengku Ezuan furthered his study at University of East London with a degree in Bachelor of Science (Hons) Accounting and Finance.

He is a member of the Royal Family and a long serving corporate citizen exposed to a multitude of industries, including Oil & Gas, Defence, Private Equity, Finance and ICT Consulting. Over the years, he has engaged in business dealings with prominent entities such as Petronas, HESS Petroleum, and GL Noble Denton.

Currently, he sits on the Board of XOX Networks Berhad as Independent Non-Executive Chairman and Uzma Berhad as Independent Non-Executive Director.

He has no family relationship with any Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies during the financial year ended 30 June 2025.



Nationality: **Malaysian**



Age: **47**



Gender: **Male**

DIRECTORS' PROFILE



ROY HO YEW KEE

Executive Director

Mr Roy Ho Yew Kee ("Mr Roy") was appointed to the Board as Independent Non-Executive Director of the Company on 25 June 2020. Subsequently, he was redesignated as Executive Director on 3 November 2020.

Mr Roy brings over 3 decades of experience in the financial services and corporate strategy to the Board.

Mr Roy started his career in 1998, in the financial services industry, with boutique broker Pembroke, Josephson and Wright, which was subsequently acquired by Hartley Poynton Ltd, a subsidiary of the Royal Bank of Canada.

Mr Roy's exposure in Delta One, complex financial derivatives, treasury functions and first generation fintech products lay the groundwork for his move to Tricom Futures in 2003, where he set up a trading desk in Brisbane specialising in debt instruments, capital raising and derivative exotics.

In 2011, Mr Roy returned to Malaysia joining Key Alliance Group Berhad first as an Executive Director and subsequently redesignated as Managing Director. In 2024, Mr Roy was redesignated as an Executive Director in Key Alliance Group Berhad.

Mr Roy also holds Executive Director positions in XOX Bhd, Cheetah Holdings Berhad and D'nonce Technology Bhd.

Other than Komarkcorp Berhad, Mr Roy also sits on the board of Key Alliance Group Berhad, XOX Bhd, D'nonce Technology Bhd and Cheetah Holdings Berhad.

He has no family relationship with any Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2025.



Nationality: **Malaysian**



Age: **50**



Gender: **Male**



DIRECTORS' PROFILE

KOO KIEN KEAT

Independent Non-Executive Director

Mr Koo Kien Keat ("Mr Koo") was appointed to the Board on 11 August 2020 as Independent Non-Executive Director. He is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company.

Mr Koo, a graduate of St. Michael's Institute and Bukit Jalil Sports School, is a Malaysian former professional badminton player. In 2007, he achieved a career-high world ranking of No. 1 in Men's Doubles and became the youngest ever men's doubles pair to win an Asian Games Gold Medal.

He also made history by winning five Gold Medals at the Commonwealth Games, the most by any Malaysian athlete. Mr Koo was a club coach cum club manager for Badminton Asia High Performance Director and currently owns a badminton club.

Presently, he sits on the Board of Cheetah Holdings Berhad as Independent Non-Executive Director.

He has no family relationship with any Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2025.



Nationality: **Malaysian**



Age: **40**



Gender: **Male**

DIRECTORS' PROFILE



DR CHAN JEE PENG

Independent Non-Executive Director

Dr Chan Jee Peng ("Dr Chan") was appointed to the Board as Independent Non-Executive Director on 1 May 2021. He is the Chairman of the Audit Committee and a member of Nomination Committee and Remuneration Committee of the Company.

Dr Chan holds several distinguished qualifications in accounting and related fields. He is a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants (ACCA). Additionally, he is an Associate Member of both the Chartered Tax Institute of Malaysia and the Institute of Internal Auditors of Malaysia. His expertise extends further with Associate Membership in the Association of Certified Fraud Examiners.

Academically, he has earned a Professional Doctorate from the European International University in Paris, along with a Master's Degree in Accounting from the University of London. He also hold an Honours Degree in Applied Accounting from Oxford Brookes University, rounding out his comprehensive qualifications in finance and accounting.

Dr Chan has over twenty (20) years of audit and financial management experience. He started his career with two (2) of the Big Four accounting firms and has held senior financial position in public listed companies. Subsequently, he joined a mid-tier accounting firm and rose to the ranks of an Executive Director and then joined UHY Malaysia PLT as their Audit Partner. He was involved in various audit of public listed companies, multinational companies and local government agencies. He was in charge of many reporting accountants assignments for various corporate exercise of public listed companies including initial public offering, restructuring and due diligence assignment. Currently, he is the Managing Partner of SFAI Malaysia PLT which provides assurance, tax and advisory services.

Dr Chan currently sits on the Board of LKL International Berhad and Fast Energy Holdings Berhad as Independent Non-Executive Director.

He has no family relationship with any Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2025.



Nationality: **Malaysian**



Age: **45**



Gender: **Male**



DIRECTORS' PROFILE

DR AZIZAH BINTI SULAIMAN

Independent Non-Executive Director

Dr Azizah Binti Sulaiman ("Dr Azizah") was appointed to the Board as Independent Non-Executive Director on 1 June 2023. She is the Chairperson of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company.

Dr Azizah obtained her Bachelor of Medicine and Surgery (MBBS) in Manipal Academy of Higher Education (India) and subsequently obtained Letter of Credentialing & Privileging Aesthetic Medical Practice from Ministry of Health Malaysia.

She completed her housemanship and continued her work in the government sector at Queen Elizabeth Hospital Kota Kinabalu, Sabah. There she trained in multiple disciplines until she decided to specialise in Aesthetic Medicine. Currently, she is the Medical Director of Klinik Cosmedic, she has successfully positioned the clinic as a reputable and trusted provider of Aesthetic Medical Services.

In Malaysia, Dr Azizah is recognised as one of the most renowned pioneers in Aesthetic Medicine and Vice President for Persatuan Doktor Estetik Berdaftar Malaysia (PDEBM). Since 2017 she has been elected by the Ministry of Health department to be a panel member and examiner for the Aesthetic Medical Practice Division.

Dr Azizah currently sits on the Board of Key Alliance Group Berhad as Independent Non-Executive Director.

She has no family relationship with any Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Group.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon her by any relevant regulatory bodies for the financial year ended 30 June 2025.



Nationality: **Malaysian**



Age: **55**



Gender: **Female**

KEY SENIOR MANAGEMENT’S PROFILE

LIM KEE FOOK

Assistant Financial Controller



Nationality:
Malaysian



Age:
40



Gender:
Male

Mr Lim Kee Fook graduated with a diploma in accountancy in year 2007. He has gained practical working experience in auditing, accounting, commercial business, finance and taxation. He began his career in 2007 with an audit firm as an Audit Assistant. Prior to joining the Group, he was the Assistant Finance Manager for Kerjaya Prospek Property Berhad.

In August 2023, he promoted as the Assistant Financial Controller and he is responsible for overseeing the Finance, Taxation, Safety and IT Department of the Group. He currently does not hold any directorship in public companies and listed issuers.

He has no family relationship with any Directors and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2025.

BRANDON CHEONG WEN RONG

Group Assistant General Manager



Nationality:
Malaysian



Age:
32



Gender:
Male

Mr Brandon Cheong Wen Rong graduated with a Bachelor of Degree in Science from University Southern New Hampshire in year 2018. He started his career with MHI as a Business Development Manager.

In January 2023, he was appointed as General Manager of the Middle Office and was later promoted to the Group Assistant General Manager in January 2024. In this role, he oversees several key departments, including Production, Purchasing, Warehouse, Graphics, Planning & Customer Service. He currently does not hold any directorship in public companies and listed issuers.

He has no family relationship with any Directors and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2025.



KEY SENIOR MANAGEMENT'S PROFILE

HO HOCK LAI

Branch Manager for General Label & Labelling (JB) Sdn Bhd



Nationality:
Malaysian



Age:
37



Gender:
Male

Mr Ho Hock Lai ("Mr Ho") graduated with a Diploma in Business Management in year 2023, he is currently pursuing a bachelor's degree programme of the similar field to further enhance his management expertise.

Mr Ho has over 10 years of experience in the printing industry since 2010, specialized in managing sales and marketing strategies. In recent years, he has also been involved in business management and operations.

He was appointed as the Branch Manager of General Labels & Labelling (JB) Sdn Bhd in May 2022, where he is responsible for overseeing both sales administration and operations. He currently does not hold any directorship in public companies and listed issuers.

He has no family relationship with any Directors and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS



BUSINESS OVERVIEW

Komarkcorp Berhad (“KMC” or “the Company”) and its subsidiaries (“the Group”), have been a pioneering force in the packaging industry for 50 years, providing turnkey labelling solutions provider to a diverse range of sectors. The Group operates strategically located facilities in Selangor and Johor serving industries such as chemical and agrochemical, food and beverage, home and personal care, industrial and lubricant oil, and pharmaceuticals.



In response to the global pandemic in 2020, KMC diversified its operations by entering the manufacturing and sale of medical-grade disposable face masks. This included sterile and non-sterile surgical tie-on face masks, 3-ply, 4-ply, KF94 and KN95 masks, all of which are certified SIRIM and Medical Devices Authority (“MDA”). While the face mask segment played a critical role in meeting urgent healthcare needs during the pandemic, demand for masks has since significantly declined as the global stabilises.

As a result, KMC has strategically refocused its efforts on our core packaging and labelling business, which remains the foundation of our long-term growth. We continue to strengthen operational efficiency and adapt to changing market conditions, while serving the diverse needs of our customers. Our focus on sustaining our core packaging business and exploring opportunities for long-term growth remains a key priority moving forward.



MANAGEMENT DISCUSSION AND ANALYSIS



REVIEW OF FINANCIAL PERFORMANCE

	FYE 2025 (RM'000)	FPE 2024 (15 months) (RM'000)
Revenue	19,921	29,357
Loss before taxation	(27,318)	(41,637)
Loss after taxation	(26,479)	(41,641)
Total assets	111,037	124,971
Total liabilities	31,051	26,130
Total borrowings	11,711	9,315

For the financial year ended 30 June 2025 ("FYE 2025"), KMC reported a revenue of RM19.92 million, a significant decline from the RM29.36 million recorded in the 15-month financial period ended 30 June 2024 ("FPE 2024"). The revenue drop was primarily driven by the sharp decline in the Face Mask segment, which fell drastically to RM0.35 million (FPE 2024: RM5.23 million). This drop reflects the diminished demand for facemask amid the global healthcare sector's ongoing post-COVID recovery.

Despite the overall decline, the Label and Packaging segment remained resilient, contributing RM19.57

million in FYE 2025 (FPE 2024: RM24.13 million). The slight decline in this segment's revenue is notable, especially considering that FPE 2024 was a 15-month period, compared to the 12 months for FYE 2025.

In FYE 2025, the Group reported a loss after taxation of RM27.32 million (FPE 2024: RM41.64 million), primarily due to impairments of assets.

As at 30 June 2025, the Group's total assets amounted to RM111.04 million, while liabilities were recorded at RM31.05 million. Total borrowings stood at RM11.71 million, reflecting the Group's financial position during this challenging period.

Revenue
RM19.921 million
FPE 2024: RM29.357 million

Loss before taxation
RM27.318 million
FPE 2024: RM41.637 million

Loss after taxation
RM26.479 million
FPE 2024: RM41.641 million

Total assets
RM111.037 million
FPE 2024: RM124.971 million

Total liabilities
RM31.051 million
FPE 2024: RM26.130 million

Total borrowings
RM11.711 million
FPE 2024: RM9.315 million

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATING ACTIVITIES



LABEL AND PACKAGING SEGMENT

For FYE 2025, KMC’s Label and Packaging segment experienced fair performance and reported a revenue of RM19.57 million (FPE 2024: RM24.13 million). Despite the slight decrease in revenue, the segment’s performance remained relatively stable.

However, the segment experienced an increase in loss before taxation, which amounted to RM13.28 million (FPE 2024: RM12.61 million). The higher losses were primarily due to intensified market competition and continued external pressures, including the ongoing impact of geopolitical factors, such as the Gaza conflict, which have affected demand from certain customers.

To address these challenges, the Group is focusing on strategies to improve performance in this segment. These include enhancing operational efficiency, implementing cost-cutting measures, and intensifying efforts to attract new customers and expand the market base to restore profitability.

Revenue

RM19.57

million

FPE 2024: RM24.13

million

Loss before taxation

RM13.28

million

FPE 2024: RM12.61

million



FACE MASKS SEGMENT

In FYE 2025, KMC’s Face Mask segment revenue plummeted to RM0.35 million (down from RM5.23 million in FPE 2024), reflecting the sharp drop in demand following the pandemic and immediate post-pandemic years. Despite the revenue collapse, the segment’s loss before taxation narrowed significantly to RM14.04 million (FPE 2024: RM29.03 million).

The significant decline in revenue steamed from reduced market demand for face masks as the global healthcare sector continues its post-COVID recovery. In response, the Group has been exploring new opportunities to revitalise the segment. However, despite these efforts, new opportunities have yet to yield substantial results.

Given these challenges, KMC is now placing greater emphasis on strengthening its core business in the Label and Packaging segment, while continuing to explore opportunities that align with the Group’s long-term strategic objectives.

Revenue

RM0.35

million

FPE 2024: RM5.23

million

Loss before taxation

RM14.04

million

FPE 2024: RM29.03

million





MANAGEMENT DISCUSSION AND ANALYSIS

ANTICIPATED RISKS



Operational risk

The Group's businesses are subject to various inherent operational risks, particularly in the Label and Packaging segment, which is now the core focus of the business. A key risk lies in the supply chain, where disruptions in the timely delivery of raw materials could lead to production delay or increased costs. Additionally, machine breakdown poses a risk to production continuity, as downtime for repairs or replacement could significantly affect the Group's ability to meet demand. Labour availability also presents an ongoing challenge, with workforce shortages potentially impacting production output and quality. Moreover, fluctuation in the costs of raw materials can exert pressure on profit margins, particularly in a competitive market where pricing is a key determinant of success.

While the Face Mask segment is no longer a primary revenue driver, it still presents some operational risks, particularly regarding declining market demand post-pandemic. Despite the segment's reduced contribution, the Group remains exposed to any changes in regulatory requirements, which could lead to additional operational adjustments or compliance costs. Although the focus has shifted, the Group continues to monitor any potential opportunities for this segment.

To mitigate these risks, the Group is focusing on improving operational efficiency across all its key segments. This includes ongoing efforts to explore automation opportunities, which may help streamline production and reduce reliance on manual labour in the future. Additionally, the Group is working to diversify its supply chain to reduce reliance on any single supplier and ensure the timely availability of raw materials. Cost control measures and improvements in production capabilities are also being explored to maintain competitiveness and manage the rising costs in raw materials.



Competition risk

The Label and Packaging segment faces intense competition in both local and international market, The Group's success relies heavily on its ability to secure new orders and maintaining strong relationship with existing customers. The barriers to enter in the labelling market are relatively low, with multiple local and international competitors offering similar products. Furthermore, with the advent of digital printing technologies and evolving consumer preferences, the label market remains highly competitive.

Given the relatively low entry barriers, the Group must remain competitive in terms of pricing, product quality, and innovation to differentiate itself. Additionally, as the market is saturated with numerous producers, the Group's ability to achieve economies of scale, improve operational efficiencies, and offer value-added services will be crucial for securing sustainable growth and maintaining profitability.

While the Face Mask segment initially presented significant growth opportunities, it now constitutes a smaller portion of the Group's overall revenue, and demand has significantly reduced. Therefore, the Group is primarily focusing its efforts on strengthening and expanding its Label and Packaging segment, where the market remains more stable and the potential for growth remains stronger.

MANAGEMENT DISCUSSION AND ANALYSIS

ANTICIPATED RISKS (CONT'D)



Experience in the Label and Packaging Industry

The Group has been a leader in the Label and Packaging industry for over 50 years. However, the market is evolving and the Group faces ongoing challenges in maintaining its competitive edge. The Group's operational expertise and established manufacturing capabilities have positioned it well in the market but there is constant need to adapt to changing consumer demands, regulatory requirements and new technologies.

In response, the Group is focusing on enhancing its operational efficiencies upgrading its machinery and exploring opportunities for product innovation to maintain its position as a leading provider of high-quality labelling solutions. This includes exploring eco-friendly packaging alternative, digital printing advancements and smart labels to meet evolving consumer and industry demands.

The Group recognises the importance of having the right talents to drive innovation and operational excellence. While the Group continues to leverage its experienced workforce, it remains focused on developing key capabilities within the organisation and investing in areas that will support long-term competitiveness in the industry.



Political, economic and regulatory risks

The Group's operations particularly in the Label and Packaging segment are influenced by political, economic and regulatory factors both locally and internationally. Changes in government policies and new regulations affecting the manufacturing and packaging sectors could have an impact on the Group's operations and financial performance.

For example, the implementation or adjustment of minimum wages policies in Malaysia could directly impact the Group's cost structure, particularly in terms of labour costs. This could result in increased operational expenses, as the Group would need to comply with higher wage requirement, potentially affecting its overall profitability.

Although the Face Masks segment now represents a small portion of the Group's business, it remains subject to ongoing regulatory scrutiny, especially concerning medical-grade certifications. The lifting of government mandates on face mask usage has led to a significant reduction in demand. As result, the Group's focus is increasingly on ensuring compliance with evolving regulatory standard within the Label and Packaging industry where it continues to be a key market player.



MANAGEMENT DISCUSSION AND ANALYSIS

POSITIONED TO EXPAND HORIZONS AND LEVERAGE MARKET OPPORTUNITIES

As global and domestic economic conditions show sign of recovery, the Group remains cautiously optimistic and continues to monitor opportunities with discipline. Management is aware of the challenges particularly in the Face Mask segment and has adopted a more balanced strategy going forward: reallocating focus towards the Label and Packaging business, while maintaining selective efforts in the face mask arena.

Within the Label and Packaging segment, certain customers remain affected by external pressures including boycott concerns tied to geopolitical events. To counter these headwinds, the Group has intensified its efforts to expand its customer base by responding more customer enquiries, seeking new customer relationship and sharpening cost control measures to protect margins in a competitive environment.

Domestically, Malaysia's economy is showing encouraging signs: in Q1 2025, the economy grew by 4.4%. supported by gains in manufacturing, construction and services.¹ This positive economic momentum has resulted in a gradual recovery in demand for printing and labelling services. The Group's Johor operations have maintained steady demand with continued support from both local and Singapore markets.

Given the government's emphasis on boosting manufacturing for exports and creating a high-value economy, the Group sees potential for its Label and Packaging business to play a supporting role in supply chain.

On the Face Mask segment, domestic demand continues to decline. Efforts to penetrate export market or regain traction in healthcare sectors are ongoing but progress has been limited. Management remains cautious in allocating further resources.

¹ <https://www.mof.gov.my/portal/en/news/press-release/4-4-gdp-growth-in-first-quarter-2025-fortifies-malaysias-fundamentals-in-the-face-of-global-uncertainties>



Economy grew

4.4%

supported by gains
in manufacturing,
construction and
services.



SUSTAINABILITY STATEMENT



INTRODUCTION

The Board of Directors (“Board”) of Komarkcorp Berhad (“KMC” or “the Group”) is pleased to present its Sustainability Statement (“Statement”) for the financial year ended 30 June 2025 (“FYE 2025”). This Statement highlights our firm commitment to the pillars of Economic, Environmental, and Social (“EES”) of sustainability and provides an overview of the Group’s sustainability performance for the financial year from 1 July 2024 to 30 June 2025, unless stated otherwise. This statement should be read in conjunction with the entire Annual Report.





SUSTAINABILITY STATEMENT

REPORTING SCOPE & BOUNDARIES

This Statement covers the Group's sustainability performance and progress of all significant business operations that we operate in.

REPORTING FRAMEWORK AND STANDARDS

This Statement is prepared in accordance with Bursa Malaysia's Listing Requirements, with reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and the principles of the Malaysia Code on Corporate Governance.

ASSURANCE

This Statement, with the sustainability reporting process, has not been subjected to any internal audit review or external assurance. Nonetheless, the Group endeavours to provide accurate and up-to-date data in this Statement and has undertaken the necessary measures to improve the completeness and accuracy of the reported data.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group maintains a comprehensive governance framework to attain its sustainability objectives. The composition, roles and responsibilities of the governance framework are as follows:

(i) The Board of Directors

The Board plays a pivotal role in the governance of sustainability within the organization. They are ultimately responsible for overseeing sustainability-related aspects of the Group, encompassing key areas such as sustainability strategy and targets, materiality assessment, and the identification and management of climate related risks and opportunities.

Moreover, The Board ensures that sustainability considerations are integrated into the decision making processes across the entire Group and within the individual business segments. Their role extends to fostering and instilling a robust sustainability culture throughout the organization, promoting ongoing progress and commitment to sustainable practices.

(ii) The Audit Committee

The Board is supported by the Audit Committee ("AC") which plays a critical role in the governance of sustainability within the organization. This involves reviewing the adequacy and integrity of the Group's internal control systems and processes. The AC oversees assurance activities related to the Group's sustainability reporting processes, ensuring their reliability and accuracy,

The AC also scrutinises the interconnectedness between the Group's material sustainability matters and its financial performance. It holds the responsibility of approving key elements such as sustainability strategy and targets, policies, materiality assessment processes and outcomes, as well as the sustainability statement.

(iii) The Sustainability Steering Committee

The AC is supported by the Sustainability Steering Committee ("SSC") which develops the Group's sustainability strategy and policies, evaluating sustainability performance and targets and ensuring the consistent implementation of the sustainable strategies for the Group.



SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

A summary of the stakeholder engagement methods and key focus areas of every key stakeholder group for FYE 2025 is provided below:

STAKEHOLDER	ENGAGEMENT	FREQUENCY
 Investors & Shareholders <i>Enhancing shareholders' and investors' confidence</i>	- Annual & Extraordinary General Meetings - Annual Report - KMC's Website Updates - Bursa Announcements	- Annually & when necessary - Annually - Timely Updates - When necessary
 Government & Regulators <i>Compliance with law and regulations</i>	- Reports - Dialogues, Seminars & Meetings	- Ad hoc & periodically - When necessary
 Suppliers & Vendors <i>Continuity in supply of quality material and services</i>	- Meetings – from onboarding, performance evaluation to contract renewal - Written communications	- During onboarding & Annually - Periodically
 Employees - Retention of competent workforce - Safe working environment - On-going professional development	- Training & Professional Development - Performance Appraisal - Internal Policies & Memo - Management & Committee Meetings	- Periodically - Annually - When necessary - When necessary
 Customers <i>Fulfil customer needs</i>	- Meetings - Customer Satisfaction Surveys	- When necessary - After engagement
 Financial Institutions <i>Ensure continuous financial support</i>	- Annual Report - Quarterly Report - Meetings	- Annually - Quarterly - When necessary
 Local Communities <i>Develop relationship with the community</i>	Community Engagement Activities	When necessary



SUSTAINABILITY STATEMENT

MATERIAL MATTERS

In FYE 2025, KMC had performed a materiality assessment to identify the Group's Economic, Environmental, and Social Material Sustainability Matters ("MSM"). This assessment was achieved through a combination of internal trend analysis and engagement with external stakeholders. Methods of engagement included discussions at the Annual General Meeting, a review of new laws and regulations, and an evaluation of the overall business environment.

This resulted in the creation of a matrix that clearly outlines the Group's most critical material sustainability matters — representing issues that the Group significantly influences or is most affected by.

INFLUENCE ON STAKEHOLDER ASSESSMENT AND DECISIONS



SIGNIFICANT	MAJOR
Workforce Diversity and Equal Opportunity Employment	Environment Footprint
Occupational Health and Safety	Training and Development
Quality and Safety	
Innovation and Technology Excellence	

For FYE 2025, the identified have been grouped according to the three pillars of EES and will be reported in compliance with guidelines stipulated in this document.

SUSTAINABILITY STATEMENT

MATERIAL MATTERS (CONT'D)

The subsequent discussion will be organised according to the EES Pillar as follows:



ECONOMIC

- Quality & Safety
- Innovation & Technology Experience
- Data privacy & security
- Supply Chain Management



ENVIRONMENTAL

- Environment Footprint
- Energy Management
- Water
- Waste Management
- Emissions Management
- Effluents



SOCIAL

- Workforce Diversity & Equal
- Opportunity Employment
- Occupational Health & Safety
- Training and Development
- Anti-Corruption
- Labour Practices & Standards



ECONOMIC



We continue to uphold our commitment to sustainable growth by embedding quality, safety, and innovation, recognising the importance of maintaining the highest standards across our operations, ensuring that our offerings are not only reliable but also safe for all stakeholders. Additionally, Supply Chain Management plays a vital role in our economic sustainability. By maintaining responsible and efficient supply chain practices, we contribute to long-term, sustainable growth.

1. Quality & Safety

The Group upholds rigorous standards to ensure both product excellence and compliance with industry regulations. It has secured several important certifications, including SIRIM product certification and the Medical Device Authority ("MDA") certification, which has been maintained since 2020. These certifications underline the Group's dedication to meeting and exceeding regulatory and quality benchmarks.

Additionally, the Group has instituted a Quality and Food Safety Policy that guides all employees in upholding the highest standards of product safety and quality. This policy is a testament to the Group's unwavering commitment to customer satisfaction and legal compliance. The framework driving the Group's quality and safety efforts is based on three key principles:

- Continuously improving product efficiency
- Ensuring timely and reliable delivery
- Maintaining the highest standards for safe and quality products.



SUSTAINABILITY STATEMENT

ECONOMIC (CONT'D)

1. Quality & Safety (Cont'd)

Through these initiatives, the Group ensures the delivery of safe, reliable, and high-quality products that meet industry and regulatory expectations.

2. Innovation & Technology Experience

During the review period, KMC did not record any complaints or incidents related to breaches of Data Privacy and Security. All our e-mail storage data is now cloud-based.

3. Supply Chain Management

The Group's Procurement Policy aligns with ISO 9001 and FSSC 22000 standards, alongside internal protocols outlined in the Group's Quality Manual for vendor selection and evaluation. This rigorous selection process ensures any cost savings are passed on to the Group's customers.

In line with sustainable practices, the Group prioritises local suppliers, maintaining a balance between cost-efficiency and high-quality products and services. In FYE 2025, 96.27% of our procurement spending was on local suppliers.



ENVIRONMENTAL



Our commitment to environmental sustainability is a core pillar of our operations, as we continuously strive to minimise our ecological footprint and promote responsible environmental practices. In FYE 2025, we have continued our focus on enhancing resource efficiency, reducing waste, and implementing innovative solutions that drive eco-friendly manufacturing processes. We have enhanced our efforts in monitoring and reporting energy consumption by collecting data on fuel consumption for business travelling purposes.

Guided by global environmental standards and regulations, we prioritise initiatives that foster sustainable growth, ensuring that our business operations not only contribute to economic success but also preserve the environment for future generations.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL (CONT'D)

1. Energy and Emissions Management

KMC's energy management initiatives focus on reducing energy consumption and minimising environmental impact through the implementation of energy-efficient technologies. A key aspect of these efforts is the installation of LED lighting systems across all operational facilities, which significantly lowers power consumption compared to traditional lighting options.

In line with KMC's dedication to environmental sustainability, we installed solar panels power generation system at our headquarter in Balakong in December 2022. The Renewable Energy initiative brought a notable reduction in total energy consumption for the year, demonstrating KMC's commitment to reducing our environmental impact and embracing renewable energy solutions.

KMC's energy consumption is summarised as follows:

	FPE 2024 MWh	FYE 2025 MWh
Petrol consumption ¹	113.34	79.81
Diesel consumption ²	168.76	116.74
Purchased electricity ³	1,704.56	1,227.86
Solar-based electricity generated and consumed	453.86	331.00
Total energy consumption	2,440.52	1,755.41
Total energy sold to TNB	187.87	156.17

¹ Petrol consumption data began to be collected in FPE 2024.

² Diesel consumption data began to be collected in FPE 2024.

³ Electricity data from electricity bills for the headquarter and Johor Branch

KMC generated 979.57 tonnes of CO₂e from operational activities and purchased electricity as follows:

		FPE 2024 tCO ₂ e	FYE 2025 tCO ₂ e
Scope 1 Emissions ⁴	Diesel consumption	42.45	29.36
Scope 2 Emissions	Purchased electricity ⁵	1,292.06	930.72
Scope 3 Emissions ⁴	Business travel and employee commuting	27.67	19.49
Total Emissions		1,362.18	979.57

⁴ Emissions data from petrol and diesel are using GHG Protocol. Reference: Transport_Tool_v2, <https://ghgprotocol.org/calculation-tools-and-guidance>.

⁵ Grid Emission Factor ("GEF") for Peninsula Malaysia in 2021, published by the Energy Commission of Malaysia, is used to estimate the emissions associated with purchased electricity. 2021 GEF data is the latest available as of the preparation of this Statement.



SUSTAINABILITY STATEMENT

ENVIRONMENTAL (CONT'D)

2. Water Management

As a manufacturer of industrial products, we recognise the critical importance of water as a finite and essential resource. We are committed to adopting industry best practices in water resource management, with a focus on our manufacturing sites due to their higher risk to aquatic ecosystems compared to administrative facilities.

KMC's water usage is summarised as follow:

	FPE 2024 MI	FYE 2025 MI
Water use	10.7890	5.276

3. Waste Management

We recognise that responsible waste management is critical to our operations, which promotes sustainable consumption and production patterns. Our operations generate general, recyclable, and scheduled waste, all of which are managed responsibly. Waste is disposed through third-party contractors, ensuring it is sent to proper disposal or treatment facilities. While KMC has not implemented measures to capture the total volume of waste generated, during the financial year, the Company disposed of approximately 8.01 metric tonnes of scheduled chemical waste through a licensed third-party contractor.



SOCIAL



Our initiatives in the Social Pillar focus on fostering a positive impact on our employees, local communities, and broader society. The Group remains committed to promoting a safe, inclusive, and supportive workplace, with a strong emphasis on employee well-being, diversity, and continuous professional development. KMC strived to align our efforts with our core values, ensuring operations contribute positively to both societal well-being and economic progress.

1. Workforce Diversity & Equal Opportunity Employment

KMC prioritises fostering a diverse and inclusive workplace, recognising that it drives innovation, enhances business success, and supports sustainable growth. Our focus is on creating an environment that upholds equality of opportunity and firmly opposes all forms of discrimination. By embracing diversity, we attract and retain top talent while promoting high performance and overall effectiveness. We are dedicated to fostering an inclusive environment where every employee, irrespective of background, is empowered with opportunities for growth and achieving their fullest potential.

SUSTAINABILITY STATEMENT

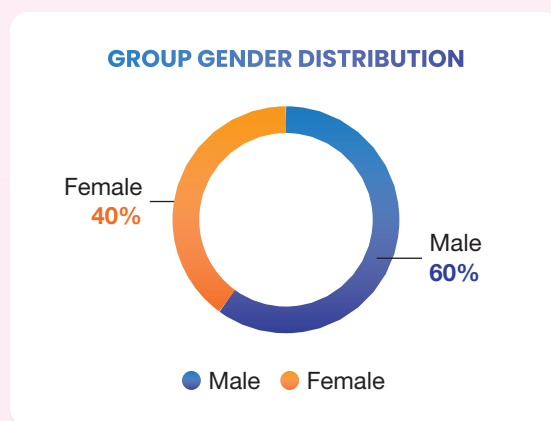
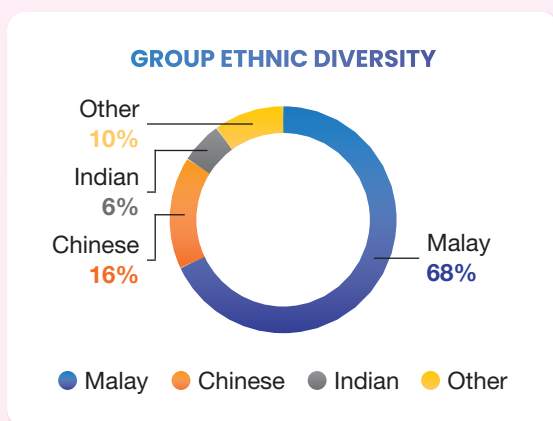
SOCIAL (CONT'D)

1. Workforce Diversity & Equal Opportunity Employment (Cont'd)

The detailed breakdown of our workforce by gender and age, as of 30 June 2025, is summarised as follows.

30 June 2025									
	Age			Gender		Ethnicity			
	< 30	30 – 50	> 50	Male	Female	Malay	Chinese	Indian	Others
Directors	-	4	1	4	1	2	3	-	-
	-	80%	20%	80%	20%	40%	60%	-	-
Total	5			5		5			
Employees									
Management	-	8	5	8	5	3	10	-	-
	-	62%	38%	62%	38%	23%	77%	-	-
Executive	5	20	2	10	17	19	4	3	1
	19%	74%	7%	37%	63%	70%	15%	11%	4%
Non-Executive/ Technical	18	31	13	43	19	47	2	4	9
	29%	50%	21%	69%	31%	76%	3%	6%	15%
Subtotal	23	59	20	61	41	69	16	7	10
	22%	58%	20%	60%	40%	68%	16%	6%	10%
Total	102			102		102			

The charts below illustrate our workforce diversity that drive our collective progress:



In FYE 2025, the Group's total employees were recorded at 102 (FPE 2024: 145) of which 96% were locals. The gender gap narrowed slightly, with males comprising 59.80% of the workforce compared to 60.69% in the previous year.



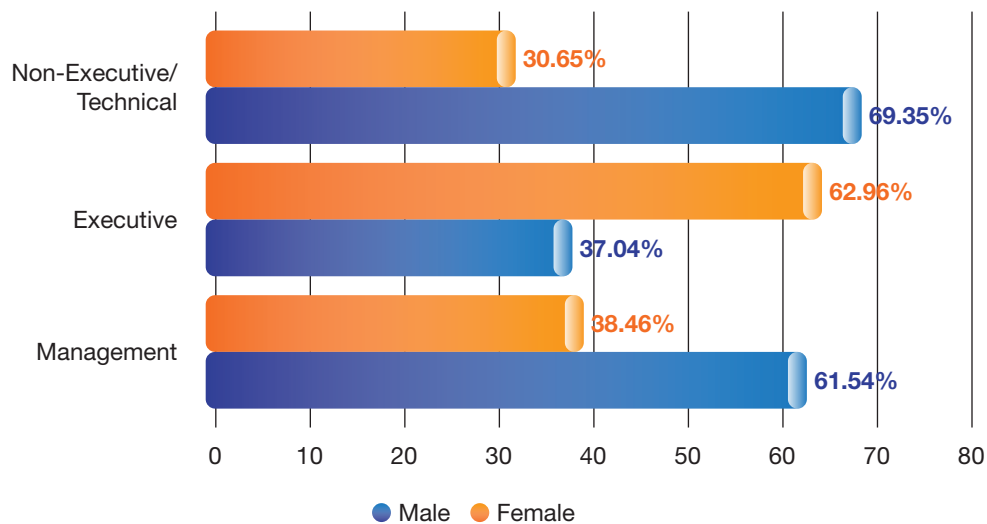
SUSTAINABILITY STATEMENT

SOCIAL (CONT'D)

1. Workforce Diversity & Equal Opportunity Employment (Cont'd)

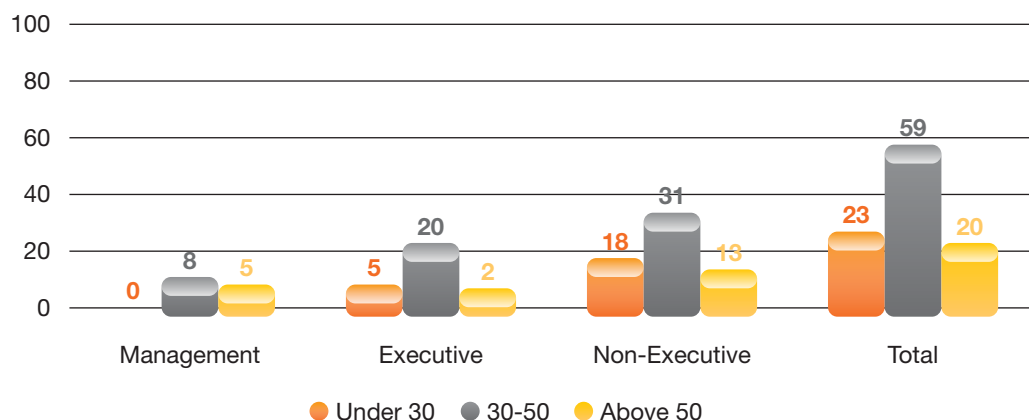
As a manufacturing company, our non-executives are largely males due to the job scope, however at executive level the gender gap is fair.

PERCENTAGE OF EMPLOYEES BY GENDER, BY EMPLOYEE CATEGORY



Due to the staffing requirements for the production facility, non-executives comprise the largest employed personnel, particularly in the age groups of 30 - 50 years. Majority of our employees are also in the age category of 30 - 50 years.

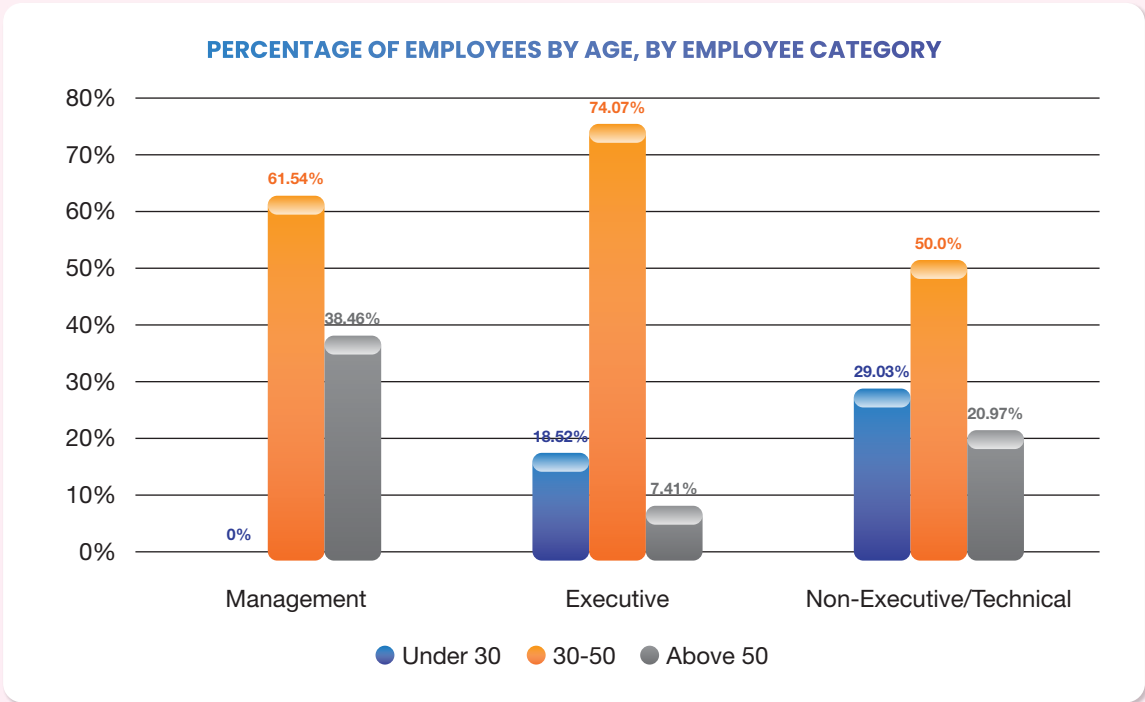
EMPLOYEES BY AGE AND EMPLOYEE CATEGORY



SUSTAINABILITY STATEMENT

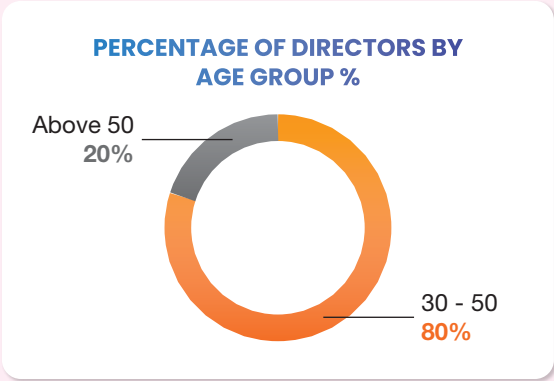
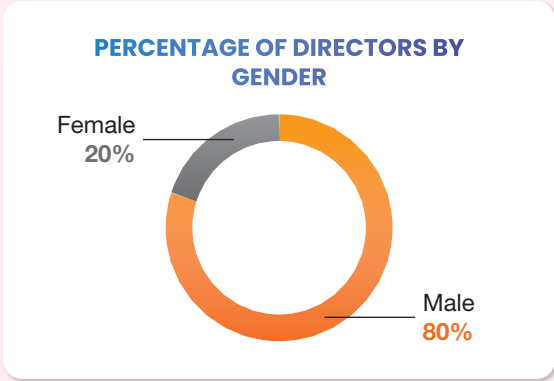
SOCIAL (CONT'D)

1. Workforce Diversity & Equal Opportunity Employment (Cont'd)



Board Composition

In FYE 2025, our Board of Directors comprised 80% male and 20% female, mainly between the ages of 30 and 50. We are cognisant of the need to increased female participation in our Board.





SUSTAINABILITY STATEMENT

SOCIAL (CONT'D)

2. Occupational Health & Safety

The Group has established an Occupational Safety & Health Committee (“OHSA Committee”) to ensure a safe working environment for all employees. This committee plays a critical role in implementing and monitoring safety protocols in line with the Occupational Safety and Health Act 1994 (Act 514), Amendment 2022, and the Occupational Safety and Health (Safety and Health Committee) Regulations 1996. No new Health, Safety and Environment (“HSE”) practices were introduced during the review period.

In FYE 2025 the Group successfully recorded zero work-related fatalities or lost time due to workplace incidents. KMC carries out thorough root cause analyses of any accidents on-site and implements preventative measures to reduce injuries. Additionally, 41 employees have received comprehensive training on various aspects of Occupational Safety and Health. This commitment reflects the Group’s focus on fostering a safe and healthy workplace.

The following training programmes were conducted to reinforce OSHA values during the year:

- Emergency Response Plan (“ERP”) Training
- Fire Prevention and Basic Occupational First-Aid Training

To reinforce OSHA values, all employees are expected to:

- Comply with local health and safety regulations and any additional measures needed to meet our standards.
- Report work-related injuries or illnesses to their supervisors immediately.
- Utilise protective gear and equipment as required for their duties.
- Participate in relevant safety training and committee activities when asked.
- Identify and mitigate any unsafe conditions, reducing potential hazards.

By following these guidelines, we cultivate a workplace culture focused on safety, responsibility, and care, ensuring the protection of everyone at KMC. During the review period, no work-related fatalities were reported.

3. Training & Development

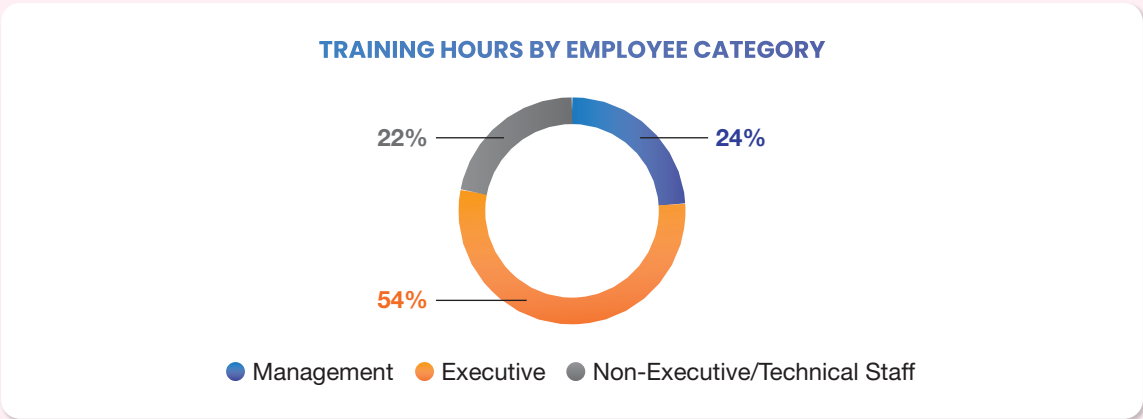
The Group prioritises employee development through comprehensive training programmes covering safety, production techniques, leadership skills, and self-development. Recognising that human resources are the driving force behind the Group’s business growth, we advocate for employee development by offering fair and equal training opportunities at all organisational levels. Attracting top talent and enhancing employee capabilities are seen as essential for maintaining a competitive edge.

The Group acknowledges the importance of continuous learning and development for its workforce in ensuring sustained growth and success. We consistently invest in human resources development through rank-based training, covering non-executives, executives and managerial levels, and the Board. Throughout the year, we conducted 1,338 hours of training, averaging 13.12 hours per employee. Of the total training hours, executives received 716 hours of training, accounting for 54% of total training hours, followed by non-executive and technical staff receiving 22% or 290 hours and management, 332 hours or 24%. During the period under review, a total of RM21,060 was spent or an average of RM206.47 per employee.

SUSTAINABILITY STATEMENT

SOCIAL (CONT'D)

3. Training & Development (Cont'd)



Total Training Hours	1,338 hours
Average Training Hours Per Employees	13.12 hours
Training Spend	RM21,060

The table below show the employee turnover number for FYE 2025:

Employee Turnover number	FYE 2025
Management	5
Executive	12
Non-Exec/Technical Staff	42

4. Anti-Corruption

The Group is firmly committed to ethical business practices and upholds a zero-tolerance policy against corruption, established through its Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”). All new employees are briefed on the ABAC Policy, ensuring they are prepared to recognise and address unethical behaviour.

This proactive approach ensures that employees are well-equipped to recognise and combat unethical behaviour, further promoting transparency and integrity throughout the organisation. Detailed breakdowns of the training initiatives are provided in the following chart, reflecting the Group’s ongoing efforts to uphold the highest standards of corporate governance. During the period under review, no incidents of corruption were reported.



SUSTAINABILITY STATEMENT

SOCIAL (CONT'D)

4. Anti-Corruption (Cont'd)

Percentage of Employees Who Received Anti-Corruption Training as of FYE 2025	
Directors	60.00
Management	69.23
Executive	53.85
Non-Exec/Technical Staff	46.03

Whistleblowing

We communicate our whistleblowing policy effectively to ensure all employees are familiar with it. New hires receive an orientation covering the policy, and existing staff undergo regular training to stay updated. The policy is also included in the Employee Handbook for easy reference, ensuring that all employees can access and review it whenever needed. This ensures transparency and reinforces the importance of reporting any unethical or illegal activities without fear of retaliation.

For the period under review, no cases/incidents were reported.

5. Labour Practices & Standards

KMC upholds strong labour practices and standards, ensuring fair treatment and safeguarding the rights of all employees. The Group's workforce is predominantly permanent employees, 96.08% while contracted or temporary staff make up 3.92%.

Human Rights

As a manufacturing company, we are vigilant of human rights violations and ensure all employees' working hours are in compliance with labour laws. There were no human rights violations reported in FYE 2025.

Minimum Wage

In line with the Minimum Wages Order 2025, the Group ensures full compliance with the revised minimum monthly wage of RM1,700 for all eligible employees. We remain committed to upholding fair labour practices and will continue to monitor and implement any future regulatory updates accordingly.

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Directors	Percentage	60.00	60.00
Management	Percentage	31.25	69.23
Executive	Percentage	15.38	53.85
Non-executive/Technical Staff	Percentage	5.56	46.03
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	0
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	0.00
Management Between 30-50	Percentage	75.00	61.54
Management Above 50	Percentage	25.00	38.46
Executive Under 30	Percentage	33.33	18.52
Executive Between 30-50	Percentage	58.97	74.07
Executive Above 50	Percentage	7.70	7.41
Non-executive/Technical Staff Under 30	Percentage	32.22	29.03
Non-executive/Technical Staff Between 30-50	Percentage	52.22	50.00
Non-executive/Technical Staff Above 50	Percentage	15.56	20.97
Gender Group by Employee Category			
Management Male	Percentage	62.50	61.54
Management Female	Percentage	37.50	38.46
Executive Male	Percentage	43.59	37.04
Executive Female	Percentage	56.41	62.96
Non-executive/Technical Staff Male	Percentage	67.78	69.35
Non-executive/Technical Staff Female	Percentage	32.22	30.65
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	80.00	80.00
Female	Percentage	20.00	20.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	80.00	80.00
Above 50	Percentage	20.00	20.00

Internal assurance

External assurance

No assurance

(*)Restated



SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2024	2025
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	2,440.52	1,755.41
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.18	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	81	41
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	317	332
Executive	Hours	851	716
Non-executive/Technical Staff	Hours	762	290
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.14	3.92
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	8	5
Executive	Number	22	12
Non-executive/Technical Staff	Number	38	42
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.04	96.27
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	10.789000	5.276000
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	-	29.36
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	-	930.72
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	19.49
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	-	8.01
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	0.00
Bursa C10(a)(iii) Total waste directed to disposal	Metric tonnes	-	8.01

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of Komarkcorp Berhad (“**the Company**” or “**KMC**”) believes that good corporate governance is fundamental to ensuring the long term sustainability, resilience and performance of the Group.

The Board remains committed to upholding the principles and recommendations as set out in the Malaysian Code on Corporate Governance (“**MCCG**”) and the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), with the objective of enhancing long-term value creation for shareholders and safeguarding the interests of other stakeholders. The Board also undertakes periodic reviews of its governance framework to ensure that the Group’s practices remain relevant, appropriate, and effective, taking into account the Group’s size, complexity, and business environment.

The Board is pleased to present this Corporate Governance Overview Statement (“**CG Statement**”), which highlights the Company’s application of the three (3) principles of the MCCG during the financial year ended 30 June 2025 (“**FYE 30 June 2025**”):-

Principle A	: Board Leadership and Effectiveness
Principle B	: Effective Audit and Risk Management
Principle C	: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This CG Statement provides a summary of the key governance practices adopted by the Group. The detailed explanation on the application of each practice under the MCCG is set out in the Corporate Governance Report 2025 (“**CG Report**”), which is available on the Company’s website at <https://komark.com.my/corporate-governance-meetings/>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD’S RESPONSIBILITIES

(1) Function of the Board

The Board is responsible for overseeing and managing the overall performance of the Group by maintaining full and effective control over strategic, financial, operational, compliance, and governance matters. Comprising experienced and knowledgeable Directors, the Board provides the essential core competencies and leadership needed to drive the Group in achieving its business objectives and goals.

An effective Board consists of a balance between Executive Director, who possesses intimate knowledge of the business, and Non-Executive Directors, who bring diverse industry backgrounds, broader perspectives, and commercial expertise. Independent Non-Executive Directors are free from relationships or arrangements with the Group that could materially interfere with their independent judgment, thereby providing effective checks and balances in the Board’s deliberations.

The roles and responsibilities of the Board are outlined in the Board Charter, which is available on the Company’s website at <https://komark.com.my/corporate-governance-meetings/>. These responsibilities include, but are not limited to:

- Identifying key risks associated with the Company’s businesses and implementing appropriate risk management systems;
- Ensuring a sound framework for internal controls and risk management;
- Establishing succession planning for the Board and Senior Management;
- Reviewing and monitoring whistleblowing policies and procedures;
- Overseeing management processes to ensure the integrity of financial and other reporting;
- Ensuring the Company’s financial statements are true, fair, and prepared in accordance with applicable accounting standards;
- Monitoring policies and procedures relating to occupational health and safety, as well as compliance with relevant laws and regulations; and
- Upholding high standards of ethics and corporate behaviour.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD'S RESPONSIBILITIES (CONT'D)

(1) Function of the Board

To enhance operational efficiency and effectiveness, the Board delegates certain responsibilities to its Committees, namely the Audit Committee (“**AC**”), Nomination Committee (“**NC**”), and Remuneration Committee (“**RC**”). The Chairman of each Committee reports to the Board on key matters deliberated at their respective meetings.

The Terms of Reference (“**TOR**”) of each Board Committee are made available on the Company's website at <https://komark.com.my/corporate-governance-meetings/>.

(2) Separation of positions of the Chairman and Chief Executive Officer

The Board has set out clear roles and responsibilities in discharging its fiduciary and leadership functions. As of the date of this CG Statement, the Group does not have a Chief Executive Officer (“**CEO**”). The roles and responsibilities of the CEO are undertaken by the Executive Director of the Company. Importantly, the positions of Chairman and Executive Director are held by two different individuals to ensure proper governance, with a clear division of responsibilities between them. This separation provides a balance of control, power and authority at the Board level, in line with Practice 1.3 of the MCCG.

The Chairman of the Board, YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad, an Independent Non-Executive Chairman, plays an instrumental role in leading the Board by setting the tone at the top, ensuring the effectiveness of the Board, and promoting high standards of corporate governance. He also provides leadership in matters of strategy, governance and compliance, while representing the Board to shareholders and other stakeholders.

Meanwhile, the Executive Director, Mr. Roy Ho Yew Kee, is primarily responsible for the day-to-day management of the business and the implementation of Board policies and decisions. He also evaluates potential business opportunities and reports the same to the Board for deliberation and approval.

The roles and responsibilities of Chairman and Executive Director are clearly stated in the Board Charter, which is accessible on the Company's website at <https://komark.com.my/corporate-governance-meetings/>.

(3) Chairman of the Board should not be a member of the Board Committees

The Board recognises that combining the role of Chairman of the Board with membership in Board Committees may create a risk of self-review, thereby impairing the Chairman's and the Board's objectivity when deliberating on matters or recommendations tabled by the Committees. Such overlap could dilute the checks and balances that Board Committees are established to provide.

In line with Practice 1.4 of the MCCG, and effective from 17 October 2024, the Chairman of the Board, YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad, no longer holds any position as either a member or Chairman of any Board Committees. This step enhances the independence, impartiality and effectiveness of the Board's decision-making processes.

By ensuring that the Chairman remains free from Committee memberships, the Board strengthens its governance framework, promotes objective oversight, and demonstrates its ongoing commitment to aligning with best practices in corporate governance for the benefit of shareholders and stakeholders alike.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD'S RESPONSIBILITIES (CONT'D)

(4) Company's Policies

Code of Ethics and Conduct ("the Code")

The Board is committed to fostering a culture of integrity and ethical conduct throughout the Group. The Code sets out clear principles and standards of behaviour to guide Directors, management, and employees in carrying out their duties responsibly and in compliance with applicable laws and regulations. Key areas covered include conflicts of interest, confidentiality of information, fair dealing, acceptance of gifts and entertainment, and proper use of Company resources. The Code is designed to promote transparency, accountability and self-regulation, ensuring that ethical considerations remain central to decision-making across the Group.

Whistle-Blowing Policy

The Group has in place a Whistle-Blowing Policy that provides secure and confidential channels for employees and external parties to report genuine concerns regarding suspected misconduct, fraud, corruption, non-compliance, or other improper practices. All disclosures are reviewed by the AC, which ensures that such reports are addressed objectively, fairly, and without fear of reprisal for the whistle-blower.

Anti-Corruption Policy

The Group's Anti-Corruption Policy reinforces its zero-tolerance stance against all forms of bribery and corruption. This policy outlines preventive measures, reporting mechanisms, and control processes to deter corrupt practices and strengthen governance culture across the organisation. The policy has been aligned with Section 17A of the Malaysian Anti-Corruption Commission Act 2018, which imposes corporate liability for corruption.

Directors' Fit and Proper Policy

The Directors' Fit and Proper Policy ensures that members of the Board demonstrate the highest levels of character, integrity, professionalism and independence. In addition, it requires Directors to possess the right mix of skills, experience, competence, and time commitment necessary to discharge their fiduciary duties effectively, in the best interests of the Company and its stakeholders.

All of the above policies – the Code, Whistle-Blowing Policy, Anti-Corruption Policy and Directors' Fit and Proper Policy are publicly available on the Company's website at <https://komark.com.my/corporate-governance-meetings/>.

Additionally, the Board together with management acknowledges the importance of promoting sustainability strategies in the economic, environment, social and governance ("EESG") aspects as part of its broader responsibility to all the stakeholders and the communities in which it operates. The Company will continue to ramp up its effort in promoting sustainability initiatives for the communities in which it operates, while also prioritising the well-being and welfare of its employees. The details of the sustainability activities are set out in the Sustainability Statement from pages 18 to 33 of this Annual Report.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD'S RESPONSIBILITIES (CONT'D)

(5) Qualified and Competent Company Secretary

The Board is supported by a qualified and competent Company Secretary who provides advisory support on corporate governance and secretarial matters, including compliance with the Companies Act 2016, the MMLR of Bursa Securities, the MCCG, and other relevant statutory and regulatory requirements.

The Company Secretary is a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and is qualified to act under Section 235(2) of the Companies Act 2016. The Company Secretary ensures that the Board's deliberations and decisions are carried out in accordance with the Company's Constitution, applicable laws, and best governance practices.

All Directors have unrestricted access to the advice and services of the Company Secretary. The Company Secretary is responsible for advising the Board on procedures, facilitating effective communication between the Board, Board Committees and Management, and ensuring that decisions are properly documented and implemented.

The Company Secretary attends all Board and Board Committee meetings, where he/she ensures the proper conduct of meetings, timely dissemination of papers, and accurate recording of proceedings, decisions, and resolutions.

The Board is satisfied that the Company Secretary has demonstrated the requisite qualifications, professional standing, experience, and competence to discharge his/her duties effectively. The Board also acknowledges the continuing support provided by the Company Secretary in strengthening governance processes, facilitating Board effectiveness, and ensuring the Group's adherence to regulatory requirements.

(6) Supply and Access of Information

The Board recognises that sound and well-informed decision-making is founded on the availability of complete, accurate and timely information. To this end, the Board has unrestricted access to all information and records pertaining to the Group that are necessary for the effective discharge of its fiduciary duties.

Prior to each Board and Board Committee meeting, Directors are provided with a comprehensive set of meeting papers, including reports on financial performance, operational updates, corporate developments, strategic proposals, and regulatory matters. These papers are circulated within a reasonable timeframe to enable Directors to review the information in advance and, where required, request for further clarification or additional details from Management.

At each meeting, the Executive Director and Senior Management provide detailed briefings to the Board on the Group's activities, operations and prospects, and are available to respond to queries and provide clarification to ensure that the Board is fully apprised of current developments.

In addition, all Directors have unrestricted access to the advice and services of the Company Secretary, who plays a key role in ensuring that Board procedures are followed and that applicable rules and regulations are complied with. Where necessary, Directors may also seek independent professional advice, at the Group's expense, in furtherance of their duties.

The Board is satisfied that the current processes and procedures in place ensure that it is supplied with the necessary information on a timely basis, thereby enabling it to discharge its responsibilities effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION

(1) Board Composition and Balance

The Board is committed in ensuring that its composition not only reflects the diversity as recommended by MCCG, but also the right mix of skills and balance to contribute to the achievement of the Group's goal and business objectives.

Currently, the Board consists five (5) members, comprising of one (1) Independent Non-Executive Chairman, one (1) Executive Director and three (3) Independent Non-Executive Directors. There is one (1) female member on the Board, representing 20% of the total Board members.

The Board is in compliance with Paragraph 15.02 of the MMLR which requires at least two (2) or one third (1/3) of the Board comprising independent directors and one (1) of the directors is a woman. The Board is also in line with Practice 5.2 of the MCCG where at least half of the Board are Independent Directors. In the event of any vacancy of the Board resulting in non-compliance with Paragraph 15.02 of the MMLR, the Company shall fill the vacancy within three (3) months.

The current Board comprises directors with diverse knowledge, experience and competencies that enable them to discharge their duties and responsibilities effectively, objectively and independently. Their varied backgrounds bring external perspectives to Board deliberations, ensuring appropriate checks and balances and enhancing the quality of decision-making.

The Independent Directors contribute divergent viewpoints and constructive challenge to management, while providing valuable insights on market trends, forecasts and business strategies. Their objectivity supports the creation of long-term value and the promotion of business sustainability.

Collectively, the Directors' wealth of expertise across finance, corporate affairs and other relevant fields further strengthens the Board's capacity to govern with accountability and efficiency. Guided by the NC, the Board also reviews its own composition and that of its Committees on a regular basis to ensure continued relevance, balance and renewal.

(2) Tenure of Independent Directors

The Non-Executive Directors are not employees of the Group and do not participate in its day-to-day management. All Non-Executive Directors are Independent Directors who are able to exercise objective judgement and provide unbiased perspectives, thereby strengthening the Board's decision-making process.

The Board has considered the recommendation of the MCCG to limit the tenure of Independent Directors to nine (9) years. While the Board has not adopted a fixed tenure policy at this juncture, it is of the view that tenure alone should not be the sole determinant of independence. The ability of an Independent Director to continue bringing objective challenge, oversight and diverse perspectives is assessed through rigorous annual evaluations on independence and performance.

In line with the MCCG, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of this period, an Independent Director may continue to serve on the Board as a Non-Independent Director. In the event the Board intends to retain such Director as an Independent Director beyond the nine (9) years, justifications will be provided and shareholders' approval will be sought annually through a two-tier voting process at a general meeting.

As of the date of this CG Statement, none of the Independent Directors of the Company has served beyond the nine (9)-year threshold.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

(3) Appointment and Re-election of Directors

The NC plays a pivotal role in leading the process for the appointment and re-election of Directors through a formal, transparent and objective framework, guided by the Company's Constitution and the Directors' Fit and Proper Policy adopted by the Board. The NC ensures that all appointments and re-elections are aligned with the Company's strategic needs, succession planning and comply with all applicable legal and regulatory requirements, with the support of the Company Secretary.

Appointment of New Directors

The process for identifying and appointing new Directors typically involves the following steps:

- Identification of candidates through internal recommendations, professional networks, directors' registries, recruitment agencies or independent external consultants to ensure a broad and diverse pool of candidates.
- Assessment of suitability against pre-determined criteria such as character, integrity, professional qualifications, skills, knowledge, experience, independence, time commitment, and diversity considerations (including gender, ethnicity and age).
- Deliberation by the NC, which evaluates the findings and determines the suitability of the candidate.
- Recommendation to the Board for approval, with the Board retaining ultimate responsibility for appointment decisions.

In considering new appointments, the NC adopts a balanced and forward-looking approach, taking into account not only the immediate needs of the Company but also succession planning, long-term Board composition, and the evolving business environment.

Re-election of Directors

In accordance with the Company's Constitution, all Directors are required to retire from office at least once in every three (3) years and are eligible for re-election. The Constitution further provides that one-third (1/3) of the Directors shall retire at each Annual General Meeting ("AGM"), with those longest in office since their last election retiring first. As between Directors who were appointed on the same day, the retiring Director(s) shall, unless otherwise agreed among themselves, be determined by lot.

Based on the recommendation of the NC and the Board, the following Directors are standing for re-election at the forthcoming AGM of the Company:

1. Koo Kien Keat
2. Roy Ho Yew Kee

(4) Boardroom Diversity

The Board acknowledges that diversity is an essential element of good corporate governance and supports the recommendations of the MCCG on gender and workforce diversity. In making appointments, the Board considers a balance of skills, backgrounds, experience, age, gender and ethnicity, while upholding the principle of meritocracy and objective selection criteria.

In line with this commitment, the Board recognises the importance of gender representation. As at the date of this Statement, one (1) out of five (5) Directors is female, representing 20% of the Board's composition. While this is below the 30% target recommended by the MCCG, the Board remains committed to enhancing gender balance and will give due consideration to suitably qualified female candidates as and when vacancies arise.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

(4) Boardroom Diversity (Cont'd)

The Directors' age distribution is as follows:

AGE GROUP	31-40	41-50	51-60	61 & ABOVE
NUMBER OF DIRECTORS	1	3	1	-

The Company does not impose an age limit on its Directors, recognising that seasoned leaders continue to bring valuable experience and insight to the Board. The Board remains committed to eliminating age stereotyping and values contributions from members across all age groups.

The current diversity in terms of race/ethnicity and nationality of the Board is as follows:

NUMBER OF DIRECTORS	RACE				CITIZEN	
	MALAY	CHINESE	INDIAN	OTHERS	MALAYSIAN	FOREIGN
	2	3	-	-	5	-

This commitment to diversity also extends to Senior Management appointments, where merit-based selection is complemented by consideration of varied perspectives and experiences. By fostering diversity at both Board and management levels, the Company seeks to strengthen decision-making, drive sustainable growth, and better serve the interests of all stakeholders.

(5) Time Commitment and Directorship in Other Public Listed Companies

The Board requires its members to devote sufficient time and attention to the Company's affairs to enable them to discharge their duties effectively. In line with the Board Charter, the number of directorships in other public listed companies in Malaysia held by any Board member shall not exceed the limit prescribed under the MMLR.

The Board recognises that external directorships may bring additional experience, knowledge and perspective that can benefit the Company, provided such appointments do not create a conflict of interest or impair their ability to discharge their fiduciary duties. The Board confirms that all Directors of the Company hold not more than five (5) directorships in public listed companies, in compliance with the MMLR.

The Board is satisfied that each Director has demonstrated the necessary commitment to discharge his or her responsibilities effectively during the financial year under review.

(6) Annual Assessment of Directors

The NC, on behalf of the Board, undertakes an annual evaluation of the Board's size, composition and effectiveness. This process includes a review of the skills, experience, knowledge, time commitment, diversity, and overall contribution of each Director.

As part of this assessment, the NC reviewed the independence of all Independent Non-Executive Directors against the criteria set out in the MMLR and MCCG. Each Independent Director has provided a written confirmation that they are free from any business or other relationship with the Company, its major shareholders, or other Directors that could interfere with their exercise of independent judgement.

Based on the NC's evaluation, the Board is satisfied that the current composition remains appropriate, and that all Independent Directors have demonstrated the ability to exercise objective and independent judgement in the best interest of the Company and its stakeholders.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

(7) Board Meeting and Attendance

The Board convenes at least four (4) scheduled meetings annually, with additional meetings held on an ad hoc basis to deliberate on urgent matters requiring the Board's consideration and approval. During the financial year ended 30 June 2025, a total of five (5) Board meetings were held. The attendance of each Director at Board is disclosed in the table below.

Name of Directors	Total Meetings Attended	Percentage of Attendance
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad Independent Non-Executive Chairman	5/5	100%
Roy Ho Yew Kee Executive Director	4/5	80%
Koo Kien Keat Independent Non-Executive Director	5/5	100%
Dr Chan Jee Peng Independent Non-Executive Director	5/5	100%
Dr Azizah Binti Sulaiman Independent Non-Executive Director	5/5	100%

All Directors complied with the minimum 50% attendance requirement prescribed under the MMLR. The Board is satisfied that each Director devoted sufficient time and attention to the Company's affairs, as reflected in their high level of attendance and active participation in meetings.

In addition to quarterly reviews of the Group's operations, financial performance, and reports from Board Committees, the Board also considers other significant matters. Where urgent decisions are required between scheduled meetings, special meetings may be convened, or written resolutions may be passed to ensure that decisions are made without undue delay.

To facilitate effective planning, tentative dates for all Board and Board Committee meetings are circulated by the Company Secretaries in advance, typically towards the end of the preceding year. Meeting dates are also reconfirmed at the conclusion of each Board and Audit Committee meeting. Directors are expected to achieve at least 50% attendance of total Board meetings in a financial year, with any leave of absence to be duly notified to the Chairman and/or Company Secretary.

Based on the foregoing, the Board is satisfied that all Directors have demonstrated their ability to devote adequate time and commitment to effectively discharge their fiduciary duties and responsibilities.

(8) Board Training and Development / Continuing Education Programs

All Directors have completed the Mandatory Accreditation Programme (MAP) Part I and Part II prescribed by Bursa Securities. While the Board has not stipulated a specific policy on the minimum number or type of training sessions to be attended annually, Directors are strongly encouraged to participate in continuous professional development programmes, seminars, and conferences. Such programmes are regarded as essential for Directors to stay abreast of evolving statutory and regulatory requirements, business and industry developments, as well as to enhance their skills and effectiveness in discharging their fiduciary duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

(8) Board Training and Development / Continuing Education Programs (Cont'd)

Newly appointed Directors undergo a structured familiarisation programme, which includes briefings on the Group's operations, visits to business units, and interactions with key senior management personnel. This enables them to gain a deeper understanding of the Group's businesses, operations, governance structure, and industry environment.

In addition, the Company Secretary regularly update the Board on new statutory, regulatory and governance developments, ensures that the Directors are kept abreast of the latest requirements and best practices.

All Directors are also encouraged to attend relevant conferences, seminars, and training programmes to strengthen their knowledge in areas such as corporate governance, regulatory updates, sustainability, finance, risk management, and industry trends.

During the financial year under review, the Directors attended, among others, the following training programmes, seminars and/or forums:

Director	Courses/Training Programmes Attended
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	Driving forces of next-generation governance: Shaping the future of corporate leadership
Roy Ho Yew Kee	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
Koo Kien Keat	Continuous Listing Criteria
Dr Chan Jee Peng	MIA – E-Invoice Implementation : A forum for Finance Leaders CTIM – National Tax Training Conference 2024 CAS Academy – Consolidation / Leases MIA – Business Valuation Methods & Applications CTIM – 2025 Budget Seminar MIA – Know the Difference between IAS 1 and the New IFRS/ MFRS18 MIA – MFRS 18 & 19 : What you need to know MIA – Tax Incentives in Malaysia ACCA – Withholding Tax and Cross Border Tax Transactions
Dr Azizah Binti Sulaiman	Tax & Budget Webinar

(9) Board Committee

The Board has established three (3) principal Board Committees to assist in the discharge of its oversight responsibilities, namely the AC, NC and RC. Each Committee operates within clearly defined TOR, which are reviewed periodically to ensure they remain relevant and aligned with regulatory requirements, corporate governance best practices, and the evolving needs of the Group.

While specific responsibilities are delegated to these Committees, the Board retains collective responsibility for all decisions. The Chairperson of each Committee reports to the Board on key matters deliberated and makes recommendations for the Board's consideration and approval, where necessary.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

(10) Audit Committee

The AC assists the Board in fulfilling its statutory and fiduciary responsibilities in relation to financial reporting, internal controls, risk management, compliance, and governance. The AC is responsible, among others, for:

- Reviewing the quarterly and annual financial statements of the Group before submission to the Board.
- Assessing the adequacy and effectiveness of the Group's internal control systems and risk management framework.
- Reviewing the internal and external audit plans, audit findings, and management's responses.
- Overseeing the independence and performance of both the internal and external auditors.

The composition and summary of activities of the AC during the financial year are set out in the Audit Committee Report of this Annual Report.

(11) Nomination Committee

The NC is entrusted by the Board with the responsibility of overseeing matters relating to the appointment, re-election, performance evaluation, and succession planning of Directors. The NC ensures that the Board maintains an appropriate balance of skills, experience, independence, and diversity to meet the evolving needs of the Group and stakeholders.

The NC comprises three (3) members, all of whom are Independent Non-Executive Directors, in compliance with Paragraph 15.08A of the MMLR. In line with Practice 5.8 of the MCCG, the NC is chaired by an Independent Non-Executive Director.

Name	Designation	Directorship
Koo Kien Keat	Chairman	Independent Non-Executive Director
Dr Chan Jee Peng	Member	Independent Non-Executive Director
Dr Azizah Binti Sulaiman	Member	Independent Non-Executive Director

The NC is guided by its TOR and the Company's Directors' Fit and Proper Policy, which together provide a structured and transparent framework for assessing candidates and making recommendations to the Board.

During the FYE 30 June 2025, the NC had undertaken the following activities:

- Assessed the structure, size, composition and effectiveness of the Board and Board Committees;
- Conducted the annual evaluation of the Board, Board Committees, and individual Directors, including an assessment of the independence of Independent Directors; and
- Reviewed and recommended the re-election of retiring Directors in accordance with the Company's Constitution for Board's approval.

Based on the above evaluations, the NC concluded that the Board and its Committees have continued to operate effectively, with the Directors demonstrating the necessary commitment and competencies to discharge their fiduciary duties in the best interest of the Company and its stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

(12) Remuneration Committee

The RC is responsible to develop and review remuneration packages for the Board and Board Committees as well as the Senior Management of the Company to ensure that the Group attracts and retains Directors and Senior Management of calibre to provide the necessary skills and experience as required and commensurate with the responsibilities for the effective management and operations of the Group. Nevertheless, it is the ultimate responsibility of the Board to approve the remuneration of the Directors and Senior Management.

The RC comprises three (3) members, all of whom are Independent Non-Executive Directors, in line with best practices under the MCCG. The RC is chaired Dr Azizah Binti Sulaiman, an Independent Non-Executive Director.

Name	Designation	Directorship
Dr Azizah Binti Sulaiman	Chairperson	Independent Non-Executive Director
Dr Chan Jee Peng	Member	Independent Non-Executive Director
Koo Kien Keat	Member	Independent Non-Executive Director

The RC is governed by its TOR and is responsible for implementing the Group's remuneration policies and procedures. Its principal objective is to ensure that the remuneration framework for the Board and Senior Management is fair, competitive, and aligned with the Group's long-term objectives, shareholders' interests, and market best practices.

In discharging its duties, the RC is responsible for the following:

- (i) Reviewing and recommending to the Board the remuneration of Non-Executive and Executive Directors, including fees, benefits and other emoluments;
- (ii) Reviewing Senior Management remuneration packages to ensure they are structured to attract, retain and motivate high-calibre talent, with a balance between fixed and performance-linked elements;
- (iii) Ensuring that the level of Directors' fees reflects the responsibilities, experience and contribution of each Director, and remains consistent with comparable roles in other listed companies; and
- (iv) Periodically benchmarking the Company's remuneration framework against industry peers and other PLCs to ensure competitiveness and alignment with market norms.

The RC met during the FYE 30 June 2025 to deliberate on the remuneration of Directors and Senior Management. All recommendations of the RC were submitted to the Board for approval.

III. REMUNERATION

(1) Directors' Remuneration

In line with the MCCG, the Company makes full disclosure of the Directors' remuneration on a named basis for the FYE 30 June 2025. The disclosure includes a breakdown of each Director's remuneration into fees, salaries, bonuses, benefits-in-kind, allowances, and other emoluments, consistent with Practice 8.1 of the Corporate Governance Report, which is available on the Company's website at <https://komark.com.my/corporate-governance-meetings/>.

Each Director receives a fixed fee and meeting allowance for attending Board and general meetings. Additional fees are paid to Committee members, with higher fees accorded to the Chairmen of the AC, NC and RC in recognition of their additional responsibilities. The level of fees reflects the Directors' experience, scope of responsibility, and contribution to the Board. Directors do not participate in decisions on their own remuneration, with interested Directors abstaining from deliberation and voting on the matter.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION

(2) Remuneration of Key Senior Management

The Board recognises the importance of transparency in disclosing senior management remuneration but is mindful of the confidentiality and competitive sensitivities surrounding such information. Disclosure on an individual basis may affect the Group's ability to attract and retain talent in a highly competitive market. Accordingly, the Company discloses the aggregate remuneration of its top three (3) senior management personnel, which amounted to RM669,291 for the FYE 30 June 2025, representing 10.42% of the Group's total employee remuneration.

The remuneration of senior management is determined on the same basis as other employees of the Group, comprising fixed salary, performance-based bonus, and benefits-in-kind. The determination takes into account individual performance, responsibilities, skills and experience, as well as the overall performance of the Group.

(3) Remuneration Framework and Review

The remuneration packages of Executive Director and senior management are designed to attract, retain, and incentivise talent, balancing both fixed and performance-based components. Salaries are reviewed annually, while bonuses are tied to the Group's financial performance and individual KPIs. Benefits-in-kind, such as company car and allowances, are provided to ensure the overall package remains competitive.

During the financial year under review, the RC carried out its responsibilities in accordance with its TOR, which included reviewing and recommending the remuneration of the Executive Director for the Board's approval. The RC also reviewed the Non-Executive Directors' fees and benefits payable, which will be tabled for shareholders' approval at the forthcoming AGM pursuant to the Company's Constitution.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The AC plays a pivotal role in assisting the Board to discharge its oversight responsibilities in relation to financial reporting, internal control environment, risk management processes, as well as the internal and external audit functions. The AC also reviews related party transactions and potential conflict of interest situations, thereby ensuring that the interests of shareholders are protected and safeguarded.

The composition of the AC, together with the attendance record and a summary of activities carried out during the financial period under review, are set out in the AC Report of this Annual Report.

(1) Compliance with Applicable Financial Reporting Standards

The Board, through the AC, recognises its responsibility to present a balanced, clear and meaningful assessment of the Group's financial position and prospects. The Company's audited financial statements are prepared in accordance with the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016, and the MMLR of Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AUDIT COMMITTEE (CONT'D)

(1) Compliance with Applicable Financial Reporting Standards (Cont'd)

The AC assists the Board in overseeing the financial reporting process by:

- Reviewing the quarterly financial results and annual audited financial statements prior to the Board's approval and release to Bursa Securities, ensuring accuracy, completeness and timeliness of disclosures;
- Discussing with Management and the External Auditors on the appropriateness of accounting policies and practices adopted, as well as the treatment of significant or unusual transactions; and
- Ensuring that the financial statements provide a true and fair view of the financial performance and position of the Group.

Through these measures, the AC ensures that shareholders and stakeholders are provided with transparent, reliable and comparable information, in line with best practices of corporate disclosure.

(2) Assessment of Suitability and Independence of External Auditors

The Board acknowledges the importance of maintaining the objectivity and independence of the External Auditors to ensure the integrity of the Group's financial reporting. In this respect, the AC has established a policy within its TOR to require a former partner of the External Audit firm of the Company to observe a minimum cooling-off period of three (3) years before being appointed as a member of the AC, in line with Practice 9.2 of the MCCG. None of the AC members are former audit partners of the Company.

During the FYE 30 June 2025, the AC undertook a formal annual assessment of the suitability, effectiveness and independence of the External Auditors, covering among others:

- The adequacy of experience, resources and technical competence of the engagement team;
- The independence of the audit firm, including the provision of non-audit services and safeguards implemented;
- The quality of communication and level of professional scepticism demonstrated during the audit; and
- The overall performance and value-added by the External Auditors in discharging their responsibilities.

Upon completion of the assessment, the AC was satisfied with the performance, suitability and independence of the External Auditors, and accordingly recommended to the Board the re-appointment of the External Auditors for the financial year ending 30 June 2026. The recommendation was subsequently endorsed by the Board for shareholders' approval at the forthcoming AGM.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

(1) Sound Risk Management and Internal Control

The Board recognises that an effective risk management and internal control framework is fundamental to sustaining long-term business performance and safeguarding shareholders' interests. In line with its fiduciary duties, the Board assumes overall responsibility for risk governance, including the establishment of an appropriate framework and ensuring that a sound system of risk management and internal control is in place throughout the Group. This framework is designed to provide reasonable, though not absolute, assurance that the Group's objectives will be achieved, particularly in relation to the effectiveness and efficiency of operations, safeguarding of assets, regulatory compliance, and the reliability of financial reporting.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

(1) Sound Risk Management and Internal Control (Cont'd)

The Board has delegated to the AC the responsibility of providing oversight and assurance on the adequacy, effectiveness and integrity of the Group's risk management and internal control systems. The AC, in turn, is supported by Management through the Risk Management Working Committee, which is tasked to:

- Identify, assess and monitor principal business risks faced by the Group;
- Develop and implement risk mitigation strategies and action plans; and
- Ensure that risks are managed within acceptable levels in accordance with the Group's risk appetite.

To promote a risk-aware culture, the risk management process is embedded into the Group's day-to-day operations, strategic planning, and decision-making. The AC maintains a structured and continuous dialogue with Management, External Auditors and Internal Auditors to review and evaluate the risk management framework and the adequacy of internal controls. The Risk Management Working Committee provides periodic reports to the AC, including an annual review of the Group's risk register and mitigation measures.

The Group's internal audit function has been outsourced to an independent professional service provider, Indah Corporate Governance Sdn. Bhd., who are free from any conflict of interest and are not involved in the operations of the Group. The Internal Auditors report directly to the AC, ensuring objectivity and impartiality in their review. Their scope of work includes evaluating the adequacy and effectiveness of internal controls, compliance with established policies and procedures, and recommending improvements where necessary.

The AC reviews the internal audit reports, discusses the key findings with the Internal Auditors and Management, and monitors the timely implementation of agreed action plans to strengthen controls and mitigate risks identified.

The Board is satisfied that the Group's risk management and internal control framework is adequate and effective to address the key risks faced by the business and to support the achievement of its strategic and operational objectives.

Further details of the Group's risk management and internal control system are set out in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

(1) Communications with Stakeholders

The Board recognises that effective stakeholder engagement is fundamental to the Group's long-term sustainability. In line with this commitment, the Group ensures that stakeholders are kept informed of all material business developments and risks in a factual, timely, and widely accessible manner. The Board is committed to providing comprehensive, accurate, and timely information to shareholders and other stakeholders, in full compliance with the disclosure obligations under the MMLR of Bursa Securities.

To uphold transparency and accountability, the Company has designated authorised personnel responsible for reviewing, approving, and disclosing material information in accordance with Bursa Securities' regulations. This ensures that all stakeholders are kept well-informed and that the Group consistently meets its regulatory obligations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

I. ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

(1) Communications with Stakeholders (Cont'd)

The Group's financial performance, significant corporate developments, and other material information are disseminated to shareholders and investors through multiple channels, including:

- Quarterly and annual financial results;
- Corporate announcements to Bursa Securities;
- Press releases and media briefings; and
- Direct responses to shareholder queries via post, telephone, facsimile, or email.

The Company is mindful of the importance of timely and equitable dissemination of material information to stakeholders, regulators, and the media, ensuring transparency and consistency in reporting. Significant corporate matters, including business developments and reporting obligations, are communicated promptly via Bursa Securities announcements and press releases. Interim and full-year financial results are published within the mandatory periods set by regulatory requirements.

In addition, the Company's website, accessible at <https://komark.com.my/>, serves as a central platform for shareholders and the public to access up-to-date information on the Group's operations, corporate activities, and disclosures as required under Bursa Securities' regulations.

II. CONDUCT OF GENERAL MEETINGS

(1) Shareholders' Participation at General Meetings

The Board recognises that general meetings serve as a vital platform for shareholder engagement, providing an important forum for communication between the Board and shareholders. At each AGM, the Board encourages shareholders to actively participate in the question-and-answer sessions to express their views and seek clarifications on the Group's operations and proposed resolutions. Members of the Board, senior management, the Company Secretary, and external auditors are present to address shareholders' queries.

Since 2020, in response to the COVID-19 pandemic, the Company has leveraged technology to conduct virtual AGMs, allowing remote participation and electronic voting. This enables shareholders to engage directly with the Board during AGM proceedings and participate in discussions on proposed resolutions and operational matters.

The Notice of AGM, together with the Annual Report, is circulated to shareholders at least twenty-eight (28) days prior to the meeting date, providing sufficient time for shareholders to plan their attendance. The Board ensures that each item of special business included in the notice of AGM or Extraordinary General Meeting is accompanied by an explanatory note detailing the effects of the proposed resolutions.

(2) Poll Voting

In line with Paragraph 8.29A of the MMLR of Bursa Securities, which mandates poll voting for all resolutions set out in the notice of general meetings, the Company implemented poll voting during its 28th AGM last year. Poll voting provides a transparent and precise mechanism for shareholders to exercise their voting rights, as each vote is counted proportionally to the number of shares held, rather than by a show of hands.

To ensure integrity and confidence in the process, the Board appointed an independent scrutineer to oversee the polling and validate the results. This practice reflects the governance standards adopted by leading public-listed companies and underscores the Company's commitment to accountability, transparency, and equitable treatment of all shareholders.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. CONDUCT OF GENERAL MEETINGS (CONT'D)

(2) Poll Voting (Cont'd)

Consistent with this approach, poll voting will also be conducted at the forthcoming physical AGM, enabling shareholders to exercise their voting rights efficiently and securely. By adopting poll voting, the Company strengthens shareholder participation and reinforces robust corporate governance, ensuring that the outcomes of all resolutions accurately reflect shareholders' intentions.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement, and considers that this overview statement provides the information necessary to enable shareholders to evaluate how the practices of MCCG have been applied. The Board considers and is satisfied that the Group has fulfilled its obligation under the MCCG, MMLR and all applicable laws and regulations throughout the FYE 30 June 2025.

This Statement was approved by the Board of Directors of the Company on 17 October 2025.

AUDIT COMMITTEE REPORT

The Board of Directors (“**Board**”) of Komarkcorp Berhad (“**Komarkcorp**” or “**the Company**”) is pleased to present the Audit Committee (“**AC**”) Report for the financial year ended 30 June 2025 (“**FYE 2025**”).

The AC with delegated oversight responsibilities assists the Board in ensuring that the paramount interest of the shareholders and other stakeholders of the Company and its subsidiaries (“**Group**”) are well protected.

A. COMPOSITION

The AC of the Company consists of three (3) members, all of whom are Independent Non-Executive Directors. The AC comprises the following members:

Name	Designation	Directorship
Dr Chan Jee Peng	Chairman	Independent Non-Executive Director
Koo Kien Keat	Member	Independent Non-Executive Director
Dr Azizah Binti Sulaiman	Member	Independent Non-Executive Director

- The composition of AC meets the independence requirements as defined under the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any practice notes issued thereto.
- The AC Chairman, Dr Chan Jee Peng is a member of the Malaysian Institute of Accountant and fulfilled the requirements of Paragraph 15.09(1)(c) of the MMLR of Bursa Securities.
- No alternate director is appointed as a member of the AC.
- The AC has in its Terms of Reference (“**TOR**”) stated that a former external audit partner must observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. Currently, none of the AC members are former audit partners of the external auditors appointed by the Group.

B. TERM OF REFERENCE

The objective of the AC is to assist the Board of Directors in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

The duties and responsibilities of the AC are set out in the TOR of the AC, which can be assessed from the Company’s website at <https://komark.com.my/corporate-governance-meetings/>.

C. MEETINGS AND ATTENDANCE

The AC shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. The quorum for a meeting shall be two (2) AC members who are both independent directors.

The AC has conducted five (5) meetings during the FYE 2025. The details of attendance of the AC members are as follows:-

AC Member	Attendance
Dr Chan Jee Peng	5/5
Koo Kien Keat	5/5
Dr Azizah Binti Sulaiman	5/5



AUDIT COMMITTEE REPORT

C. MEETINGS AND ATTENDANCE (CONT'D)

The external auditors and internal auditors together with the relevant Management personnel were invited to attend AC meetings to present their reports and provide updates and developments on issues arising from the audit reports. The AC Chairman thereafter reported the significant matters discussed during the AC meetings and AC's recommendations, if any, to the Board for their consideration.

Discussions and deliberation at the AC meetings were recorded in the minutes of the AC meetings, which were tabled to the Board for notation after they were confirmed at each subsequent AC meeting.

D. SUMMARY OF WORK

The key activities undertaken by the AC in discharging its functions and duties for the FYE 2025 are summarised as follows:-

(a) Financial Reporting

- Reviewed the quarterly and year-to-date unaudited financial results of the Group to ensure adherence to the regulatory reporting standards and requirements prior to recommending to the Board for consideration and approval.
- Thoroughly reviewed the annual audited financial statements of the Group and provided recommendations to the Board for approval before tabling at the Annual General Meeting.

(b) External Audit

- Reviewed the external auditors' reports on audit findings and the accounting issues arising from the audit before appropriate audit adjustments were made to the Group's financial statements for FYE 2025.
- Reviewed the external auditors' Audit Planning Memorandum for the FYE 2025.
- Reviewed the audit and non-audit fees payable to the external auditors, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit before recommending to the Board for approval.
- Evaluated the performance of the external auditors for the FYE 2025, covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence prior to recommending to the Board on their re-appointment. The external auditors had also provided written assurance to the AC that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement.
- Evaluated and recommended the re-appointment of Messrs. Morison LC PLT as External Auditors of the Company, to the Board for approval.

(c) Internal Audit

- Reviewed the internal audit reports presented by the internal auditors on their findings and recommendations including Management's response.
- Considered internal auditors' recommendations and the Management's response with respect to system and control weaknesses, before proposing those system and control weaknesses be rectified and recommendations to be implemented.
- Reviewed the adequacy of the scope, functions, resources and competency of the internal audit function and that it has the necessary authority to carry out its work.

AUDIT COMMITTEE REPORT

D. SUMMARY OF WORK (CONT'D)

The key activities undertaken by the AC in discharging its functions and duties for the FYE 2025 are summarised as follows (Cont'd):-

(d) Others

- Reviewed the related party transactions to be entered into by the Group to ensure that the transactions entered into were on arm's length basis and on normal commercial terms and not detrimental to the interests of minority shareholders.
- Reviewed the conflicts of interest that may arise within the Group including any transaction, procedure or course of conduct that raises questions of Management integrity and the measures taken to resolve, eliminate or mitigate such conflicts.
- Reviewed the Circular /Statement to Shareholders as well as AC report, Corporate Governance Overview Statement together with Corporate Governance Report, Statement on Risk Management and Internal Control and Sustainability Statement for inclusion in the Annual Report.

E. INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to a professional firm, namely Indah Corporate Governance Sdn. Bhd. ("**Internal Auditor**"), to assist the AC in the discharge of its duties and responsibilities.

Indah Corporate Governance Sdn. Bhd. has a dedicated internal audit team for the Group, comprising of 5 personnels, including 1 Director and 4 audit staffs, ensuring sufficient resources are deployed to effectively conduct internal audit reviews.

Ms. Tay Lee Hoon, the Director of Indah Corporate Governance Sdn. Bhd., is in-charge of the internal audit of the Group. Ms. Tay is a member of the Malaysian Institute of Accountants and Chartered Tax Institute of Malaysia.

The primary responsibility of Internal Auditor is to provide independent and reasonable assurance that the Group's systems of internal controls are adequate and continue to operate satisfactorily and effectively. The internal auditor provides the AC with independent and objective reports of the Group's internal controls, assessing compliance with established policies, procedures, and relevant statutory requirements. The reports also evaluate the safeguarding and accurate accounting of the Group's assets, while recommending improvements to operations, processes, and control systems.

The Internal Audit team reported their findings to the AC and requested Management to formulate of action plans to ensure the Group's internal control system remains adequate and effective addressing any identified weaknesses and mitigating risks. A follow-up review was conducted to ensure that these weaknesses were appropriately resolved and that the recommendations and corrective actions outlined in the internal audit reports were implemented by Management within the required timeframe.

The AC is satisfied with the performance of the outsourced Internal Auditors and in the interest of maintaining greater independence and continuity in the internal audit function, has decided to continue outsourcing the Internal Audit function.

The cost incurred for the internal audit function of the Group for the FYE 2025 amounted to RM9,000.

Further details of the internal audit function and its activities are provided in the Statement on Risk Management and Internal Control, set out in page 53 to 55 of this Annual Report.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“**Board**”) is pleased to present this Statement on Risk Management and Internal Control (“**Statement**”) for the financial year ended 30 June 2025. The preparation of this statement is required under paragraph 15.26(b) of the Main Market Listing Requirements (“**MMLR**”) and guided by the “Statement on Risk Management & Internal Control-Guidelines for Directors of Listed Issuers” which was endorsed by Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

BOARD’S RESPONSIBILITY

In accordance with the Malaysian Code on Corporate Governance, the Board is responsible for establishing, formulating policies, reviewing and assessing the Group’s risk management and internal control systems, and seeking assurance that these systems are adequate and functioning effectively in order to achieve the corporate objectives and to safeguard the shareholders’ investment and the Group’s assets.

Nevertheless, the Board is aware that due to the limitations inherent in any such system, the internal control system can only provide reasonable but not absolute assurance against material misstatement, operational failures, fraud or loss, as it is designed to manage risk within tolerable levels rather than eliminate the risk of failure to achieve the Group’s business objectives.

KEY ELEMENTS OF INTERNAL CONTROL

- (a) The Group maintains a formal organisation structure with clear lines of accountability and responsibility. The daily running of the businesses is entrusted to the Executive Director and the Senior Management team. The heads of each operating subsidiary and department within the Group are empowered with the responsibilities of managing their respective operations. The structure provides for a clear reporting line to facilitate the review and approval process within the Group.
- (b) Ad-hoc and scheduled meetings are held if required at operational and management levels to identify operational issues, discuss and review business plans, budgets, financial and operational performances of the Group. Information is provided to the Senior Management for reporting to the Board during quarterly meetings. This is to ensure that matters that require the Senior Management and Board’s attention are highlighted for review, deliberation and decision.

Senior Management will report the quarterly financial statements to the Audit Committee and Board at the quarterly meetings for review and approval before making announcements to the authorities.

- (c) Audit Committee and Board meetings are held quarterly to review quarterly financial results, annual financial statements, business plans and development and significant risks or any other matters reserved for Board consideration.
- (d) The Group’s Internal Auditor conduct an annual review of business processes against policies and guidelines, identify areas for improvement to assess overall effectiveness and efficiency of internal control system. Internal audit reports are reviewed by the Audit Committee at its quarterly meetings.
- (e) Significant transactions involving commitment of Group’s assets, acquisition or disposal of assets or business, joint venture, related party transactions and capital investment will be reviewed and approved by the Audit Committee and Board. Post implementation reviews are also conducted and reported to the Audit Committee and Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK AND PROCESS

The Board is aware that the Group's business activities will expose the Group to a range of risks, including operating and financial risks. As such, the Group has established a Risk Management Framework ("**RMF**") which sets out the objectives and risk management approach to identify, evaluate and report risk events. The RMF sets out to ensure a diverse set of risks faced by the various business & non-business units are managed appropriately to ensure that the Group continuously creates value for all its stakeholders whilst managing the effects of identified risks on the Group's performance and position.

As part of the RMF, a Risk Management Committee ("**RMC**") is established at the Management level, which comprises of representatives from business and non-business units and is responsible for ensuring the implementation of appropriate systems to manage the overall risk exposures of the Group. The RMC is primarily responsible for the monitoring of the Group's risk policy and standards, maintaining the register of risks, monitoring the risk profile and risk tolerance of the Group and developing appropriate strategies and plans to mitigate material risks.

The overall responsibility for risk management resides at all levels within the Group and the day-to-day risks are managed at the business and non-business unit level. The respective units constantly identify significant existing or potential risks affecting the Group's operations and appropriate actions will be taken to manage these risks.

These are then regularly documented and updated in a Risk Register which is reported for review and deliberated by the RMC during its quarterly meetings. The RMC, together with unit heads, measures the risk impact and likelihood as guided by the risk parameters in the Risk Register; evaluates and determines whether the level of risk is acceptable or unacceptable taking into consideration the risk appetite of the Group; and determines measures to manage these risks appropriately.

The Risk Register outlines the identified risks, root causes and consequences, ranking of each risk based on its likelihood of occurrence, and the extent of impact on the Group businesses. Control measures and action plans taken to manage the risks will also be documented in the Risk Register. The RMC will subsequently apprise the Audit Committee on the matters and issues deliberated in the quarterly meetings.

The on-going internal control and risk management processes have been integrated and embedded into the Group structure and conduct of business for the achievement of the Group's objectives and strategies. The Board will continue to review these processes to ensure adequacy and effectiveness of the system.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit function is outsourced to Indah Corporate Governance Sdn. Bhd., a professional service firm which reviews and evaluates the adequacy and effectiveness of the Group's risk management and internal control system and reports directly to the Audit Committee. The Internal Auditor provides independent advisory services and reasonable assurance of the orderly and effective conduct of the operations of the Group.

The Internal Auditor reviews the internal control processes of various key functions of the Group's businesses in accordance with an annual audit plan approved by the Audit Committee. Based on results of the reviews, discussions are held with the Management to deliberate the risk areas identified, control gaps and recommendations for improvement actions to be undertaken by the Management to address the internal control weaknesses. The internal audit reports together with Management responses and proposed corrective actions are then presented for review by the Audit Committee at the quarterly meetings. Significant issues highlighted on the internal control of the Group are reported to the Board during their quarterly meetings. The Audit Committee also ensures that follow up actions and control measures are carried out by the Management to address the control weaknesses raised. None of the weaknesses have resulted in any material losses that would require a separate disclosure in this annual report.

During the financial year under review, the Internal Auditor conducted an audit on Production Management of Komark International (M) Sdn Bhd.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF STATEMENT BY EXTERNAL AUDITOR

Pursuant to Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control in accordance with the Audit and Assurance Practice Guide 3 (“AAP G3”): Guidance for Auditors on Engagements to Report on the Statements on Risk Management in and Internal Control included in the Annual Report.

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board and management in reviewing the adequacy and integrity of the risk management and effectiveness of the systems of risk management and internal control systems of the Group.

CONCLUSION

The Board has received assurance from the Executive Director and Senior Management that the Group’s risk management and internal control system have been operating adequately and effectively, in all material aspects, based on the risk management and internal control of the Group. For the financial year under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system currently in place is adequate and effective to safeguard the Group’s interests and assets.

The Board recognises the fact that the system of internal control and risk management practices should be documented and will evolve with the ever changing and challenging business environment in order to support the Group’s operations. The Board, assisted by the Management, will put in place appropriate action plans to rectify and improve internal control weaknesses in the forthcoming financial years.

This Statement is made in accordance with the resolution of the Board of Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The Directors are required by the Companies Act 2016 (**"the Act"**) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to prepare the financial statements for each financial year in accordance with applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards and requirements of the Act in Malaysia.

The Directors are responsible to ensure that the audited financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company for the financial year ended 30 June 2025. Where there are new accounting standards or policies that become effective during the period, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

In preparing the financial statements, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensure that all applicable accounting standards have been followed; and
- prepared financial statements on a "going concern" basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors have overall responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for financial year ended 30 June 2025, the Group and the Company have used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

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DIRECTORS' REPORT

The directors of **KOMARKCORP BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and providing management services to its subsidiaries. The principal activities of the subsidiaries are manufacturing of self-adhesive labels, stickers labelling machines, disposable surgical face mask, protective apparels and trading of related products. Further details of the subsidiaries are disclosed in Note 15 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Loss before tax	(27,318)	(3,332)
Income tax credit	839	-
Loss for the financial year	(26,479)	(3,332)

	Group RM'000	Company RM'000
Loss attributable to:		
Owners of the Company	(25,454)	(3,332)
Non-controlling interests	(1,025)	-
	(26,479)	(3,332)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial period. The directors do not recommend any dividend payment in respect of the current financial year.



DIRECTORS' REPORT

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

WARRANT D 2023/2026 ("WARRANT D")

During the financial year, the movement of the outstanding warrants is as follows:

Date listed	<----- Number of outstanding Warrant D ----->			
	At 1.7.2024	Exercised	Lapsed	At 30.6.2025
28.6.2023	38,483,696	-	-	38,483,696

The salient terms of Warrant D are disclosed in Note 25 to the financial statements.

TREASURY SHARES

As at 30 June 2025, the Company held units of its issued and paid-up ordinary shares as treasury shares at a carrying amount of RM3,547 in accordance with Section 127(4) of the Companies Act, 2016. Details of the treasury shares are disclosed in Note 24 to the financial statements.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The ESOS of the Company was approved by the shareholders at the Extraordinary General Meeting held on 5 August 2020 and it is governed by the Bylaws.

The ESOS was implemented on 14 January 2021 and shall be in force for a period of five (5) years and may be extended for such further period, at the sole and discretion of the Board upon recommendation by the ESOS Committee, provided always that the Initial Scheme period above and such extension of the scheme made pursuant to the Bylaws shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the effective date of the ESOS.

None of such option had been granted to any eligible persons by the Company since then and the salient features of the ESOS are disclosed in Note 26 to the financial statements.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the year of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.



DIRECTORS' REPORT

DIRECTORS

The directors of the Company in office during the financial year until the date of this report are:

YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad*
 Roy Ho Yew Kee*
 Koo Kien Keat
 Dr Chan Jee Peng
 Dr Azizah Binti Sulaiman

* *The directors are also Directors of the subsidiaries of the Company.*

Other than as stated above, the director of the subsidiaries of the Company in office during the financial year until the date of the report is:

Ong Ann Boon (Subsidiary struck off subsequent to the financial year end on 25 September 2025)

DIRECTORS' INTERESTS

The interests in shares and warrants in the Company of those who were directors of the Company at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of Ordinary Shares			Balance as at 30.6.2025
	Balance as at 1.7.2024	Bought	Sold	
Shares in the Company				
Direct interest				
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	40,000	-	-	40,000
Roy Ho Yew Kee	240,000	160,000	-	400,000
Indirect interest				
Roy Ho Yew Kee *	44,343,640	-	-	44,343,640

* Deemed interested in the shares by virtue of shares held by Key Alliance Group Berhad.

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 9 of the Companies Act, 2016 in Malaysia, YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad and Roy Ho Yew Kee are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as disclosed above, none of the other Directors in the office at the end of the financial year have any interest in shares in the Company or its related corporations during the financial year.

None of the Directors hold any warrant D in the Company as per the Register of Directors' Warrant D holdings.

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial period, none of the directors of the Company has received or become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of full-time employees of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The details of the directors' remuneration of the Group and of the Company for the financial year ended 30 June 2025 are as follows:

	Group RM'000	Company RM'000
Executive directors:		
Fees	78	78
Salaries and other emoluments	317	4
Defined contribution plans	37	-
	432	82
Non-executive directors:		
Fees	240	240
Other emoluments	20	16
	260	256
	692	338

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or insurance effected for any directors, officers and auditors of the Group and the Company in accordance with Section 289 of the Companies Act, 2016.

AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and of the Company for financial year ended 30 June 2025 are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration:		
Statutory audit	230	90
Other services	5	5
	235	95



DIRECTORS' REPORT

AUDITORS

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the directors,

ROY HO YEW KEE

**YM TENGKU EZUAN ISMARA
BIN TENGKU NUN AHMAD**

Petaling Jaya,
17 October 2025

STATEMENT BY DIRECTORS

The directors of **KOMARKCORP BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the directors,

ROY HO YEW KEE

**YM TENGKU EZUAN ISMARA
BIN TENGKU NUN AHMAD**

Petaling Jaya,
17 October 2025



DECLARATION BY THE DIRECTOR

PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **ROY HO YEW KEE**, the director primarily responsible for the financial management of **KOMARKCORP BERHAD**, do solemnly and sincerely declare that the financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

ROY HO YEW KEE

Subscribed and solemnly declared by the
abovenamed **ROY HO YEW KEE** at
PETALING JAYA on
17th day of October, 2025.

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KOMARKCORP BERHAD

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **KOMARKCORP BERHAD**, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 71 to 132.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standard)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in the audit
Revaluation of freehold land and building Refer to Notes 3, 4, and 12 to the financial statements for the Group's accounting policies on property, plant and equipment, key sources of estimation uncertainty and related disclosures. The Group's freehold land and building are carried under the revaluation model. During the financial year, the Group engaged an independent professional valuer to perform a revaluation exercise, which resulted in a revaluation surplus of RM8,461,039, representing approximately 7.62% of the Group's total assets as at 30 June 2025. We determined this to be a key audit matter due to the significant judgement and estimation uncertainty involved in determining the fair value of the property, including assumptions applied in the valuation methodology, comparable market data, and the condition and location of the assets.	Our audit procedures, amongst others, included the following: (a) Assessed the competence, capabilities and independence of the external professional valuer engaged by the Group. (b) Interviewed the valuers to understand the methodology and assumptions used in the valuation. (c) Tested the accuracy and relevance of input data used in the valuation. (d) Challenged the methodology used and evaluated the key assumptions used by the valuers, such as market prices of comparable properties, location factors, prevailing market conditions, building condition, physical and functional obsolescence.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KOMARKCORP BERHAD (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key audit matters	How the matter was addressed in the audit
Impairment of property, plant and equipment and right-of-use assets Refer to Notes 3, 4, 12, and 14 to the financial statements for the Group's accounting policies on property, plant and equipment, and right-of-use assets, key sources of estimation uncertainty, and related disclosures. As of 30 June 2025, the carrying amounts of property, plant and equipment and right-of-use assets of the Group are RM67,268,565 and RM7,398,842 respectively. Indicators of impairment were observed, mainly due to the declining demand from the face mask segment and the underutilisation of the production facilities. Management performed impairment assessments to determine the recoverable amounts of these assets, based on the higher of value-in-use ("VIU") and fair value less costs of disposal ("FVLCD"). We considered this area to be a key audit matter as the assessment involved the use of estimates and assumptions in relation to the VIU calculations.	Our audit procedures, amongst others, included the following: (a) Obtained an understanding of management's process and key controls for identifying impairment indicators and determining the recoverable amount of the assets. (b) Evaluated the appropriateness of the impairment approaches adopted by management. (c) Assessed the reasonableness of the key assumptions applied in the VIU model, including expected sales volume, selling prices, and discount rate. (d) For right-of-use assets with sublease arrangement, evaluated key assumptions including projected rental income, discount rate and renewal of lease terms. (e) Tested the mathematical accuracy of the VIU computation. (f) Performed sensitivity analysis on key assumptions.
Net realisable value of inventories - Mask segment Refer to Notes 3, 4 and 19 to the financial statements for the Group's accounting policies on inventories, key sources of estimation uncertainty and related disclosures. As of 30 June 2025, the carrying amount of the Group's inventories was RM3,826,492, representing 3.5% of the Group's total assets. Of this amount, RM2,857,431 relates to the mask segment. Management assessed that the net realisable value ("NRV") of this segment was lower than their carrying amount. Management also noted that certain mask inventories were slow-moving but expected to be sold before expiry. We determined this to be a key audit matter due to the judgment involved in determining NRV and assessing the recoverability of slow-moving inventories.	Our audit procedures, amongst others, included the following: (a) Obtained an understanding of management's process for assessing inventory write-downs and obsolescence, including the determination of NRV. (b) Assessed the reasonableness of management's assumptions by reviewing historical sales trends, current market conditions, and the appropriateness of judgements in identifying slow-inventories. (c) Reviewed the criteria and methodology applied by management in computing the inventory write-down, and recomputed the calculations on a sample basis. (d) Assessed the adequacy and reasonableness of the overall inventory write-down recognised. (e) Reviewed subsequent sales invoices to verify that the NRV used was supported by post year-end selling prices.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KOMARKCORP BERHAD (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KOMARKCORP BERHAD (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont'd):

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision, and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KOMARKCORP BERHAD

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MORISON LC PLT (AF 002469)
202206000028 (LLP0032572-LCA)
Chartered Accountants

LIM WAN YINN
03262/04/2027 J
Chartered Accountant

Petaling Jaya
17 October 2025



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group		Company	
		1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000
Revenue	5	19,921	29,357	-	-
Cost of sales		(20,716)	(28,009)	-	-
Gross (loss)/ profit		(795)	1,348	-	-
Other operating income		2,560	1,782	302	481
Other operating expenses		(27,506)	(33,987)	(2,567)	(7,994)
Net loss on impairment of financial assets		(412)	(9,831)	(542)	(19,983)
Loss from operations		(26,153)	(40,688)	(2,807)	(27,496)
Finance costs	6	(1,165)	(949)	(525)	(217)
Loss before tax	7	(27,318)	(41,637)	(3,332)	(27,713)
Income tax credit/(expense)	10	839	(4)	-	-
Loss for the financial year/period		(26,479)	(41,641)	(3,332)	(27,713)
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Revaluation of property, plant and equipment, net of tax		7,624	-	-	-
Total comprehensive loss for the financial year/period		(18,855)	(41,641)	(3,332)	(27,713)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group		Company	
		1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000
Loss for the financial year/period attributable to:					
Owners of the Company		(25,454)	(39,523)	(3,332)	(27,713)
Non-controlling interests		(1,025)	(2,118)	-	-
		(26,479)	(41,641)	(3,332)	(27,713)
Total comprehensive loss the financial year/period attributable to:					
Owners of the Company		(17,830)	(39,523)	(3,332)	(27,713)
Non-controlling interests		(1,025)	(2,118)	-	-
		(18,855)	(41,641)	(3,332)	(27,713)
Loss per ordinary share attributable to owners of the Company (sen per share):					
Basic and diluted	11	(11.02)	(18.80)		

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	67,269	68,318	-	-
Intangible assets	13	13	34	-	-
Right-of-use assets	14	7,399	8,296	-	-
Investment in subsidiaries	15	-	-	8,075	8,075
Investment in an associate	16	-	-	-	-
Other investments	17	5,315	7,963	-	-
Total Non-Current Assets		79,996	84,611	8,075	8,075
Current Assets					
Inventories	19	3,826	4,867	-	-
Trade and other receivables	20	4,945	10,768	9,853	8,188
Tax recoverable		63	151	-	-
Short term funds	21	33	32	33	32
Fixed deposits with licensed bank	22	8,234	8,000	8,234	8,000
Cash and bank balances	23	13,940	16,542	11,677	14,060
Total Current Assets		31,041	40,360	29,797	30,280
Total Assets		111,037	124,971	37,872	38,355

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	173,277	173,277	173,277	173,277
Treasury shares	24	(4)	(4)	(4)	(4)
Other reserves	27	27,064	19,440	4,810	4,810
Accumulated losses		(116,785)	(91,331)	(148,442)	(145,110)
Equity Attributable to:					
Owners of the Company		83,552	101,382	29,641	32,973
Non-controlling interests		(3,566)	(2,541)	-	-
Total Equity		79,986	98,841	29,641	32,973
Non-Current Liabilities					
Bank borrowings	28	3,312	3,712	-	-
Lease liabilities	14	4,904	5,820	-	-
Total Non-Current Liabilities		8,216	9,532	-	-
Current Liabilities					
Trade and other payables	29	12,143	9,902	249	148
Bank borrowings	28	8,399	5,603	7,982	5,234
Lease liabilities	14	2,293	1,093	-	-
Total Current Liabilities		22,835	16,598	8,231	5,382
Total Liabilities		31,051	26,130	8,231	5,382
Total Equity and Liabilities		111,037	124,971	37,872	38,355

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group							
As at 1 July 2024	173,277	(4)	19,440	(91,331)	101,382	(2,541)	98,841
Loss for the financial year	-	-	-	(25,454)	(25,454)	(1,025)	(26,479)
Other comprehensive income	-	-	7,624	-	7,624	-	7,624
Total comprehensive loss	-	-	7,624	(25,454)	(17,830)	(1,025)	(18,855)
As at 30 June 2025	173,277	(4)	27,064	(116,785)	83,552	(3,566)	79,986
As at 1 April 2023	132,927	(4)	15,377	(52,555)	95,745	(423)	95,322
Loss for the financial period, representing total comprehensive loss	-	-	-	(39,523)	(39,523)	(2,118)	(41,641)
Transactions with owners of the Company:							
Issuance of ordinary shares pursuant to right issue of shares with warrants	41,370	-	4,810	-	46,180	-	46,180
Share issuance expenses	(1,020)	-	-	-	(1,020)	-	(1,020)
	40,350	-	4,810	-	45,160	-	45,160
Disposal of property, plant and equipment	-	-	(747)	747	-	-	-
As at 30 June 2024	173,277	(4)	19,440	(91,331)	101,382	(2,541)	98,841

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Accumulated losses RM'000	Total equity RM'000
Company					
As at 1 July 2024	173,277	(4)	4,810	(145,110)	32,973
Loss for the financial year, representing total comprehensive loss	-	-	-	(3,332)	(3,332)
As at 30 June 2025	173,277	(4)	4,810	(148,442)	29,641
As at 1 April 2023	132,927	(4)	-	(117,397)	15,526
Loss for the financial period, representing total comprehensive loss	-	-	-	(27,713)	(27,713)
Transactions with owners of the Company:					
Issuance of ordinary shares pursuant to right issue of shares with warrants	41,370	-	4,810	-	46,180
Share issuance expenses	(1,020)	-	-	-	(1,020)
	40,350	-	4,810	-	45,160
As at 30 June 2024	173,277	(4)	4,810	(145,110)	32,973

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Group		Company	
	1.7.2024	1.4.2023	1.7.2024	1.4.2023
	to	to	to	to
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	(12 months)	(15 months)	(12 months)	(15 months)
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Loss before tax:	(27,318)	(41,637)	(3,332)	(27,713)
Adjustments for:				
Amortisation of intangible assets	21	27	-	-
Amortisation of right-of-use assets	1,322	1,278	-	-
Depreciation of property, plant and equipment	6,534	8,395	-	-
Fair value loss on investment in quoted shares	4,368	4,068	-	-
Gain on disposal of property, plant and equipment	-	(33)	-	-
Gain on modification of lease	-	(42)	-	-
Gain on termination of lease	(119)	(8)	-	-
Impairment loss on property, plant and equipment	4,805	10,854	-	-
Impairment loss on right-of-use assets	2,115	-	-	-
Interest expense	1,165	949	525	217
Interest income	(353)	(510)	(303)	(481)
Inventories written down	850	2,446	-	-
Inventories written off	93	118	-	-
Loss on disposal of investment in quoted shares	-	1,299	-	-
Net allowance for impairment losses on:				
Amount due from subsidiaries	-	-	542	19,983
Investment in subsidiaries	-	-	-	5,710
Trade receivables	412	9,773	-	-
Property, plant and equipment written off	1,155	674	-	-
Reversal of provision for slow-moving inventories	(124)	-	-	-
Trade receivables written off	-	57	-	-
Unrealised loss on foreign exchange	1,499	299	1,394	225
Operating loss before changes in working capital	(3,575)	(1,993)	(1,174)	(2,059)
Changes in working capital:				
Decrease/(Increase) in:				
Inventories	222	1,346	-	-
Receivables	5,397	(7,977)	43	593
Increase/(Decrease) in payables	2,241	(4,826)	101	70
Cash generated from/(used in) operations	4,285	(13,450)	(1,030)	(1,396)
Income tax refund/(paid) - net	80	(15)	-	1
Interest paid	(525)	(217)	(525)	(217)
Interest received	353	340	303	310
Net Cash From/(Used In) Operating Activities	4,193	(13,342)	(1,252)	(1,302)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Group		Company	
	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(2,993)	(7,976)	-	-
Acquisition of quoted shares	(1,720)	(7,276)	-	-
Proceeds from disposal of property, plant and equipment	19	33	-	-
Proceeds from disposal of asset held for sale	-	1,300	-	-
Proceeds from disposal of investment in quoted shares	-	3,046	-	-
Placement of pledged fixed deposits	(234)	(8,000)	(234)	(8,000)
Advances to subsidiaries	-	-	(2,250)	(26,852)
Net Cash Used In Investing Activities	(4,928)	(18,873)	(2,484)	(34,852)
CASH FLOWS USED IN)/FROM FINANCING ACTIVITIES				
Net proceeds from issuance of ordinary shares with warrants	-	45,160	-	45,160
Interest paid	(640)	(732)	-	-
Repayment of lease liabilities	(2,137)	(1,686)	-	-
Repayment of term loans and other borrowings	(352)	(891)	-	-
Net Cash (Used In)/From Financing Activities	(3,129)	41,851	-	45,160
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,864)	9,636	(3,736)	9,006
Effect of exchange differences	(1,485)	(321)	(1,394)	(225)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD	11,340	2,025	8,858	77
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	5,991	11,340	3,728	8,858
The details of cash and cash equivalents are as follow:				
Cash and bank balances	13,940	16,542	11,677	14,060
Short term funds	33	32	33	32
Fixed deposits placed with licensed bank	8,234	8,000	8,234	8,000
Bank overdrafts	(7,982)	(5,234)	(7,982)	(5,234)
	14,225	19,340	11,962	16,858
Less: Fixed deposits pledged with licensed bank	(8,234)	(8,000)	(8,234)	(8,000)
	5,991	11,340	3,728	8,858

The accompanying notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

1. GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and the provision of management services.

The information on the name of subsidiary company, place of incorporation, principal activities and effective equity interest held by the Company in each subsidiary company is as disclosed in Note 15.

The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Lot 132, Jalan 16/1, Kawasan Perindustrian Cheras Jaya, 43200 Balakong, Selangor Darul Ehsan.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 17 October 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Adoption of amendments to MFRSs

During the financial year, the Group and the Company have adopted the following applicable amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of these amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

New MFRSs and amendments to MFRSs in issue but not yet effective

The Group and the Company have not applied the following new MFRS and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

Amendments to MFRS 121	Lack of Exchangeability ¹
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to MFRSs MFRS 18	Annual Improvements to MFRS Accounting Standards-Volume 11 ²
MFRS 19	Presentation and Disclosure in Financial Statements ³
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to MFRS 10 and MFRS 128	Subsidiaries without Public Accountability: Disclosures ³
	Sales or Contribution of between an Investor and its Associate or and Joint Venture ⁴

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

- ¹ Effective for annual periods beginning on or after 1 January 2025.
- ² Effective for annual periods beginning on or after 1 January 2026.
- ³ Effective for annual periods beginning on or after 1 January 2027.
- ⁴ Deferred to a date to be determined and announced by MASB.

The directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable, and that the adoption of the new MFRSs and amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost unless otherwise indicated in the material accounting policy information below.

Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM'000.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and of the Company and its subsidiary companies. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meet the definition of a business and control is transferred to the Group.

Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable assets.

Investment in subsidiary companies

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less any accumulated impairment losses.

Investment in associates

Investment in associates is accounted for in the consolidated financial statements of the Group using the equity method.

In the Company's separate financial statements, investments in associates are stated at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Revenue from contract with customers

The Group recognises revenue from the sales of goods. Revenue is generated by the sale and delivery of products with customers. Revenue is measured based on the consideration specified in a contract with a customer. The products are own-produced finished goods from the Group's labelling and masks segments. The Group recognises revenue at a point in time when they transfer control over a product or service to a customer and satisfy their performance obligation to a customer. Where applicable, rebates and discounts to customers are accounted as net of revenue according to contract. The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Leases

Lessee accounting

The Group recognises a right-of-use ("ROU") asset and a lease liability at the commencement date. Right-of-use assets are initially measured at cost less accumulated amortisation and any accumulated impairment losses and adjusted for any remeasurement of the lease liabilities. Amortisation is computed on the straight-line basis over the lease period.

Factory buildings	2 - 10 years
Motor vehicles	5 - 10 years
Machineries	4 - 20 years
Hostel	2 years

The lease liabilities are initially measured at the present value of the lease payments that are paid at commencement date, discounted using the interest rate implicit in the lease contract. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings are stated at the revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses.

The Group intends to perform revaluation review on all land and building of the Group in every 5 years, provided there are no significant changes in fair value.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the revaluation reserve.

The revaluation reserve in respect of an asset, whether on disposal or on a systematic basis over the useful life of the asset, is transferred directly to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Property, plant and equipment (Cont'd)

Property, plant and equipment are depreciated on straight-line basis over the estimated useful lives of the assets, as follows:

Freehold building	50 years
Motor vehicles	5 - 10 years
Moulds and dies	2 - 10 years
Office equipment, furniture and fittings	4 - 25 years
Plant and machinery	4 - 20 years
Renovation	2 - 10 years

Freehold land with indefinite useful life is not depreciated.

Intangible assets

Intangible assets of the Group comprise trademark. Trademark is measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Trademark	5 - 10 years
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Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of raw materials includes the cost of purchase and other costs incurred in bringing it to their present location and conditions are determined on a weighted average basis. Cost of work-in-progress and finished goods consist of direct material, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's and the Company's statements of financial position when the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (Cont'd)

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group and the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (ii) below).

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (Cont'd)

Classification of financial assets (Cont'd)

(i) Amortised cost and effective interest method (Cont'd)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below).

For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit impaired financial assets, the Group recognises interest income by applying the credit adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Financial assets that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called "accounting mismatch") that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has designated investment in quoted unit trust and other investment as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are no part of a designated hedging relationship. The net gain or loss from other financial assets are recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other operating income" or "administrative expenses" line item.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries and associate, and inventories), are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets of cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

Impairment of financial assets

The Group and the Company recognise loss allowance for expected credit loss ("ECL") on financial assets measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a credit loss rate based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date that is available without undue cost or effort, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets (Cont'd)

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as financial evaluation of the creditworthiness of the debtors, ageing of receivables, defaults and past due amounts, past experience with the debtors, current conditions and reasonable forecast of future economic conditions.

The Group and the Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group and the Company have reasonable and supportable information that demonstrates otherwise.

Probability of default

The Group and the Company consider the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group and the Company, in full, as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets are generally not recoverable.

The Group and the Company consider that default has occurred when a financial asset is more than 365 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group and the Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss as bad debts recovered.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate.

If the Group and the Company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determine at the current reporting date that the conditions for lifetime ECL are no longer met, the Group and the Company measure the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets (Cont'd)

Measurement and recognition of expected credit losses (Cont'd)

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, there is legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Segment reporting

For management purposes, the Group is organised into operating segments that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that related to transactions with any of the Group's other components. The Group's reporting segments are regularly reviewed by the Group's chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Statements of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude pledged fixed deposits with maturity date more than 3 months.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Directors have used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the report amounts.

(a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements, except for:

Determining the lease termination of contracts with renewal and termination options - Group and Company as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(a) Critical judgements in applying the Group's and the Company's accounting policies (Cont'd)

Determining the lease termination of contracts with renewal and termination options - Group and Company as lessee (Cont'd)

In making this assessment, management considers factors such as the strategic importance of the leased asset, the availability of suitable alternative assets, past practice in exercising options, and expected future business plans. The lease term is reassessed if significant events or changes in circumstances occur that affect the likelihood of exercising or not exercising these options. The critical judgement is as disclosed in Note 14.

(b) Key sources of estimation uncertainty

Directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period, except for:

Valuation of properties

The Group measures its freehold land and buildings at fair value under the revaluation model. The fair values were determined based on valuations performed by independent external valuers as at 30 June 2025, using a combination of the market comparison method and the replacement cost method.

The fair value of freehold land was determined using the comparison method, whereby recent transacted prices of comparable properties were adjusted for differences in location, land size and physical characteristics. Significant judgment is required in determining the appropriate level of adjustments and in selecting the most relevant comparable properties.

In determining the fair value of the building using the replacement cost method, significant judgment is applied in selecting appropriate reference cost sources. Adjustments are made to reflect the buildings' specifications, current condition, and functional utility, with further deductions applied for physical deterioration and obsolescence.

The key assumptions applied in determining the fair values of the properties, as well as the carrying amounts of the revalued freehold land and building, are disclosed in Note 12.

Useful lives of property, plant and equipment and right-of-use assets ("ROU")

The cost of property, plant and equipment and right-of-use assets is depreciated or amortised on a straight-line basis over the shorter of their estimated useful lives or the lease term. Management estimates the useful lives of these assets to range from 2 to 50 years, which are common life expectancies applied in the manufacturing industry.

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and right-of-use assets based on factors such as business plans and strategies, expected levels of usage, and future technological developments. Changes in these factors may materially affect the results of operations through revisions to the estimated useful lives. A reduction in the estimated useful lives would increase the depreciation or amortisation charges and reduce the carrying amounts of these assets. The carrying amounts of property, plant and equipment and right-of-use assets at the reporting date are disclosed in Notes 12 and 14, respectively.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

Impairment of property, plant and equipment and ROU assets

The Group assesses whether there are any indication of impairment of property, plant and equipment and ROU assets at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value-in-use ("VIU").

During the financial year, the Group conducted an impairment assessment of the plant and equipment from the mask segment arising from the declining demand for masks and underutilisation of the facility resulting from low production output. The VIU was mainly derived on projected net cash inflows expected to be generated from the sale of masks, discounted using a rate that reflects the Group's weighted average cost of capital. The projections incorporated assumptions on expected sales volumes and selling prices.

In determining the recoverable amounts using fair value less cost of disposals of assets, management considered both internal and external factors, including projected future cash flows, current utilisation levels, and prevailing market conditions for second-hand manufacturing equipment. Specific considerations included the idle condition of the production facilities, the uncertainty surrounding the potential resumption of operations, and the limited alternative use of certain assets without incurring significant modification or refurbishment costs.

For the right-of-use ("ROU") assets, management assessed impairment based on the estimated future cash inflows expected to be generated from sublease arrangements and net cash flows expected to be generated from the sale of masks. In estimating these future cash inflows from sublease arrangement, management considered the likelihood of continuity or renewal of the sublease arrangements, expected rental rates upon renewal and other market factors. The assessment requires the Company to estimate the future cash flows from the related cash-generating units and to determine an appropriate discount rate to calculate the present value of those cash flows. The carrying amounts and key assumptions applied in the impairment assessments are disclosed in Notes 12 and 14.

Impairment of investment in subsidiaries

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows and in some cases, based on current market indicators and estimates that provide reasonable approximations to detailed computation or based on total shareholders' equity of the subsidiaries.

The carrying amount at the reporting date for investments in subsidiaries is disclosed in Note 15.

Impairment assessment on receivables

Allowance for expected credit losses of trade and other receivables

The Group uses simplified approach to calculate ECLs for trade and other receivables. The provision rates are based on various customers' historical observed default rates.

The Group will consider and assess the historical credit loss experience with forward looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

Impairment assessment on receivables (Cont'd)

Allowance for expected credit losses of trade and other receivables (Cont'd)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The allowance for impairment loss of trade and other receivables is based on the evaluation of the trade and other receivables on an individual basis and the amount of allowances already provided. The customer's credit worthiness is evaluated by reviewing, amongst others, the Group's and the Company's historical collection experience.

Specific impairment for credit-impaired receivables

In determining the specific impairment on debtors subject to winding-up petitions, management has assessed the likelihood and potential amount of recovery. The Group will consider and assess the several factors, including the timeline of the winding-up process, legal constraints, potential legal outcomes, and the priority of claims. Additionally, management has analysed the debtor's financial condition and the legal and financial implications of the winding-up process, including subordination to preferential creditors and the potential impact of court supervision. External factors such as economic and market conditions have also been taken into account.

The information on allowance for impairment loss of receivables is disclosed in Note 20.

Write down in value of inventories

Inventories are stated at the lower of cost and net realisable value ("NRV"). The Group writes down its inventories based on an assessment of estimated net selling prices. Inventories are written down when events or changes in circumstances, such as low market demand, indicate that the carrying amounts may not be recoverable. Management specifically analyses sales trends, current market conditions, and market demand when making judgements to evaluate the adequacy of the write-down values as it involved management's judgements in evaluating the Group's ability to sell the face masks and estimating the net realisable value.

Management has assessed and applied significant estimates in determining the minimum output of the masks that could be produced with the raw material on hand, considering production efficiency and wastage factors.

When the expectation is different from the original estimate, such difference will impact the carrying amounts of the inventories and write down in value expenses in the period in which such estimate has changed. The carrying amounts of inventories of the Group and the related cost of inventories are as disclosed in Note 19.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

5. REVENUE

	Group		Company	
	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000
Revenue from contracts with customers:				
Sales of adhesive labels and stickers and related products	19,567	24,128	-	-
Sales of face masks	354	5,229	-	-
	19,921	29,357	-	-
Timing of revenue recognition				
At a point in time	19,921	29,357	-	-

Revenue from contract with customers is disaggregated in Note 33 to the financial statements by geographical area.

6. FINANCE COSTS

	Group		Company	
	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000
Interest expenses on:				
Bank commitment fee	8	20	8	20
Bank overdraft	517	197	517	197
Lease liabilities	436	457	-	-
Term loan	204	275	-	-
	1,165	949	525	217

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

7. LOSS BEFORE TAX

Loss before tax for the financial year/period is arrived at after charging/(crediting):

	Group		Company	
	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000
Amortisation of intangible assets	21	27	-	-
Amortisation of right-of-use assets	1,322	1,278	-	-
Auditors' remuneration				
Statutory audits	230	230	90	70
Other services	5	5	5	5
Depreciation of property, plant and equipment	6,534	8,395	-	-
Expenses relating to short-term leases:				
Forklift	11	27	-	-
Hostel	-	2	-	-
Fair value loss on investment in quoted shares	4,368	4,068	-	-
Gain on disposal of property, plant and equipment	-	(33)	-	-
Gain on modification of lease	-	(42)	-	-
Gain on termination of lease	(119)	(8)	-	-
Impairment loss on property, plant and equipment	4,805	10,854	-	-
Impairment loss on right-of-use assets	2,115	-	-	-
Interest income from:				
Bank balances	(119)	(358)	(69)	(329)
Fixed deposits	(234)	(152)	(234)	(152)
Inventories written down	850	2,446	-	-
Inventories written off	93	118	-	-
Loss on disposal of quoted share	-	1,299	-	-
Loss on foreign exchange:				
Realised	112	129	-	-
Unrealised	1,499	299	1,394	225
Net allowance for impairment losses on:				
Amount due from subsidiaries	-	-	542	19,983
Investment in subsidiaries	-	-	-	5,710
Trade receivables	412	9,773	-	-
Property, plant and equipment written off	1,155	674	-	-
Reversal of provision for slow-moving inventories	(124)	-	-	-
Trade receivables written off	-	57	-	-
Rental income	(90)	(281)	-	-



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

8. EMPLOYEE BENEFIT EXPENSES

	Group		Company	
	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000
Wages, salaries and overtime	5,622	9,630	656	867
Defined contribution plan	632	1,134	40	56
Others	168	315	24	40
	6,422	11,079	720	963

Included in the employee benefit expenses of the Group and of the Company is directors' remuneration amounting to RM692,000 and RM338,000 (2024: RM911,000 and RM425,000) respectively. Further information is disclosed in Note 9.

Remuneration receivable by key management personnel of the Group and of the Company during the financial year/period is as follows:

	Group	
	1.7.2024 to 30.6.2025 (12 months)	1.4.2023 to 30.6.2024 (15 months)
Salaries, bonus and allowance	593	614
Defined contribution plan	72	74
Social security costs	4	4
	669	692

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

9. DIRECTORS' REMUNERATION

The remuneration received and receivable by directors of the Group and of the Company are as follows:

	Group		Company	
	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000
Directors of the Company:				
Executive directors:				
Fees	78	90	78	90
Salaries and other emoluments	316	427	4	7
Defined contribution plans	37	57	-	-
Others	1	1	-	-
	432	575	82	97
Non-executive directors:				
Fees	240	300	240	300
Other emoluments	20	28	16	28
	260	328	256	328
	692	903	338	425
Other directors:				
Salaries and other emoluments	-	7	-	-
Defined contribution plans	-	1	-	-
	-	8	-	-
Total remuneration of the directors	692	911	338	425



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

10. INCOME TAX (CREDIT)/EXPENSE

	Group		Company	
	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000
Income tax:				
Current year/period	4	4	-	-
Under provision in prior financial period	4	-	-	-
	8	4	-	-
Deferred tax (Note 18):				
Current year/period	(847)	-	-	-
	(839)	4	-	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2024: 24%) of the estimated assessable profits for the financial year/period.

A reconciliation of income tax (credit)/expense applicable to loss before tax at the applicable statutory income tax rate to income tax (credit)/expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000
Loss before tax	(27,318)	(41,637)	(3,332)	(27,713)
At Malaysian statutory tax rate	(6,556)	(9,993)	(800)	(6,651)
Tax effects of:				
Non-deductible expenses	2,869	1,940	380	254
Income not subject to tax	-	(9)	-	-
Deferred tax assets not recognised during the financial year/period	2,844	8,293	420	6,397
Utilisation of deferred tax asset previously not recognised	-	(227)	-	-
Under provision of income tax in prior financial period	4	-	-	-
	(839)	4	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

11. LOSS PER SHARE

Basic

Basic loss per ordinary share of the Group has been calculated by dividing the Group's loss for the financial year/period attributable to owners of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year/period.

	Group	
	1.7.2024	1.4.2023
	to	to
	30.6.2025	30.6.2024
	(12 months)	(15 months)
	RM'000	RM'000
Loss attributable to owners of the Company	(25,454)	(39,523)
Weighted average number of ordinary shares in issue ('000), after the effects of share consolidation	230,917	210,027
Basic loss per ordinary share (sen)	(11.02)	(18.80)

Diluted

The diluted loss per ordinary share for the Group is anti-dilutive as the warrants exercise price is higher than the average share price for the respective financial year/period presented. Accordingly, the diluted loss per ordinary shares for the current and previous financial period is presented as equal to basic loss per ordinary share.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Freehold buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Mould and dies RM'000	Renovation RM'000	Total RM'000
Cost or valuation								
At 1 April 2023	18,000	17,500	31,683	6,523	162	628	18,585	93,081
Additions	-	-	6,500	337	-	185	954	7,976
Reversals	-	-	-	(76)	-	-	(122)	(198)
Disposals	-	-	-	(11)	(81)	-	-	(92)
Written off	-	-	(804)	(120)	-	-	(139)	(1,063)
Reclassification from right-of-use assets	-	-	12,938	-	-	-	-	12,938
At 30 June 2024/1 July 2024	18,000	17,500	50,317	6,653	81	813	19,278	112,642
Additions	-	-	-	11	-	111	2,871	2,993
Disposals	-	-	(356)	(5)	-	-	-	(361)
Written off	-	-	-	(2,666)	-	-	-	(2,666)
Elimination of accumulated depreciation on revaluation	-	(3,504)	-	-	-	-	-	(3,504)
Revaluation surplus	8,000	471	-	-	-	-	-	8,471
At 30 June 2025	26,000	14,467	49,961	3,993	81	924	22,149	117,575

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Freehold buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Mould and dies RM'000	Renovation RM'000	Total RM'000
Accumulated depreciation								
At 1 April 2023	-	2,717	14,422	1,198	160	495	2,477	21,469
Charge for the financial period	-	437	4,178	1,154	-	177	2,449	8,395
Disposals	-	-	-	(11)	(81)	-	-	(92)
Written off	-	-	(301)	(32)	-	-	(56)	(389)
Reclassification from right-of-use assets	-	-	4,087	-	-	-	-	4,087
At 30 June 2024/1 July 2024	-	3,154	22,386	2,309	79	672	4,870	33,470
Charge for the year	-	350	2,162	809	-	138	3,075	6,534
Disposals	-	-	(128)	(5)	-	-	-	(133)
Written off	-	-	-	(1,511)	-	-	-	(1,511)
Elimination of accumulated depreciation on revaluation	-	(3,504)	-	-	-	-	-	(3,504)
At 30 June 2025	-	-	24,420	1,602	79	810	7,945	34,856



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Freehold buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Mould and dies RM'000	Renovation RM'000	Total RM'000
Accumulated impairment losses								
At 1 April 2023/ 30 June 2024/ 1 July 2024	-	-	10,854	-	-	-	-	10,854
Charge for the financial year	-	-	-	-	-	-	4,805	4,805
Disposals	-	-	(209)	-	-	-	-	(209)
At 30 June 2025	-	-	10,645	-	-	-	4,805	15,450
Net carrying amount								
At 30 June 2024	18,000	14,346	17,077	4,344	2	141	14,408	68,318
At 30 June 2025	26,000	14,467	14,896	2,391	2	114	9,399	67,269

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) Freehold land and buildings of the Group with a carrying amount of RM40,467,000 (2024: RM32,346,000) have been pledged to licensed banks and financial institutions for financing liabilities of the Group as disclosed in Note 28.
- (b) Freehold land and buildings (at valuation) with a carrying amount of RM40,467,000 (2024: RM32,346,000) of the Group were revalued by the directors during the financial year ended 30 June 2025, based on a valuation exercise performed by an independent professional valuer possessing the appropriate recognised professional qualifications and relevant experience in valuing properties of similar location and category. The valuations were carried out using a combination of sales comparison approach and replacement cost method.

The following table shows the valuation techniques used in the determination of fair value within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Fair value of the freehold land has been generally derived using the sales comparison approach. Sales price of comparable land in close proximity are adjusted for differences in key attributes such as property size, location, etc. The most significant input into this valuation approach is market price per square foot ranging from RM187 to RM210.	Market price per square foot	The estimated fair value would increase/(decrease) if the market price per square foot is higher/(lower).
The fair value of the leasehold buildings was determined using the replacement cost method. The replacement cost, estimated at RM180 per square foot based on reference cost sources, was adjusted for physical and functional obsolescence.	Cost per square foot and physical and functional obsolescence	The estimated fair value would increase/(decrease) if the cost per square foot is higher/(lower). Conversely, the fair value would (decrease)/increase if a higher/(lower) level of physical and functional obsolescence is applied.

- (c) Had the revalued assets been carried at cost less accumulated depreciation, the carrying amount would have been:

	Group	
	2025 RM'000	2024 RM'000
Freehold land	5,437	5,437
Freehold building	10,693	11,096
	16,130	16,533



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (d) Included in office equipment, furniture and fittings is a Solar Photovoltaic ("PV") System with a carrying amount of RM1,104,000 (2024: RM1,153,000). On 19 June 2025, Komark International (M) Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement ("SPA") for to dispose of the PV System for a total consideration of RM1,400,000.

As at the end of the financial year, the Company continued to use the asset. The conditions precedent stipulated in the SPA were duly satisfied, and the transaction was completed subsequent to the financial year end, on 7 August 2025.

- (e) During the financial year, the Group carried out an impairment review on the property, plant and equipment related to the face mask manufacturing segment, following indications of impairment arising from the continued decline in demand for face masks and the underutilisation of the facility resulting from low production output. Based on the assessment, the Group determined that the affected assets were unlikely to generate sufficient future economic benefits or independent cash inflows to support their carrying amounts. Accordingly, the Group recognised a full impairment loss of RM4,805,000 (2024: RM10,854,000) on related assets during the financial year.

- (f) Change in depreciation of renovation assets

During the financial year, the Group reassessed the useful lives of certain renovation assets to reflect changes in operating conditions and the expected period of their economic use. Following this review, the estimated useful lives of these assets were revised from 10 years to between 2 and 4 years. The change in estimate resulted in an increase in depreciation expense of approximately RM915,000 for the financial year ended 30 June 2025.

13. INTANGIBLE ASSETS

	Group Trademark	
	2025 RM'000	2024 RM'000
Cost		
At beginning/end of the financial year/period	111	111
Accumulated amortisation		
At beginning of the financial year/period	77	50
Amortisation charge for the financial year/period	21	27
At end of the financial year/period	98	77
Carrying amount		
At end of the financial year/period	13	34

The Group had the trademark for the use of trade name "KOMARK" with validity year of 5 to 10 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

Group	At 1.7.2024 RM'000	Additions RM'000	Modifications RM'000	Charge for the financial year RM'000	Impairment RM'000	Early termination RM'000	At 30.6.2025 RM'000
Carrying amount							
Factory buildings	5,573	7,478	-	(1,043)	(2,115)	(4,949)	4,944
Motor vehicles	103	-	-	(50)	-	-	53
Machineries	2,611	-	-	(221)	-	-	2,390
Hostel	9	-	11	(8)	-	-	12
	8,296	7,478	11	(1,322)	(2,115)	(4,949)	7,399

	At 1.4.2023 RM'000	Additions RM'000	Modifications RM'000	Charge for the financial period RM'000	Reclassification to property, plant and equipment RM'000	Early termination RM'000	At 30.6.2024 RM'000
Carrying amount							
Factory buildings	1,465	813	4,524	(932)	-	(297)	5,573
Motor vehicles	166	-	-	(63)	-	-	103
Machineries	11,738	-	-	(276)	(8,851)	-	2,611
Hostel	-	16	-	(7)	-	-	9
	13,369	829	4,524	(1,278)	(8,851)	(297)	8,296



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

During the financial year, the Group conducted an impairment review of the right-of-use ("ROU") assets relating to leased premises under the mask manufacturing segment, following indicators of impairment arising from the continued decline in market demand for face masks and the temporary cessation of mask production in November 2023. During the financial year, mask production operations have gradually resumed at a lower capacity consistent with the current level of customer orders and subdued market demand.

The recoverable amount of the ROU assets was determined using the value-in-use ("VIU") method, using projected cash inflows derived from rental received under sublease arrangements and net cash inflows expected to be generated from the sale of masks, discounted using a rate reflecting the Group's weighted average cost of capital. The projections incorporated assumptions on expected sales volumes, rental rates, selling prices, and the continued subleasing of the premises. As a result, an impairment loss of RM2,115,000 (2024: RM Nil) was recognised during the financial year.

Lease liabilities

	Group	
	2025	2024
	RM'000	RM'000
At beginning of the financial year/period	6,913	3,593
Additions	7,478	829
Modification of lease	11	4,482
Interest expense	436	457
Payment of interest	(436)	(457)
Payment of principal	(2,137)	(1,686)
Early termination	(5,068)	(305)
At end of the financial year/period	7,197	6,913
Represented by:		
Non-current liabilities	4,904	5,820
Current liabilities	2,293	1,093
	7,197	6,913
Lease liabilities owing to financial institutions	39	82
Lease liabilities owing to non-financial institutions	7,158	6,831
	7,197	6,913

The Group has lease contracts for various items of factory buildings, machineries and hostel used in its operations with remaining lease terms ranging from 1 to 8 years (2024: 1 to 4 years) with an option to renew after the expiry of lease term. Lease terms are negotiated on an individual basis and contain wide range of different terms and conditions.

In determining the lease term, the Group considered the non-cancellable period of the lease together with periods covered by options to renew. Management has assessed that it is reasonably certain to exercise the renewal options for certain leases.

The effective interest rates of the Group at the end of the reporting year ranges from 3.89% to 5.20% (2024: 3.89% to 4.75%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2025	2024
	RM'000	RM'000
Unquoted shares, at cost	85,227	85,227
Less: Accumulated impairment losses	(77,152)	(77,152)
	8,075	8,075

- (a) The reconciliation of movement in the impairment loss of investments in subsidiaries is as follows:

	Company	
	2025	2024
	RM'000	RM'000
At beginning of the financial year/period	77,152	71,442
Charge during the financial year/period	-	5,710
At end of the financial year/period	77,152	77,152

In the previous financial period, the Company recognised impairment losses of RM RM5,710,000 on its investments in certain subsidiary companies due to continued losses and deterioration in their financial performance.

- (b) The details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Effective equity interest		Principal activities
		2025	2024	
		%	%	
General Labels & Labelling (M) Sdn. Bhd. ("GLLM")	Malaysia	100	100	Manufacturing of self-adhesive labels and stickers, and labelling machines and trading of related products
Komark Mask (M) Sdn. Bhd.	Malaysia	92.7	92.7	Manufacturing of surgical face mask and protective apparels.
Komark International (M) Sdn. Bhd. ("KIM")	Malaysia	100	100	Manufacturing of self-adhesive labels
<i>Subsidiaries of GLLM:</i>				
General Labels & Labelling Pte. Ltd. *#	Singapore	100	100	Printer of labels and stickers
General Labels & Labelling (JB) Sdn. Bhd.	Malaysia	100	100	Manufacturing of self-adhesive labels and stickers, and trading of related products.

* Audited by another firm of auditors

Under strike off application pursuant to Section 344A of Companies Act, 1967 in Singapore. The Company has been struck off on 25 September 2025.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

15. INVESTMENT IN SUBSIDIARIES

(c) Material non-controlling interest

The Company's non-wholly owned subsidiary is Komark Mask (M) Sdn. Bhd. where 7.3% equity interest and voting rights are held by non-controlling interests. The details of profit allocated to the non-controlling interests during the financial year as at the end of the reporting year are as follows:

	Loss allocated to non-controlling interest		Accumulated non-controlling interest	
	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000
Komark Mask (M) Sdn. Bhd.	(1,025)	(2,118)	(3,566)	(2,541)

Summarised financial information of Komark Mask (M) Sdn. Bhd. is set out below. The summarised financial information is presented before inter-company eliminations.

Summarised assets and liabilities:

	2025 RM'000	2024 RM'000
Non-current assets	13,453	18,836
Current assets	6,201	12,235
Non-current liabilities	(4,564)	(4,595)
Current liabilities	(63,968)	(61,311)
Net assets	(48,878)	(34,835)

Summarised profit or loss and other comprehensive income:

	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000
Loss for the financial year/period	(14,043)	(29,029)

16. INVESTMENT IN AN ASSOCIATE

	Group	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	2	2
Less: Accumulated impairment losses	(2)	(2)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

16. INVESTMENT IN AN ASSOCIATE (CONT'D)

(a) The details of the associate are as follows:

Name of Company	Country of Incorporation	Effective equity interest		Principal activities
		2025 %	2024 %	
Komark Enterprise Co., Ltd. *	Thailand	49	49	Dormant

* Not audited by Morison LC PLT.

(b) Summarised financial information of the associate stated in the management account is as follows:

	2025 RM'000	2024 RM'000
Assets and liabilities		
Current assets	283	283
Current liabilities	(2,612)	(2,612)
Net liabilities	(2,329)	(2,329)
Results		
Loss for the financial year/period	-	-

The reconciliation of the summarised financial information presented above to the carrying amount of the Group's interests in an associate.

	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000
Share of net liabilities of the Group	(1,141)	(1,141)
Carrying amount in the statement of financial position	-	-

17. OTHER INVESTMENTS

	Group 2025 RM'000	2024 RM'000
Financial assets at fair value through profit or loss		
Quoted shares in Malaysia	5,315	7,963

The Group designated the equity investments to be measured at fair value through profit or loss because the Group intends to hold for mid-term trading purposes.

Quoted shares in Malaysia are categorised as Level 1 in fair value hierarchy. Fair value of quoted shares is determined by reference to exchange quoted market prices at the end of the reporting year.

There were no transfers between levels of the fair value hierarchy during the financial year.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

18. DEFERRED TAX (ASSETS)/LIABILITIES

Deferred tax liabilities are attributable to the following:

	Group	
	2025	2024
	RM'000	RM'000
Revaluation surplus		
At beginning of the financial year/period	-	-
Charged to profit or loss (Note 10)	(847)	-
Charged to other comprehensive income	847	-
At end of the financial year/period	-	-

Deferred tax (assets)/liabilities provided for in the financial statements are in respect of the tax effects of the following:

	Group	
	2025	2024
	RM'000	RM'000
Deferred tax assets (before offsetting)		
Temporary differences arising from:		
Unabsorbed capital allowances	5,952	5,553
Lease liabilities	1,581	1,374
Provisions	857	996
	8,390	7,923
Offsetting	(8,390)	(7,923)
Deferred tax assets (after offsetting)	-	-
Deferred tax liabilities (before offsetting)		
Temporary differences arising from:		
Plant and equipment	6,090	6,470
Revaluation surplus	2,300	1,453
	8,390	7,923
Offsetting	(8,390)	(7,923)
Deferred tax liabilities (after offsetting)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

18. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The amount of unutilised tax losses, unabsorbed capital allowances and deductible temporary differences for which the gross deferred tax assets are not recognised in the financial statements due to uncertainty of realisation are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Provisions	27,792	20,921	-	-
Reinvestment allowances	44,077	45,115	-	-
Unabsorbed capital allowances	22,102	18,893	-	-
Unutilised tax losses	51,537	48,731	-	-
	145,508	133,660	-	-

The unabsorbed capital allowances and unutilised tax losses which are subject to agreement by the tax authorities, are available for offset against the future chargeable profits.

Reinvestment allowance granted under Schedule 7A of the Income Tax Act 1967 is available for a period of 15 consecutive years from the year of assessment in which the company first qualifies. Pursuant to Section 8 of the Finance Act, 2021 (Act 833), the amendments to Section 44(F) of Income Tax Act, 1967, the time limit of the carried forward unutilised tax losses is 10 consecutive years of assessment.

The unutilised tax losses are available for offset against future taxable profits of the Group and of the Company up to the following financial years.

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses to be carried forward until				
Year of assessment 2028	27,071	27,071	-	-
Year of assessment 2029	2,811	2,811	-	-
Year of assessment 2030	2,807	2,807	-	-
Year of assessment 2031	3,441	3,441	-	-
Year of assessment 2032	5,002	5,002	-	-
Year of assessment 2033	5,380	5,380	-	-
Year of assessment 2034	2,219	2,219	-	-
Year of assessment 2035	2,806	-	-	-
	51,537	48,731	-	-

Deferred tax assets of the Group and of the Company have not been recognised in respect of these items as it is not probable that future taxable profits would be available against which the deductible temporary differences could be utilised. The amount and availability of these items to be carried forward up to the year as disclosed above are subject to the agreement of the tax authorities.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

19. INVENTORIES

	Group	
	2025	2024
	RM'000	RM'000
At cost		
Raw materials	354	539
Work-in-progress	217	666
Finished goods	391	1,005
	962	2,210
At net realisable value		
Raw materials	1,669	1,795
Work-in-progress	329	-
Finished goods	866	862
	3,826	4,867
Recognised in profit or loss		
Inventories recognised as cost of sales	11,299	8,504
Inventories written down	1,203	2,446
Inventories written off	93	-
Reversal of provision for slow-moving inventories	(124)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	13,597	13,919	-	-
Amount due from associate	1,233	1,233	-	-
Amount due from former subsidiaries	-	-	297	297
	14,830	15,152	297	297
Less: Allowance for impairment losses				
Third parties	(11,140)	(10,728)	-	-
Amount due from an associate	(1,233)	(1,233)	-	-
Amount due from former subsidiaries	-	-	(297)	(297)
	(12,373)	(11,961)	(297)	(297)
Trade receivables, net	2,457	3,191	-	-
Other receivables				
Other receivables	817	223	147	177
Deposits	1,443	597	-	-
Amount due from subsidiaries	-	-	102,450	100,200
	2,260	820	102,597	100,377
Less: Allowance for impairment losses				
Third parties	(51)	(51)	(7)	(7)
Amount due from subsidiaries	-	-	(92,744)	(92,202)
	(51)	(51)	(92,751)	(92,209)
Other receivables, net	2,209	769	9,846	8,168
Prepayments	4,666	3,960	9,846	8,168
	279	6,808	7	20
Total trade and other receivables	4,945	10,768	9,853	8,188



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

20. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group and the Company range from 30 to 120 days (2024: 30 to 120 days) from date of invoice.
- (b) Non-trade amount owing from subsidiaries and associate represent balances arising from advances and payments made on behalf, which are unsecured, interest free and repayable on demand in cash and cash equivalents.
- (c) Impairment of trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses. The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers. Expected credit loss rates are calculated using the average historical bad debts write-offs rate and general rate based on the length of time invoices are overdue. During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information. The Group believes that the financial impacts to the forward-looking information are inconsequential for the purpose of impairment calculation of trade receivables due to their relatively short-term nature.
- (d) Impairment of trade receivables of the Group are as follows:

	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
2025			
Group			
Neither past due nor impaired	1,035	(55)	980
Past due not impaired			
1 to 30 days	887	(89)	798
31 to 60 days	384	(41)	343
61 to 90 days	445	(145)	300
More than 90 days	125	(89)	36
	1,841	(364)	1,477
Total past due but not impaired	2,876	(419)	2,457
Individually impaired	11,954	(11,954)	-
Total	14,830	(12,373)	2,457
Company			
Individually impaired	297	(297)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

20. TRADE AND OTHER RECEIVABLES (CONT'D)

(d) Impairment of trade receivables of the Group are as follows (Cont'd):

	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
2024			
Group			
Neither past due nor impaired	2,364	(6)	2,358
Past due not impaired			
1 to 30 days	501	(1)	500
31 to 60 days	208	-	208
61 to 90 days	65	-	65
More than 90 days	108	(48)	60
	882	(49)	833
Total past due but not impaired	3,246	(55)	3,191
Individually impaired	11,906	(11,906)	-
Total	15,152	(11,961)	3,191
Company			
Individually impaired	297	(297)	-

(e) The reconciliation of movements in the impairment loss of trade receivables of the Group and of the Company are as follows:

Group	Lifetime ECL allowance RM'000	Credit impaired RM'000	Total impairment RM'000
At 1 July 2024	11	11,950	11,961
Charge for the financial year	408	18	426
Reversal for the financial year	-	(14)	(14)
At 30 June 2025	419	11,954	12,373
At 1 April 2023	258	1,930	2,188
Charge for the financial period	-	10,178	10,178
Reversal for the financial period	(247)	(158)	(405)
At 30 June 2024	11	11,950	11,961
Company		Credit impaired RM'000	Total impairment RM'000
At 1 April 2023/1 July 2024/30 June 2025		297	297



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

20. TRADE AND OTHER RECEIVABLES (CONT'D)

- (e) Trade receivables that are past due but not impaired are creditworthy receivables with good payments with the Group.

Credit impaired refers to debtors who are individually assessed and identified as being in significant financial difficulty and who have defaulted on their payment obligations as of the end of the reporting year. A receivable is considered in default when a customer fails to meet their payment obligations within the agreed timeframe.

Included in the trade receivable is an amount of RM10,130,000 (2024: RM10,130,000) due from Jovian Apparel Sdn. Bhd. The Group had initiated legal proceedings and the winding-up petition is currently in process to the defaulted debtor as disclosed in Note 35(ii). Given the high uncertainty surrounding the recoverability of these debts, management had performed impairment assessment and had fully impaired these debts in the previous financial period.

- (f) Impairment of other receivables and amount due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The Group defined significant increase in credit risk based on changes to contractual terms, payment delays and past due information.

Generally, the Company considers loans and advances to subsidiaries have low risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiaries' advance to be credit impairment when:

- The subsidiary is unlikely to repay its loan and advances to the Company in full;
- The subsidiary's loan or advance is overdue for more than 120 days; or
- The subsidiary is continuously loss making and is having a deficit shareholder's fund.

The Company determines the probability of default for these intercompany loans and advances using internal information available.

The reconciliation of movements in the impairment loss of other receivables is as follows:

	Credit impaired RM'000	Total impairment RM'000
Group		
At 1 April 2023/1 July 2024/30 June 2025	51	51
Company		
At 1 July 2024	92,209	92,209
Charge for the financial year	542	542
At 30 June 2025	92,751	92,751
At 1 April 2023	72,226	72,226
Charge for the financial period	19,983	19,983
At 30 June 2024	92,209	92,209

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

20. TRADE AND OTHER RECEIVABLES (CONT'D)

- (g) The foreign currencies exposure profile of trade and other receivables (excluding prepayments) are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	3,955	3,343	9,846	8,168
United States Dollar	111	74	-	-
Singapore Dollar	600	415	-	-
Indonesian Rupiah	-	128	-	-
	4,666	3,960	9,846	8,168

- (h) Sensitivity analysis of RM against foreign currency at the end of the reporting year, assuming that all other variables remain constant, are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Effects of 10% changes to RM against foreign currencies		
Loss after tax		
USD - increase by 10%	8	6
- decrease by 10%	(8)	(6)
SGD - increase by 10%	46	32
- decrease by 10%	(46)	(32)

Sensitivity analysis of RM against Indonesia Rupiah is not disclosed as it is not material to the Company.

21. SHORT TERM FUNDS

	Group and Company	
	2025	2024
	RM'000	RM'000
Financial assets at fair value through profit or loss:		
At beginning of the financial year/period	32	31
Addition during the year/period	1	1
At end of the financial year/period	33	32

- (a) Short term funds are the Group and Company's investment in money market funds in Malaysia. These investments represent investments in highly liquid money market instruments which are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value and hence, meet the definition to be classified as cash and cash equivalents.
- (b) Short term funds are categorised as Level 2 in fair value hierarchy. Fair value of short-term funds is determined by reference to the quoted market bid prices at the close of the business at the end of each reporting year.

There were no transfers between levels of the fair value hierarchy during the financial year.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

22. FIXED DEPOSIT WITH LICENSED BANK

Fixed deposit with licensed bank earns interest at rates ranging from 2.50% to 3.05% (2024: 2.60% to 3.05%) per annum for the Group and the Company and are pledged with licensed banks for banking facilities granted to the Group as disclosed in Note 28.

Fixed deposit with licensed bank of the Group and of the Company have maturity terms of 12 months (2024: 12 months).

23. CASH AND BANK BALANCES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Total cash and bank balances	13,940	16,542	11,677	14,060

The foreign currencies exposure profile of cash and cash equivalent are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	1,263	1,793	41	137
United States Dollar	11,669	13,954	11,636	13,923
Singapore Dollar	1,008	795	-	-
	13,940	16,542	11,677	14,060

Sensitivity analysis of RM against foreign currency for cash and bank balances at the end of the reporting year, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Effects of 10% changes to RM against foreign currencies				
Loss after tax				
USD - increase by 10%	(887)	(1,060)	(884)	(1,058)
- decrease by 10%	887	1,060	884	1,058
SGD - increase by 10%	(77)	(60)	-	-
- decrease by 10%	77	60	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

24. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2025		2024	
	Number of shares Unit '000	Amount RM'000	Number of shares Unit '000	Amount RM'000
Issued and fully paid up with no par value:				
Ordinary shares				
At beginning of the financial year/period	230,921	173,277	577,357	132,927
Issuance of ordinary shares with warrants pursuant to right issue	-	-	577,257	41,370
Share consolidation	-	-	(923,693)	-
Share issuance expenses	-	-	-	(1,020)
At end of the financial year/period	230,921	173,277	230,921	173,277
Treasury shares				
At beginning of the financial year/period	4	4	18	4
Share consolidation	-	-	(14)	-
At end of the financial year/period	4	4	4	4

(a) Ordinary shares

- (i) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.
- (ii) In the previous financial period, the Company undertook a rights issue with warrants involving the issuance of 577,256,790 rights shares at the issue price of RM0.08 per rights share, on the basis of 3 rights shares for every 3 existing ordinary shares of the Company held, together with 192,418,845 warrants on the basis of 1 warrant for every 3 rights shares for a cash consideration of RM46,180,543. Included in the rights issue with warrants, an amount of RM4,810,471 was transferred from share capital to warrant reserve as disclosed in Note 27.

The newly issued shares ranked pari passu in all respect with the existing ordinary shares of the Company.

- (iii) In the previous financial period, the Company completed its share consolidation exercise involving of five existing ordinary shares in the Company into one ordinary share. Upon completion of the share consolidation, the total number of ordinary shares was reduced to 230,921,376 new consolidated shares.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

24. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance. Treasury shares have no rights to voting, dividends and participation in other distribution. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase scheme can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds and the shares repurchased are being held as treasury shares in accordance with Section 127(4) of the Companies Act, 2016.

None of the treasury shares held was resold or cancelled during the financial year.

25. WARRANTS

Warrants 2023/2026 ("Warrants D")

On 12 May 2023, the Company had issued 192,418,845 Warrants D in conjunction with the issuance of rights shares. The warrants were listed and quoted on the Bursa Securities on 28 June 2023.

The warrant is constituted by a deed poll dated 12 May 2023 ("Deed Poll"). The salient terms of the warrants are as follows:

- (i) The warrants are detachable and separately tradable;
- (ii) Each warrant entitles the holder to subscribe for 1 new ordinary share in the Company at an exercise price of RM0.08;
- (iii) The warrant holders are not entitled to any voting rights or participation in any form of dividends, distributions and/or offer of securities in the Company until and unless such warrant holders exercise their warrants into new ordinary shares;
- (iv) The new ordinary shares to be issued upon exercise of the warrants, shall upon issuance and allotment, rank *pari passu* with the then existing ordinary shares; and
- (i) The exercise period commenced on the date of issue of the warrants and will expire 3 years from the date of issuance. Warrants that are not exercised during the exercise period will thereafter lapse and cease to be valid.

In the previous financial period, pursuant to the Share Consolidation, the number of outstanding Warrant D which are not exercised prior to the entitlement date was adjusted to 38,483,696 units and the exercise price was adjusted to RM0.40.

The movement of the outstanding warrants is as follows:

	Group and Company	
	2025	2024
	Unit '000	Unit '000
Number of warrants outstanding:		
At beginning/end of the financial year/period	38,484	38,484

There was no exercise of warrants for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. EMPLOYEE SHARE OPTION SCHEME (“ESOS”)

On 5 August 2020, the shareholders of the Company at an Extraordinary General Meeting approved the ESOS to be granted to eligible persons of the companies within the Group (excluding subsidiaries that are dormant) to subscribe for unissued new ordinary shares in the Company.

The salient features of the ESOS are as follows:

- (a) The Scheme will be administered by the ESOS Committee, the composition of which is yet to be decided by the Board.
- (b) The maximum number of new shares of the Company, which may be available under the ESOS shall not exceed in aggregate 10% of the total issued and paid-up capital of the Company at any one time during the duration of the ESOS.
- (c) The ESOS will be made available for participation by eligible persons of the Group who meet the following criteria on the Date of Offer:
 - has attained the age of at least 18 years old and not an undischarged bankrupt;
 - who is in full time of service in a company within the Group;
 - who has been in a fixed duration of continuous service within the Group for such period yet to be determined by the ESOS Committee; and/or
 - be under such categories and criteria that the Option Committee may decide at its absolute discretion from time to time.

Notwithstanding the above, the eligibility and number of options to be offered to an eligible person under the scheme shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

- (d) The maximum number of new shares of the Company that may be offered under the Scheme and allotted to an eligible person shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst others, the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the eligible person and such other factors that the ESOS Committee may deem relevant, shall be allocated to any eligible person who, either singly or collectively through persons connected with such eligible person, holds 20% or more of issued capital of the Company (excluding treasury shares, if any), shall not exceed 10% of the total number of new Company shares to be issued under the Scheme.

Not more than 70% of the Options available under the Scheme shall be allocated in aggregate to the Executive Directors and senior management personnel of the companies in the Group.

- (e) The ESOS shall be in force for a period of 5 years from the effective date and may be extended or renewed (as the case may be), at the sole and absolute discretion of the Board of Directors of the Company upon the recommendation by the ESOS Committee, provided always that the initial ESOS period stipulated above and such extension of the ESOS made pursuant to the By-Laws shall not in aggregate exceed a duration of 10 years from the effective date.
- (f) The option price payable for each new share of the Company upon exercise of the options shall be based on the 5-day weighted average market price of the Company’s shares at the time the options are offered, with a discount of not more than 10%;

The Exercise Price as determined by the ESOS Committee shall be conclusive and binding on the Grantees.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. EMPLOYEE SHARE OPTION SCHEME (“ESOS”) (CONT'D)

The salient features of the ESOS are as follows (Cont'd):

- (g) A Grantee shall be allowed to exercise the Options granted to him/her either in whole or part in multiples of 100 Shares as the Grantee may be entitled under the Options at any time during the Option Period whilst he/she is in the employment of any company within the Group (which are not dormant).

There will be no restriction to the Grantee on the percentage of Options exercisable by him/her during the Option Period.

None of such option had been granted to any eligible persons by the Company during the reporting year.

27. OTHER RESERVES

	Translation reserve RM'000 (a)	Revaluation reserve RM'000 (b)	Warrant reserve RM'000 (c)	Total RM'000
Group				
At 1 July 2024	103	14,527	4,810	19,440
Other comprehensive income	-	7,624	-	7,624
At 30 June 2025	103	22,151	4,810	27,064
At 1 April 2023	103	15,274	-	15,377
Disposal of property, plant and equipment	-	(747)	-	(747)
Proceeds from the issuance of warrants	-	-	4,810	4,810
At 30 June 2024	103	14,527	4,810	19,440
			Warrant reserve RM'000 (c)	Total RM'000
Company				
At 1 July 2024/30 June 2025			4,810	4,810
At 1 April 2023			-	-
Proceeds from the issuance of warrants			4,810	4,810
At 30 June 2024			4,810	4,810

- (a) Translation reserve of the Group represents foreign exchange differences arising from the translation of the financial statements of a foreign subsidiary and an associate whose functional currencies are different from that of the Group's functional currency.

- (b) Revaluation reserve of the Group represents the gain on revaluation arising from the revaluation of certain freehold land and buildings of the Group by various firms of independent valuers during the financial year under review.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

27. OTHER RESERVES (CONT'D)

- (c) Warrants reserve represents the proceeds from the issuance of warrants which are non-distributable. The warrants reserve is transferred to the share capital account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

28. BANK BORROWINGS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current				
Secured:				
Term loans	417	369	-	-
Bank overdraft	7,982	5,234	7,982	5,234
	8,399	5,603	7,982	5,234
Non-current				
Secured:				
Term loans	3,312	3,712	-	-
	11,711	9,315	7,982	5,234

The non-current portion is repayable as follows:

	Group	
	2025	2024
	RM'000	RM'000
One to four years	1,842	2,270
After four years	1,470	1,442
	3,312	3,712

- (a) Term loans

The term loans are secured by a legal charge over the freehold land and building of a subsidiary with a carrying value of RM40,467,000 (2024: RM32,346,000) as disclosed in Note 12 and also corporate guarantee from the Company.

The effective interest rate at the end of the reporting year is 5.20% (2024: ranging from 5.20%) per annum.

- (b) Bank overdraft

The bank overdraft is secured by charge over fixed deposits with licensed bank as disclosed in Note 22.

The effective interest rate at the end of the reporting year is 7.20% per annum (2024: 7.20%).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

29. TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Trade payables				
Third parties	3,485	2,783	-	-
Other payables				
Other payables	4,895	3,493	12	54
Accruals	931	701	237	94
Deposits received	2,408	2,503	-	-
	11,719	9,480	249	148
Deferred income	424	422	-	-
Total trade and other payables	12,143	9,902	249	148

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Company range from 60 to 120 days (2024: 60 to 120 days) from date of invoice.
- (b) Included in deferred income is an amount of RM422,000 (2024: RM422,000), representing a gain on the deconsolidation of a loss-making indirect subsidiary of the Company, PT Komark Label and Labelling Indonesia, recognised in previous financial years. The liquidation process is still ongoing as at the date of this report.
- (c) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	12,092	9,900	249	148
United States Dollar	6	2	-	-
Great British Pound	4	-	-	-
Thailand Baht	41	-	-	-
	12,143	9,902	249	148

Sensitivity analysis of RM against foreign currencies is not disclosed as they are not material to the Group and the Company.

30. RELATED PARTY DISCLOSURES

- (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

30. RELATED PARTY DISCLOSURES (CONT'D)

(a) Identities of related parties (Cont'd)

- (i) Direct and indirect subsidiaries as disclosed in Note 15;
- (ii) Associate as disclosed in Note 16;
- (iii) Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors of the Group; and
- (iv) Companies in which a director is also a director cum shareholder of the Company.

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	1.7.2024 to 30.6.2025 (12 months) RM'000	2024 to 30.6.2024 (15 months) RM'000
Transactions with related parties				
Sales of goods	1,473	2,056	-	-
Trademark license fee	1,400	900	-	-

The related party transactions described above were carried out based on negotiated terms and conditions mutually agreed with the respective related parties.

(b) Compensation of key management personnel

The information on remuneration of directors of the Group and of the Company, who are the only key management personnel during the year was disclosed in Note 9.

31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	As of beginning of financial year/period RM'000	Financing cash flows (i) RM'000	Non-cash changes (ii) RM'000	At end of the financial year/period RM'000
Group				
2025				
Term loans	4,081	(352)	-	3,729
Lease liabilities	6,913	(2,137)	2,421	7,197
2024				
Term loans	4,972	(891)	-	4,081
Lease liabilities	3,593	(1,686)	5,006	6,913



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

- (i) The cash flows from bank borrowings and lease liabilities make up the net proceeds from or repayments or payments in the statement of cash flows.
- (ii) Non-cash changes included the modification of lease contracts, and new lease liabilities and right-of-use assets.

32. CAPITAL AND FINANCIAL RISK MANAGEMENT

- (a) Capital management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its business and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group monitors capital on the basis of the debts to equity ratio. The debts to equity ratio is calculated as interest bearing liabilities including loans and borrowings divided by equity attributable to owners of the Company.

There was no change in the Group's approach to capital management during the financial year and the Group is not required to comply with any externally imposed capital requirements in respect of their external borrowings for the financial year ended 30 June 2025.

The debts to equity ratio of the Group at the end of the reporting year/period was as follows:

	Group	
	2025	2024
	RM'000	RM'000
Loans and borrowings	11,711	9,315
Lease liabilities	7,197	6,913
Total debts	18,908	16,228
Less: Cash and cash equivalents	(5,991)	(11,340)
Net debts	12,917	4,888
Total equity attributable to members of the Company	79,986	98,841
Debts to equity ratio (times)	0.16	0.05

Pursuant to the requirements of Practice No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Group has complied with this requirement for the financial year ended 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Classification of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial assets				
<u>Fair value through profit or loss</u>				
Other investment	5,315	7,963	-	-
Short term fund	33	32	33	32
<u>At amortised cost</u>				
Trade and other receivables (excluded prepayments)	4,666	3,960	9,846	8,168
Fixed deposit with licensed bank	8,234	8,000	8,234	8,000
Cash and bank balances	13,940	16,542	11,677	14,060
Financial liabilities				
<u>At amortised cost</u>				
Trade and other payables (excluded deferred income)	11,719	9,480	249	148
Bank borrowings	11,711	9,315	7,982	5,234
Lease liabilities	7,197	6,913	-	-

(c) Financial risk management

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk, liquidity risk and market price risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Foreign currency risk

The Group is exposed to currency risk as a result of the foreign currency transactions entered into with entities in currencies other than its functional currency. The Group is also exposed to foreign currency risk in respect of foreign subsidiary and associate.

Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The exposures of the Company to currency fluctuation are kept at an acceptable level.

The sensitivity analysis for foreign currency risk has been disclosed in Notes 20, 23 and 29 respectively.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Financial risk management (Cont'd)

(ii) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debts as the Group had no substantial long-term interest-bearing assets as at 30 June 2025. The Group borrows at floating rates of interest to generate the desired interest profile and to manage the exposure of the Group to interest rate fluctuations.

The information on maturity dates and effective interest rates of financial assets and liabilities has been disclosed in Notes 14 and 28 respectively.

Interest rate sensitivity analysis

The carrying amounts of the Group's financial instruments that are exposed to interest rate risk as follows:

	Group	
	2025	2024
	RM'000	RM'000
Fixed rate instruments		
<u>Financial assets</u>		
Fixed deposits with licensed bank	8,234	8,000
<u>Financial liabilities</u>		
Lease liabilities	7,197	6,913
Floating rate instruments		
<u>Financial liabilities</u>		
Bank borrowings	11,711	9,315

Sensitivity analysis is not disclosure for fixed rate instruments are not exposed to interest rate risk and are measured at amortised cost.

At the end of the reporting year, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's loss after tax for the financial year would have been approximately RM89,004 (2024: RM70,794) lower/higher, arising mainly as a result of lower/higher finance cost on floating rate borrowings. The assumed movement in basis point for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

(iii) Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, short term funds, fixed deposit with licensed bank and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Group monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all new customers who wish to trade on credit terms are subject to credit evaluation procedures. In addition, receivable balances are monitored on an ongoing basis to minimise the Group's exposure to bad debts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Financial risk management (Cont'd)

(iii) Credit risk (Cont'd)

Recognition and measurement of impairment loss

The Group and the Company manage its credit risk with its trade and other debtors through periodic review of credit limits. Information regarding loss allowance of trade and other receivables is disclosed in Note 20.

Cash and bank balances are held with reputable banks and financial institutions, short term funds and fixed deposit with licensed bank which have low credit risk and no history of default. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Exposure to credit risk

At the end of each reporting year, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

During the financial year, the Group did not renegotiate the terms of any trade receivable.

Impairment is individually assessed and identified as being in significant financial difficulty and who have defaulted on their payment obligations as of the end of the reporting year. A receivable is considered in default when a customer fails to meet their payment obligations within the agreed timeframe. The Group has initiated legal proceedings and served a winding-up petition to the defaulted debtor. Given the high uncertainty surrounding the recoverability of these debts, the whole amount due from credited impaired debtor was impaired as at the end of the reporting year.

At the end of the reporting year, the Group does not have any significant exposure to any individual customer or counterparty other than 15% (2024: 73%) of the Group's trade receivables as at reporting date were due from one (2024: one) major customer. The Group does not anticipate the carrying amount recorded at the reporting year to be significantly different from the values that would eventually be received.

Financial guarantee

The Group provides corporate guarantee to bank and non-financial institution in respect of banking facilities granted to a subsidiary. The Group monitors the ability of the subsidiary to service their loans on an individual basis.

The maximum exposure to credit risk amounts of RM23,810,000 (2024: RM23,810,000) representing the outstanding banking facilities of the subsidiary as at the end of the reporting date.

At the reporting date, the Group does not consider it probable that a claim will be made against the Group under the guarantee.

(iv) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Financial risk management (Cont'd)

(iv) Liquidity risk (Cont'd)

	Effective interest rate %	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 - 5 years RM'000	Total contractual cash flows RM'000
Group					
30.6.2025					
Trade and other payables (Excluded deferred income)	-	11,719	11,719	-	11,719
Lease liabilities	3.89 - 5.20	7,197	2,602	5,744	8,346
Bank borrowings	7.20	11,711	8,539	4,036	12,575
		30,627	22,860	9,780	32,640
30.6.2024					
Trade and other payables (Excluded deferred income)	-	9,480	9,480	-	9,480
Lease liabilities	3.89 - 4.75	6,913	1,545	6,586	8,131
Bank borrowings	7.20	9,315	5,791	4,270	10,061
		25,708	16,816	10,856	27,672
Company					
30.6.2025					
Trade and other payables	-	249	249		249
Bank borrowing	7.20	7,982	7,982		7,982
Financial guarantee*	-	-	23,810		23,810
		8,231	32,041		32,041
30.6.2024					
Trade and other payables	-	148	148		148
Bank borrowing	7.20	5,234	5,611		5,611
Financial guarantee*	-	-	23,810		23,810
		5,382	29,569		29,569

* This disclosure represents the maximum liquidity risk exposure

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Financial risk management (Cont'd)

(v) Market price risk

Market price risk is the risk that the fair value of future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to price risk arising from the Group's investment in equity securities and short-term funds.

The Group's investment in money market and unit trust, which are highly liquid and are subject to insignificant risk of change in fair value. Therefore, the Directors were of the opinion that the Group's investment in short-term funds were not subject to significant exposure to market price risk.

Management of the Group monitors equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Directors.

Sensitivity analysis of equity price risk

A possible strengthening/weakening of 5% in equity price, assuming all other variable constant at the end of the reporting year would have increased/decreased post-tax profit or loss of the Group by RM202,000 (2024: RM303,000) for investment in equity classified as fair value through profit or loss.

(d) Fair value information

The carrying amount of cash and bank balances, trade and other receivables, trade and other payables and current loan and borrowing are reasonable approximation of their fair values due to their short-term nature.

The fair value of non-current loan and borrowing for disclosure purposes is estimated by discounting the expected future cash flow at market lending rates for similar types of lending as at the end of the reporting year. The estimated fair value of this non-current loan and borrowing approximate its carrying amount.

Fair value information for financial assets measured at fair value through profit or loss are disclosed in Note 17.

33. SEGMENT INFORMATION

(a) Operating segment

Segmental information is prepared on the basis of the "management approach", which requires presentation of the segments on the basis of internal reports about the components of the entity.

The Group is organised into businesses based on their activities, and has three reportable operating segments as follows:

- | | | |
|-------|-----------------------------------|---|
| (i) | Self-adhesive labels and stickers | - manufacturing and sales self-adhesive labels and stickers. |
| (ii) | Face masks | - manufacture and wholesale of face masks. |
| (iii) | Others | - head office, management services, investment holding and dormant companies. |

For each of the divisions, the Executive Director reviews the internal management reports on a monthly basis and conducts performance dialogues with the divisions on a regular basis. The Group assesses the performance of the operating segments based on measure of revenue and loss before tax.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities, income and expenses.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

33. SEGMENT INFORMATION (CONT'D)

(a) Operating segment (Cont'd)

Group	Note	Label and sticker manufacturing RM'000	Face mask manufacturing RM'000	Adjustments and elimination RM'000	Consolidated RM'000
2025					
Revenue					
External customers		19,567	354	-	19,921
Inter-segment sales		70	5	(75)	-
Total revenue	(A)	19,637	359	(75)	19,921
Results					
Other operating income		2,034	706	(180)	2,560
Finance cost		(813)	(352)	-	(1,165)
Depreciation and amortisation expenses		(4,034)	(3,843)	-	(7,877)
Other non-cash items expenses	(B)	(8,570)	(7,651)	1,167	(15,054)
Segment loss before tax		(14,442)	(14,043)	1,167	(27,318)
Segments assets		110,698	19,654	(19,315)	111,037
Segment liabilities		89,187	68,532	(126,668)	31,051
2024					
Revenue					
External customers		24,128	5,229	-	29,357
Inter-segment sales		231	-	(231)	-
Total revenue	(A)	24,359	5,229	(231)	29,357
Results					
Other operating income		1,902	105	(225)	1,782
Finance cost		(661)	(288)	-	(949)
Depreciation and amortisation expenses		(4,943)	(4,757)	-	(9,700)
Other non-cash items expenses	(B)	(32,364)	(23,350)	26,209	(29,505)
Segment loss before tax		(38,816)	(29,030)	26,209	(41,637)
Segments assets		110,428	31,071	(16,528)	124,971
Segment liabilities		84,198	65,906	(123,974)	26,130

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

33. SEGMENT INFORMATION (CONT'D)

(a) Operating segment (Cont'd)

Notes	Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements
A	Inter-segment revenues are eliminated on consolidation. Revenue reported above represents revenue generated from the reportable segments. Inter-segment sales for the current year/period is RM75,000 (2024: RM231,000).
B	Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Group	
	1.7.2024	1.4.2023
	to	to
	30.6.2025	30.6.2024
	(12 months)	(15 months)
	RM'000	RM'000
Fair value loss on investment in quoted shares	(4,368)	(4,068)
Gain on termination lease	119	8
Gain on modification of lease	-	42
Gain on disposal of property, plant and equipment	-	33
Impairment loss on property, plant and equipment	(4,805)	(10,854)
Impairment loss on right-of-use assets	(2,115)	-
Impairment loss on trade receivables	(412)	(9,773)
Inventories written down	(850)	(2,446)
Inventories written off	(93)	(118)
Loss on disposal of quoted share	-	(1,299)
Property, plant and equipment written off	(1,155)	(674)
Reversal of provision for slow-moving inventories	124	-
Trade receivable written off	-	(57)
Unrealised loss on foreign exchange	(1,499)	(299)
	(15,054)	(29,505)

(b) Geographical segment

Segmental information is presented in respect of the Group's geographical segments based on the Group's management and internal reporting structure.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on location of the assets.

The non-current assets do not include financial instruments, investment in associate and deferred tax assets.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

33. SEGMENT INFORMATION (CONT'D)

- (b) Geographical segment (Cont'd)

Geographical information

	External revenue		Non-current assets	
	1.7.2024 to 30.6.2025 (12 months) RM'000	1.4.2023 to 30.6.2024 (15 months) RM'000	2025 RM'000	2024 RM'000
Group				
Malaysia	15,784	24,919	78,892	84,611
Singapore	2,592	3,640	-	-
Thailand	14	62	-	-
Indonesia	166	241	-	-
Philippines	1,365	495	-	-
	19,921	29,357	78,892	84,611

Major customers

During the financial year, major customer contributing more than 10% of the Group's total revenue are amounted to RM2,080,748 (2024: RM3,017,568), which relates to one (2024: one) customer.

34. CAPITAL COMMITMENT

	Group	
	2025 RM'000	2024 RM'000
Capital expenditure approved and contracted for the expansion of production capacity for the face mask manufacturing business	-	1,500

35. MATERIAL LITIGATION

- (i) **Kuala Lumpur High Court ("High Court") Civil Suit No. WA-23NCVC-43-05/2021 Komarkcorp Berhad v The Edge Communications Sdn. Bhd. ("The Edge")**

On 17 May 2021, the Company filed a Writ and Statement of Claim in the High Court in Kuala Lumpur bearing Suit Number of WA-23NCVC-43-05/2021 against The Edge Communications Sdn. Bhd. ("The Edge"), among others, seeking damages and an injunction to restrain The Edge and its agents, servants or otherwise from publishing or caused to be published any articles, statements, sentences or words which are defamatory to the Company.

The Company had filed for an application for further and better particulars in respect of the claim and at the same time The Edge had also filed an application to strike out the Writ and Statement of Claim. Both claims by the Company and The Edge had been dismissed by the Court on 13 October 2021 with costs of RM5,000 to be paid respectively to one another. Both the Company and The Edge failed to reach a resolution via the mediation which was fixed for 29 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

35. MATERIAL LITIGATION (CONT'D)

(i) **Kuala Lumpur High Court ("High Court") Civil Suit No. WA-23NCVC-43-05/2021 Komarkcorp Berhad v The Edge Communications Sdn. Bhd. ("The Edge") (Cont'd)**

On 18 March 2024, the High Court instructed the parties to file Submission with a decision scheduled 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.

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 physical hearing on 21 April 2025 and directed parties to file Submission and/or Executive Summary, Common Core Bundle by 24 March 2025, Submission in Reply, Particulars of Solicitors and Special Bundle by 7 April 2025.

On 31 July 2025, the Court of Appeal dismissed Appeal No. 693. Subsequently, the Company filed an application to the Federal Court for leave to appeal the decision. No hearing date has been fixed for the application as at the date of this report.

(ii) **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")**

On 1 March 2024 a winding-up petition ("WU Petition") No. WA-28NCC-210-03/2024 was filed against Jovian Apparel Sdn Bhd ("Jovian Apparel") in the High Court of Malaya at Kuala Lumpur. Jovian Apparel (Receiver and Manager appointed) filed an application to strike out the WU Petition ("Striking Out Application"). The Striking Out Application and WU Petition were fixed for hearing on 28 October 2024.

Jovian Apparel (Receiver and Manager appointed) had on 17 May 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. On 29 May 2024, the Group filed an application for leave to intervene in OS 233 ("Intervention Application"). On 16 July 2024, Jovian Apparel (Receiver and Manager appointed) filed an application for, among others, an ad-interim order be given to restrain all proceedings against Jovian Apparel pending disposal of OS 233 ("Application for Ad-Interim Restraining Order").

On 19 August 2024, the Court allowed the Intervention Application with no order as to costs and granted an ad-interim order to restrain all proceedings against Jovian Apparel for a year of 3 weeks from 19 August 2024. The Application for Ad-Interim Restraining Order and OS were fixed for hearing on 10 September 2024.

Subsequently, on 18 September 2024, the Amended OS 233 was dismissed by the Court with costs of RM10,000 to be paid by Jovian Apparel to the Group and another party respectively.

The amount due from Jovian Apparel had been fully impaired in the previous financial year.

As at the date of this report, Jovian Apparel Sdn. Bhd. is in the process of being wound up.

36. COMPARATIVE FIGURES

The comparative figures are for the financial period of 15 months from 1 April 2023 to 30 June 2024. Consequently, the comparative figures for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial year.



ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

The amount of audit and non-audit fees paid or payable to the Company's External Auditors and firms affiliated to the External Auditors' firms by the Group and the Company for the financial year ended 30 June 2025 are as follows:-

Type of fees	Group (RM'000)	Company (RM'000)
Audit fees	230	90
Non-audit fees	5	5
Total	235	95

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving the interest of the Directors, the Chief Executive and/or major shareholders which were still subsisting as at the end of the financial year or that were entered into since the end of the previous financial year.

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

The ESOS of the Company was approved by the shareholders at the Extraordinary General Meeting held on 5 August 2020 and it is governed by the Bylaws.

The ESOS was implemented on 14 January 2021 and shall be in force for a period of five (5) years and may be extended for such further period, at the sole and absolute discretion of the Board upon recommendation by the ESOS Committee, provided always that the Initial Scheme period above and such extension of the scheme made pursuant to the Bylaws shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the effective date of the ESOS.

None of such option had been granted to any eligible persons by the Company under ESOS since its commencement up to the financial year ended 30 June 2025.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") OF A REVENUE OF TRADING NATURE

The details of the related party transactions are set out in the notes to the financial statements in which the transactions were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

Besides, the Company is seeking approval from the shareholders for the proposed renewal of existing shareholders' mandate for the Company to enter into RRPT(s) of a revenue or trading nature pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad at the forthcoming Annual General Meeting to be convened on Thursday, 27 November 2025. The details are set out in the Circular to Shareholders dated 29 October 2025.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

UTILISATION OF PROCEEDS

Rights Issue with Warrants

On 18 August 2021, the Company proposed to undertake a renounceable rights issue of up to 817,817,238 new ordinary shares in Komarkcorp together with up to 272,605,746 free detachable warrants in Komarkcorp ("**Warrants D**") on the basis of 3 Rights Shares together with 1 free Warrant D for every 3 existing Shares held by the entitled shareholders of Komarkcorp ("**Rights Issue with Warrants**"). The Rights Issue with Warrants was successfully completed on 28 June 2023, upon the listing and quotation on the Main Market of Bursa Malaysia of 577,256,790 Rights Shares, 192,418,845 Warrant D, and 65,403,769 additional Warrant C, raising gross proceeds of RM 46,180,543.20 for the Company.

On 28 February 2025, the Company announced a proposal to vary portions of the proceeds originally earmarked for the Expansion of the Manufacturing Business to Working Capital and Procurement of Inventory ("**Variation**"). The Variation will allow the Group to further expand its business via the increase in funds available for the purchase of inventories, which is expected to generate positive returns to the Group's financial performance. The Board is of the opinion that the Variation is in the best interest of the Company.

Subsequently, on 30 June 2025, the Company announced an extension of time for the utilisation of proceeds from the Rights Issue with Warrants to provide the Company with greater flexibility in utilising the remaining proceeds in a manner that aligns with evolving business needs.

The summary of the utilisation of proceeds as at 30 September 2025 were as follows:-

Purpose(s)	Proposed utilisation (RM'000)	Proposed utilisation after Variation (RM'000)	Amount Utilised as at 30 September 2025 (RM'000)	Balance Unutilised (RM'000)	Intended Timeframe for Utilisation	Extension of Time for the Utilisation
Expansion of the manufacturing business	36,000	24,524	15,561	8,963	By 30.06.2025	By 30.06.2026
Product development	5,000	5,000	2,000	3,000	By 30.06.2025	By 30.06.2026
Working Capital	4,481	6,757	6,757	-	By 31.12.2024	No Change
Estimated expenses for the Rights Issue with Warrants	700	700	700	-	Immediate	No Change
Procurement of inventory	-	9,200	5,741	3,459	By 30.06.2025	By 30.06.2026
Total	46,181	46,181	30,759	15,422		



LIST OF PROPERTIES

Owner	Title No/Location	Existing usage	Expiry Date	Land Area/ Build Up Area Sq. Ft.	Age of Building (Year)	Tenure	Date of last revaluation/ acquisition	Net book Value as at 30.06.2025 RM ('000)
Komark International (M) Sdn. Bhd.	GM No. 439, Lot 132, Mukim of Kajang District, Hulu Langat, Selangor.	Factory Cum Office (HQ)	-	L-147,756 B-150,000	21	Freehold	14/7/2025	40,467

ANALYSIS OF SHAREHOLDINGS

AS AT 24 SEPTEMBER 2025

Total Issued Share : 230,917,776 Ordinary Shares (Excluding 3,600 Treasury Shares)
 Types of Shares : Ordinary Share
 Voting Rights : One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS AS AT 24 SEPTEMBER 2025

Size of Shareholdings	No. of Shareholders	No. of Shares	Percentage of Shareholdings (%)
Less than 100	1,086	26,926	0.0116
100 to 1,000	1,309	763,179	0.3305
1,001 to 10,000	2,935	12,154,817	5.2637
10,001 to 100,000	1,120	36,087,055	15.6277
100,001 to less than 5% of issued shares	172	148,163,299	64.1628
5% and above of issued shares	1	33,722,500	14.6037
Total	6,623	230,917,776	100.0000

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

	Names	Direct Interest		Indirect Interest	
		No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1.	YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	40,000	0.0173	-	-
2.	Roy Ho Yew Kee	662,500	0.2869	-	-
3.	Koo Kien Keat	-	-	-	-
4.	Dr Chan Jee Peng	-	-	-	-
5.	Dr Azizah Binti Sulaiman	-	-	-	-

SUBSTANTIAL SHAREHOLDER AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Names	Direct Interest		Indirect Interest	
		No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1.	Key Alliance Group Berhad	44,343,640	19.2032	-	-



ANALYSIS OF SHAREHOLDINGS

AS AT 24 SEPTEMBER 2025

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 24 SEPTEMBER 2025)

	Names	No. of Shares	Percentage of Holdings (%)
1.	KEY ALLIANCE GROUP BERHAD	33,722,500	14.6037
2.	M & A NOMINEE (ASING) SDN BHD EXEMPT AN FOR SFGHK LIMITED (ACCOUNT CLIENT)	11,371,500	4.9245
3.	BOTANICAL DISTRIBUTION SDN BHD	11,002,000	4.7645
4.	LKL ADVANCE METALTECH SDN BHD	11,000,000	4.7636
5.	ATTRACTIVE HOLDINGS SDN. BHD.	10,684,300	4.6269
6.	UNIK MAKMUR SDN. BHD.	9,780,160	4.2353
7.	AE MULTI INDUSTRIES SDN BHD	8,400,000	3.6377
8.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR LAZARUS SECURITIES PTY LTD	7,993,840	3.4618
9.	UOBM NOMINEES (ASING) SDN BHD EXEMPT AN FOR SFGHK LIMITED	6,164,780	2.6697
10.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (IPB CLIENT ACCT)	3,900,000	1.6889
11.	PARLO TOURS SDN. BHD.	3,400,000	1.4724
12.	LIM SOOK CHEAN	2,891,000	1.2520
13.	SJ SEC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABOUBAKAR RAFICK MOUSSA ISMAEL OMARJEE (SMT)	2,853,600	1.2358
14.	AE MULTI INDUSTRIES SDN. BHD.	2,600,000	1.1259
15.	ABOUBAKAR RAFICK MOUSSA ISMAEL OMARJEE	2,500,000	1.0826
16.	LAI THIAM POH	2,100,000	0.9094
17.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR SFGHK LIMITED (ACCOUNT CLIENT)	1,639,100	0.7098
18.	UNIK MAKMUR SDN. BHD.	1,599,840	0.6928
19.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH CHIN SING (E-JBU/MSG)	1,569,000	0.6795
20.	CHOW CHAN WEE	1,438,100	0.6228
21.	NG TONG LAI	1,394,980	0.6041
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG CHOW HUAT	1,264,004	0.5474
23.	LEE MEE KUEN	1,118,800	0.4845
24.	QUEK HONG JIE	1,100,000	0.4764
25.	PANG KIA FATT	1,060,000	0.4590
26.	EE KAN WONG	1,020,000	0.4417
27.	PANG KIA FATT	900,000	0.3897
28.	CITIGROUP NOMINEES (ASING) SDN BHD CBLDN FOR UNION BANCAIRE PRIVEE	894,240	0.3873
29.	HO YIH LING	818,000	0.3542
30.	ONG CHONG CHEE	800,000	0.3464

ANALYSIS OF WARRANTS D

AS AT 24 SEPTEMBER 2025

Total Issued Warrants : 38,483,696 Warrants D
 Total Exercised Warrants : -
 Total Outstanding : 38,483,696 Warrants D

DISTRIBUTION OF WARRANTS D AS AT 24 SEPTEMBER 2025

Size of Warrant Holdings	No. of Warrant Holders	No. of Warrants	Percentage of Warrants Holdings (%)
Less than 100	33	901	0.0023
100 to 1,000	60	34,071	0.0885
1,001 to 10,000	135	552,421	1.4355
10,001 to 100,000	31	751,314	1.9523
100,001 to less than 5% of issued warrants	8	3,748,991	9.7418
5% and above of issued warrants	8	33,395,998	86.7796
Total	275	38,483,696	100.0000

DIRECTORS' INTEREST IN WARRANTS D

None of the Directors hold any warrants D in the Company as per the Register of Director's Warrant D holdings.



ANALYSIS OF WARRANTS D

AS AT 24 SEPTEMBER 2025

THIRTY LARGEST WARRANT D HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 24 SEPTEMBER 2025)

	Names	No. of Warrants	Percentage of Warrants Holdings (%)
1.	KEY ALLIANCE GROUP BERHAD	8,666,666	22.5204
2.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR LAZARUS SECURITIES PTY LTD	4,540,380	11.7982
3.	M & A NOMINEE (ASING) SDN BHD EXEMPT AN FOR SFGHK LIMITED (ACCOUNT CLIENT)	3,894,900	10.1209
4.	BOTANICAL DISTRIBUTION SDN BHD	3,667,333	9.5296
5.	LKL ADVANCE METALTECH SDN BHD	3,666,666	9.5278
6.	UNIK MAKMUR SDN. BHD.	3,260,053	8.4713
7.	ATTRACTIVE HOLDINGS SDN. BHD.	2,900,000	7.5357
8.	AE MULTI INDUSTRIES SDN BHD	2,800,000	7.2758
9.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (IPB CLIENT ACCT)	1,741,179	4.5245
10.	AE MULTI INDUSTRIES SDN BHD	866,666	2.2520
11.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG CHIEW SIAN (B TINGGI-CL)	263,500	0.6847
12.	NG TONG LAI	233,333	0.6063
13.	CITIGROUP NOMINEES (ASING) SDN BHD CBLDN FOR UNION BANCAIRE PRIVEE	200,000	0.5197
14.	UNIK MAKMUR SDN. BHD.	199,180	0.5176
15.	ONG CHONG CHEE	133,333	0.3465
16.	TEH YEE LIANG	111,800	0.2905
17.	CHIN KIAM HSUNG	60,000	0.1559
18.	TEO CHENG WEE	46,661	0.1212
19.	TEH SWEE LIP	41,400	0.1076
20.	SOO AI LIN	41,306	0.1073
21.	LIEW YOOK KUIW	40,000	0.1039
22.	TOH SU-N	36,666	0.0953
23.	EWE HONG KHOON	35,280	0.0917
24.	CHIN KIM YONG	33,333	0.0866
25.	TOH EU WYNN	33,333	0.0866
26.	YEE CHIN CHIN	33,333	0.0866
27.	THE SIEW KIM	29,000	0.0754
28.	LAU YOU HO	27,266	0.0709
29.	CHIN SIN LIN	23,333	0.0606
30.	CHIM LUANG ENG	21,400	0.0556

NOTICE OF 29TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Ninth Annual General Meeting (“**29th AGM**”) of the Company will be held at Lot 132, Jalan 16/1, Kawasan Perindustrian Cheras Jaya, 43200 Balakong, Selangor Darul Ehsan, Malaysia on Thursday, 27 November 2025 at 10.30 a.m., or at any adjournment thereof, to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To re-elect the following Directors who are retiring pursuant to Clause 102 of the Company’s Constitution and who being eligible, have offered themselves for re-election:
 - (i) Koo Kien Keat
 - (ii) Roy Ho Yew Kee**Ordinary Resolution 1**
Ordinary Resolution 2
(Please refer to Explanatory Note 2)
3. To approve the payment of Directors’ fees and other benefits payable amounting up to RM600,000.00 to the Non-Executive Directors of the Company from the 29th AGM until the conclusion of the 30th Annual General Meeting (“**AGM**”). **Ordinary Resolution 3**
(Please refer to Explanatory Note 3)
4. To re-appoint Messrs. Morison LC PLT as Auditors of the Company and to hold office until the conclusion of the next AGM at such remuneration to be determined by the Directors of the Company. **Ordinary Resolution 4**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

5. **AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 5**
(Please refer to Explanatory Note 4)

“**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT in connection with the above, pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 55 of the Company’s Constitution, the shareholders of the Company by approving this resolution are deemed to have waived their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with the existing shares in the Company.”

NOTICE OF 29TH ANNUAL GENERAL MEETING

6. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)

Ordinary Resolution 6

(Please refer to
Explanatory Note 5)

“**THAT** subject to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- i) the aggregate number of shares purchased or held as treasury shares does not exceed 10% of the total number of issued and paid-up shares of the Company as quoted on Bursa Securities as at the point of purchase;
- ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares be backed by an equivalent amount of retained profits; and
- iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or resell the shares, or transfer the shares or distribute the shares as dividends;

THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:

- i) the conclusion of the next AGM at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

NOTICE OF 29TH ANNUAL GENERAL MEETING

7. PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Ordinary Resolution 7
(Please refer to
Explanatory Note 6)

"THAT, subject always to the provisions of the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and its subsidiaries (collectively the **"Group"**) to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.4 of the Circular to Shareholders dated 29 October 2025, provided that such transactions and/or arrangements which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company (hereinafter referred to as the **"Proposed New and Renewal of Shareholders' Mandate"**):

THAT the Proposed New and Renewal of Shareholders' Mandate shall only continue to be in full force until:

- i) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at said AGM, such authority is renewed; or
- ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed New and Renewal of Shareholders' Mandate."

8. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482) (SSM PC No. 202208000250)
Company Secretary

Kuala Lumpur
29 October 2025



NOTICE OF 29TH ANNUAL GENERAL MEETING

Notes:-

1. In respect of the deposited securities, only members whose names appear in the Record of Depositors on 17 November 2025 shall be eligible to attend the 29th AGM or appoint proxy(ies) to attend and/or vote on his/her behalf.
2. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
5. The instrument appointing a proxy shall be in writing under the hand of appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.
6. If you decide to appoint a proxy or proxies for the 29th AGM, you must complete, sign and return the Proxy Form and deposit it at the Company's Share Registrar's office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or email to admin@aldpro.com.my or fax to +603 2201 7774 not less than forty-eight (48) hours before the time for holding the 29th AGM or at any adjournment thereof.
7. If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in the 29th AGM by yourself, please contact the Company's Share Registrar to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of any general meeting will be put to vote by poll.

EXPLANATORY NOTES

1. Audited Financial Statements for the financial year ended 30 June 2025

This Agenda is meant for discussion only as Section 340(1) of the Companies Act, 2016 provides that the audited financial statements are to be laid in the general meeting and do not require formal approval of the shareholders. Hence, it is not put forward for voting.

2. Ordinary Resolutions 1 and 2: Re-election of Directors

Clause 102 of the Company's Constitution provides that at the AGM in every subsequent year, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office once every three (3) years but shall be eligible for re-election. Koo Kien Keat and Roy Ho Yew Kee, ("**the retiring Directors**") are standing for re-election as Directors of the Company pursuant to Clause 102 of the Company's Constitution at the 29th AGM of the Company and being eligible has offered themselves for re-election.

NOTICE OF 29TH ANNUAL GENERAL MEETING

For the purpose of determining the eligibility of the Directors to stand for re-election at this meeting and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nomination Committee has assessed Koo Kien Keat, the Independent Non-Executive Director, and Roy Ho Yew Kee, the Executive Director of the Company, and has taken into consideration the following factors:

- (a) their performance and contribution;
- (b) their level of contribution to the Board deliberations through the application of their skills, experience and strength; and
- (c) their abilities to act in the best interests of the Company in the course of decision-making.

Upon assessment, the Nomination Committee and the Board are satisfied with the performance and effectiveness of the retiring Directors. The annual Board evaluation also confirmed that they met the performance criteria required for an effective Board. Based on these findings, the Board recommends the re-election of Koo Kien Keat and Roy Ho Yew Kee as Directors of the Company.

The profiles of the retiring Directors who are standing for re-election are set out in the Directors' Profile section of the Annual Report 2025.

3. Ordinary Resolution 3 – Directors' fees and other benefits payable

Pursuant to Section 230(1) of the Companies Act 2016, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed Ordinary Resolution 3, if approved, will authorise the payment of Directors' fees and other benefits to the Non-Executive Directors from the 29th AGM until the conclusion of the 30th AGM of the Company.

4. Ordinary Resolution 5 - Authority to Directors to Allot and Issue Shares

The proposed Ordinary Resolution 5 if passed, is a renewal of general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The general mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) working capital and/or acquisitions at any time without convening a general meeting as it would be both costs and time consuming to organise a general meeting.

The general mandate granted to the Directors at the 28th AGM held on 27 November 2024 was not utilised and accordingly no proceeds were raised.

Pursuant to Section 85 of the Act read together with Clause 55 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

Section 85(1) of the Act provides as follows:

"85. Pre-emptive rights to new shares

- (1) *Subject to the Constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."*

NOTICE OF 29TH ANNUAL GENERAL MEETING

Clause 55 of the Constitution of the Company provides as follows:

“55. Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may, likewise also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause.”

The proposed Ordinary Resolution 5, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

5. Ordinary Resolution 6 – Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 6 is a renewal generate mandate and if passed, will allow the Directors of the Company to exercise the power of the Company to purchase not more than ten percent (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements. This authority, unless revoked or varied by the Company at a general meeting, shall continue to be in full force until the conclusion of the next AGM of the Company.

Further details of the Proposed Renewal of Share Buy-Back Authority are set out in the Circular to Shareholders dated 29 October 2025.

6. Ordinary Resolution 7 - Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 7, if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

Further details of the Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature are set out in the Circular to Shareholders dated 29 October 2025.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:-

1. Details of individual who are standing for election as directors (excluding directors standing for re-election).

No individual is seeking election as a Director at the 29th AGM of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Securities.

The details of the proposed authority to Directors to allot and issue new ordinary shares pursuant to Sections 75 and 76 of the Companies Act, 2016 is set out under Explanatory Note 4.



PROXY FORM

KOMARKCORP BERHAD

[Registration No. 199601001919 (374265-A)]
(Incorporated in Malaysia)

CDS Account No.				-											
No. of shares held															

*I/ We _____
(full name in block letters)

(NRIC No./ Company Registration No./ Passport No. _____)

of _____
(full address)

(Contact No. _____ and Email Address _____)

being a member of **KOMARKCORP BERHAD** ("Company"), hereby appoint

Proxy 1

Name of Proxy	NRIC No./ Passport No.	% of Shareholdings to be Represented
Address		
Contact No.	Email Address	

*and / or

Proxy 2

Name of Proxy	NRIC No./ Passport No.	% of Shareholdings to be Represented
Address		
Contact No.	Email Address	

or failing *him/ her, the CHAIRMAN OF THE MEETING as *my/ our proxy to vote for *me/ us on *my/ our behalf at the Twenty-Ninth Annual General Meeting ("29th AGM") of the Company which will be held at Lot 132, Jalan 16/1, Kawasan Perindustrian Cheras Jaya, 43200 Balakong, Selangor Darul Ehsan, Malaysia on Thursday, 27 November 2025 at 10.30 a.m. or at any adjournment thereof.

(*Delete as appropriate)

Please indicate your vote by marking an "X" or "✓" in the appropriate box below. If no specific direction is given, the proxy/ proxies will vote or abstain from voting on the resolutions at his/ her/ their discretion.

My/ our proxy/ proxies shall vote as follows:

Resolutions		For	Against
Ordinary Resolution 1	To re-elect Koo Kien Keat who is retiring pursuant to Clause 102 of the Company's Constitution.		
Ordinary Resolution 2	To re-elect Roy Ho Yew Kee who is retiring pursuant to Clause 102 of the Company's Constitution.		
Ordinary Resolution 3	To approve the payment of Directors' fees and other benefits payable amounting up to RM600,000.00 to the Non-Executive Directors of the Company from the 29 th AGM until the conclusion of the 30 th AGM.		
Ordinary Resolution 4	To re-appoint Messrs. Morison LC PLT as Auditors of the Company and to hold office until the conclusion of the next AGM at such remuneration to be determined by the Directors of the Company.		
Ordinary Resolution 5	Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 6	Proposed Renewal of Authority for the Company to Purchase its own Shares.		
Ordinary Resolution 7	Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Dated this _____ day of _____ 2025.

Signature / Common Seal of Member(s) / Shareholder(s)

Fold this flap for sealing

Notes:-

1. In respect of the deposited securities, only members whose names appear in the Record of Depositors on 17 November 2025 shall be eligible to attend the 29th AGM or appoint proxy(ies) to attend and/or vote on his/her behalf.
2. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
5. The instrument appointing a proxy shall be in writing under the hand of appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.
6. If you decide to appoint a proxy or proxies for the 29th AGM, you must complete, sign and return the Proxy Form and deposit it at the Company's Share Registrar's office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or email to admin@aldpro.com.my or fax to +603 2201 7774 not less than forty-eight (48) hours before the time for holding the 29th AGM or at any adjournment thereof.
7. If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in the 29th AGM by yourself, please contact the Company's Share Registrar to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of any general meeting will be put to vote by poll.

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AFFIX
STAMP

**THE SHARE REGISTRAR OF
KOMARKCORP BERHAD**
Registration No. 199601001919 (374265-A)
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B, Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

1st fold here



 Lot 132, Jalan 16/1, Kawasan Perindustrian Cheras Jaya, 43200 Balakong, Selangor Darul Ehsan, Malaysia

 +603-9080 3333

 +603-9080 5233

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