

THIS CIRCULAR TO THE SHAREHOLDERS OF KOMARKCORP BERHAD (“KOMARKCORP” OR THE “COMPANY”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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KOMARKCORP BERHAD
(Registration No. 199601001919 (374265-A))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) PROPOSED REDUCTION OF UP TO RM148.70 MILLION OF THE ISSUED SHARE CAPITAL OF KOMARKCORP PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 (“PROPOSED SHARE CAPITAL REDUCTION”); AND**
- (II) PROPOSED VARIATION OF RM23.44 MILLION TO THE UTILISATION OF PROCEEDS PREVIOUSLY RAISED FROM THE RIGHTS ISSUE WITH WARRANTS EXERCISE UNDERTAKEN BY THE COMPANY THAT WAS COMPLETED ON 28 JUNE 2023 (“PROPOSED VARIATION”)**

(COLLECTIVELY, THE “PROPOSALS”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD
(Registration No. 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting of the Company (“EGM”) will be held at Lot 132, Jalan 16/1, Kawasan Perindustrian Cheras Jaya, 43200 Balakong, Selangor Darul Ehsan on Thursday, 2 April 2026 at 10.30 a.m. or at any adjournment thereof. The Notice of EGM together with the Proxy Form are enclosed in this Circular.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy by completing the Proxy Form in accordance with the instructions stated therein. The Proxy Form must be deposited at the Share Registrar office of the Company, Aldpro Corporate Services Sdn Bhd 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 stipulated for holding the EGM or at any adjournment thereof. The completion and lodging of the Proxy Form will not preclude you from attending and voting at the EGM should you subsequently wish to do so and in such an event, your Proxy Form shall be deemed to have been revoked.

Last date and time for lodging the Proxy Form : Tuesday, 31 March 2026 at 10.30 a.m.
Date and time of the EGM : Thursday, 2 April 2026 at 10.30 a.m.

This Circular is dated 25 February 2026

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act 2016, as amended from time to time including any re-enactment thereof
Annual Report 2025	:	Annual Report 2025 announced by the Company on 29 October 2025
BLR	:	Base lending rate
BNM	:	Bank Negara Malaysia
Board	:	The Board of Directors of Komarkcorp
Bursa Securities	:	Bursa Malaysia Securities Berhad
By-Laws	:	The by-laws governing the ESOS
CAGR	:	Compound annual growth rate
CCM	:	Companies Commission of Malaysia
Circular	:	This circular to Shareholders in relation to the Proposals
COVID-19	:	Coronavirus disease of 2019
Directors	:	Directors of the Company for the time being and shall have the meaning ascribed to it in Section 2(1) of the Companies Act 2016 and Section 2(1) of the Capital Markets and Services Act 2007 and Director shall be construed accordingly
EGM	:	Extraordinary general meeting of the Company
EPS	:	Earnings per Share
ESOS	:	Employees' share options scheme of the Company which took effect on 14 January 2021 for a period of 5 years and further extended for another 5 years
ESOS Option	:	ESOS options that may be granted to eligible persons, during the duration of the ESOS pursuant to the existing by-laws governing the ESOS, where each option holder can subscribe for 1 new Share for every 1 ESOS Option held
FYE	:	Financial year ended / ending, as the case may be
FPE	:	Financial period ended / ending, as the case may be
GL	:	Gross loss
GP	:	Gross profit
IMR Report	:	Independent market research report dated 21 January 2026 prepared by Infobusiness
Infobusiness or the IMR	:	Infobusiness Market Research Sdn Bhd

DEFINITIONS

Komarkcorp or the Company	:	Komarkcorp Berhad
Komarkcorp Group or the Group	:	Collectively, Komarkcorp and its subsidiaries
Komarkcorp Shares or Shares	:	Ordinary shares in the Company
LAT	:	Loss after tax
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	3 February 2026, being the latest practicable date prior to the printing of this Circular
LPS	:	Loss per share
Maximum Scenario	:	Assuming full exercise of the outstanding Warrants D
Minimum Scenario	:	Assuming none of the Warrants D are exercised
NA	:	Net assets
Proposals	:	Collectively, the Proposed Share Capital Reduction and Proposed Variation
Proposed Share Capital Reduction	:	Proposed reduction of up to RM148.70 million of the issued share capital of Komarkcorp pursuant to Section 117 of the Act
Proposed Variation	:	Proposed variation of the utilisation of proceeds previously raised from the Rights Issue 2023
Rights Issue 2023	:	Rights issue of shares with free warrants involving the issuance of 577,256,790 new Komarkcorp Shares at an issue price of RM0.08 per Share together with 192,418,845 Warrants D (on the basis of 3 rights shares together with 1 free Warrants D for every 3 existing Shares) that was approved by the Shareholders at the EGM held on 10 December 2021. The rights issue of shares with free warrants was subsequently completed on 28 June 2023
Rights Issue Proceeds	:	In the context of the Proposed Variation as stated in this Circular, being the unutilised proceeds of RM12.63 million previously raised from the Rights Issue 2023
RM and sen	:	Ringgit Malaysia and sen respectively
Shareholders	:	Registered holders of Komarkcorp Shares
TA Securities or the Principal Adviser	:	TA Securities Holdings Berhad
Warrants D	:	Warrants 2023/2026 of the Company which will expire on 21 June 2026. Each Warrant D holder is entitled the right to subscribe for 1 new Komarkcorp Share at an exercise price of RM0.40

DEFINITIONS

All references to “you” in this Circular are to the Shareholders.

In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated. Any discrepancies in the tables between the amounts stated, actual figures and the totals thereof in this Circular are due to rounding.

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	v
LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSALS CONTAINING:	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSALS	2
3. RATIONALE FOR THE PROPOSALS	12
4. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS	13
5. EFFECTS OF THE PROPOSALS	19
6. HISTORICAL SHARE PRICES	22
7. ESTIMATED TIMEFRAME FOR COMPLETION	23
8. APPROVALS REQUIRED AND CONDITIONALITY	23
9. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION	23
10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM	23
11. BOARD'S RECOMMENDATION	23
12. EGM	24
13. FURTHER INFORMATION	24
APPENDIX I FURTHER INFORMATION	25
NOTICE OF EGM	ENCLOSED
PROXY FORM	ENCLOSED

EXECUTIVE SUMMARY

This Executive Summary of the Proposals only highlights the key information from other parts of this Circular. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Circular for further details before voting at the EGM.

Summary

Summary of the Proposals

Proposed Share Capital Reduction

Proposed reduction of the issued share capital of the Company via the cancellation of the issued share capital which is lost or unrepresented by available assets of up to RM148.70 million pursuant to Section 117 of the Act.

Proposed Variation

Proposed variation to the utilisation of the Rights Issue Proceeds in the following manner:

Purpose	Proposed utilisation pursuant to the Proposed Variation RM'000	Estimated timeframe for utilisation from the Proposed Variation taking effect
(i) Replacement and/or upgrade of machineries for the Group's labelling and packaging business	3,000	Within 24 months
(ii) Procurement of raw materials for the Group's labelling and packaging business	2,000	Within 24 months
(iii) Working capital for the Group's labelling and packaging business	2,726	Within 12 months
(iv) Repayment of bank borrowings	4,900	Within 6 months
Total	12,626	

Please refer to **Section 2** of this Circular for further information.

Rationale for the Proposals

Proposed Share Capital Reduction

The Proposed Share Capital Reduction will enable the Company to rationalise their financial positions by reducing the accumulated losses to more appropriately reflect the value of the underlying assets and financial positions. In addition, the reduction of accumulated losses is expected to enhance the credibility of both the Company and the Group with the bankers, customers, suppliers, investors and other stakeholders.

Proposed Variation

The Proposed Variation will enable the Company to reallocate the Rights Issue Proceeds for the Group's existing labelling and packaging business, which can better contribute to the overall financial performance of the Group.

Please refer to **Section 3** of this Circular for further information.

Summary**Approvals required and conditionality**

- (i) Shareholders' approval for the Proposals at the forthcoming EGM; and
- (ii) approvals / consents from any other authorities, if required.

The Proposals are not inter-conditional and not conditional upon any other proposals undertaken or to be undertaken by the Company.

Please refer to **Section 8** of this Circular for further information.

Board's recommendation

The Board recommends that you VOTE IN FAVOUR of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM, the details of which are set out in this Circular, and the Notice of EGM as enclosed.

Please refer to **Section 11** of this Circular for further information.



KOMARKCORP BERHAD
(Registration No. 199601001919 (374265-A))
(Incorporated in Malaysia)

Registered Office

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan

25 February 2026

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)

PROPOSALS

1. INTRODUCTION

On 22 January 2026, TA Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposals.

Further details of the Proposals are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSALS AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS WHICH WILL BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Share Capital Reduction

The Proposed Share Capital Reduction entails the reduction of the issued share capital of the Company via the cancellation of the issued share capital which is lost or unrepresented by available assets of up to RM148.70 million pursuant to Section 117 of the Act. The quantum of the Proposed Share Capital Reduction of RM148.70 million was arrived at after taking into consideration, among others, the Company's accumulated losses of RM148.76 million as at 30 September 2025, based on the latest unaudited financial statement available immediately prior to the Company undertaking the Proposed Share Capital Reduction.

The Company has decided to undertake the Proposed Share Capital Reduction via Section 117 of the Act instead of Section 116 of the Act as it is comparatively more expedient and less costly.

Generally, a proposed share capital reduction via Section 117 of the Act by a public listed company would normally take approximately 6 to 8 weeks from the date the resolution is approved by its shareholders (via an EGM) to complete, provided that no objections are made pursuant to Section 118(2) of the Act.

Nevertheless, pursuant to Section 119 of the Act, among others, if no application for such cancellation is made, the company shall lodge the relevant documents with the CCM after the end of 6 weeks, and before the end of 8 weeks, from the date of the resolution. The reduction of the share capital shall take effect when the CCM has recorded the information lodged in the appropriate register. Furthermore, pursuant to Section 119(4) of the Act, a notice confirming the reduction of share capital issued by the CCM shall be conclusive evidence that all the requirements of the Act with respect to reduction of share capital have been complied with.

The corresponding credit of up to RM148.70 million arising from the Proposed Share Capital Reduction will be solely utilised to set-off against the accumulated losses of the Company.

The accumulated losses were mainly due to the following:

- (i) impairment loss on amount due from subsidiaries of:
 - (a) RM19.98 million for the 15-month FPE 30 June 2024;
 - (b) RM15.81 million for the FYE 31 March 2023; and
 - (c) RM41.63 million for the 11-month FPE 31 March 2022; and
- (ii) impairment loss on investment in subsidiaries of RM24.06 million for the FYE 30 April 2020.

For illustration purposes only, the pro forma effects of the Proposed Share Capital Reduction on the Company's and the Group's accumulated losses, based on the latest audited consolidated financial statements of the Group for the FYE 30 June 2025 and the unaudited consolidated financial statements of the Group for the 3-month FPE 30 September 2025 are as follows:

	Audited as at 30 June 2025		Unaudited as at 30 September 2025	
	Company RM	Group RM	Company RM	Group RM
Accumulated losses	(148,443,382)	(116,785,209)	(148,759,327)	(118,363,539)
Add: Credit arising from the Proposed Share Capital Reduction	148,700,000	148,700,000	148,700,000	148,700,000
Resultant retained earnings / (accumulated losses)	256,618	31,914,791	(59,327)	30,336,461

Subject to and subsequent to the approval of the Proposed Share Capital Reduction by the Shareholders at the forthcoming EGM, the Proposed Share Capital Reduction will be effective when the CCM has recorded the information lodged in the appropriate register in accordance with Section 119 of the Act. An immediate announcement will be made on the effective date of the Proposed Share Capital Reduction.

For avoidance of doubt, the Proposed Share Capital Reduction will not result in:

- (i) any adjustments to the reference price of the Shares;
- (ii) any adjustments to the exercise price and/or number of outstanding Warrants D;
- (iii) any changes in the total number of Shares in issue or the number of Shares held by the Shareholders;
- (iv) any payment to the Shareholders; and
- (v) any cash outflow or change in the NA of the Company, save for the estimated expenses to be incurred in relation to the Proposals which will be funded through internally generated funds.

2.2 Proposed Variation

On 28 June 2023, the Company completed the Rights Issue 2023 and raised total proceeds of RM46.18 million. As at the LPD, the proceeds have been utilised as follows:

Utilisation of proceeds	Intended timeframe for utilisation	(A)	(B)	(C) = (A) + (B)	(D)	(E) = (C) – (D)
		Proposed utilisation ⁽¹⁾ RM'000	Variation ⁽²⁾ RM'000	After the variation RM'000	Actual proceeds utilised RM'000	Balance proceeds unutilised RM'000
Expansion of the manufacturing business (i.e. the labelling and packaging as well as the face mask businesses) ⁽³⁾	By 30 June 2026	36,000	(11,476)	24,524	15,561	8,963
Product development for the Group's face mask business ⁽⁴⁾	By 30 June 2026	5,000	-	5,000	2,000	3,000
Working capital ⁽⁵⁾	By 31 December 2024	4,481	2,276	6,757	6,757	-
Expenses for the Rights Issue 2023	Immediate	700	-	700	700	-
Procurement of raw materials ⁽⁶⁾	By 30 June 2026	-	9,200	9,200	8,537	663
Total		46,181	-	46,181	33,555	12,626

Notes:

- (1) Based on the intended use of the proceeds as set out in the Company's abridged prospectus dated 29 May 2023 in respect of the Rights Issue 2023.
- (2) Based on the Company's announcement dated 28 February 2025, the Company has varied approximately RM11.48 million of the proceeds raised from the Rights Issue 2023 that was originally earmarked for the expansion of the manufacturing business for the following purposes:
- (i) RM9.20 million for the procurement of raw material for its labelling and packaging business; and
 - (ii) RM2.28 million for working capital of the Group.

The aforesaid variation of RM11.48 million represented approximately 24.85% of the total proceeds raised from the Rights Issue 2023 and was therefore not subject to the approval from Shareholders. Save for the reallocation of proceeds as set out above, the variation did not have any material impact to the Group's expansion of the manufacturing business.

- (3) The breakdown of the utilisation of proceeds for expansion of the manufacturing business is as follows:

	(A)	(B)	(C) = (A) + (B)	(D)	(E) = (C) – (D)
	Proposed utilisation RM'000	Variation RM'000	After the variation RM'000	Actual proceeds utilised RM'000	Balance proceeds unutilised RM'000
Expansion of the manufacturing business					
Expansion of the face mask business ⁽ⁱ⁾	14,000	(6,693)	7,307	4,700	2,607
Replacement and/or upgrade machineries for the labelling business ⁽ⁱⁱ⁾	10,000	-	10,000	3,644	6,356
Refurbishment and renovation of factories ⁽ⁱⁱⁱ⁾	7,000	-	7,000	7,000	-
Installation and commissioning ^(iv)	5,000	(4,783)	217	217	-
Total	36,000	(11,476)	24,524	15,561	8,963

Sub-notes:

- (i) Comprises the acquisition of machineries such as 3-ply surgical face mask machines, respirator face mask machine, inkjet printing machine and digital printing machine.
 - (ii) Comprises the acquisition of machineries such as bag packing machines, scanner inspection system and printing machines as well as maintenance and upgrades costs.
 - (iii) Comprises the refurbishment and renovation of the following factories:
 - (a) new factory buildings within Klang Valley to house the Group's expansion plan for the face mask business; and
 - (b) new factory buildings in Plentong, Johor to relocate the Group's existing factory in Johor Bahru to house its labelling business and its expansion for the face mask business.
 - (iv) Comprises the testing and commissioning costs for the new machineries acquired and product registration costs to commission the production of face mask such as the relevant certification fee as well as exporting licensing.
- (4) The breakdown of the utilisation of proceeds for product development for the Group's face mask business is as follows:

Product development expenses	Proposed utilisation RM'000	Actual proceeds utilised RM'000	Balance proceeds unutilised RM'000
Hire of personnel	1,968	-	1,968
Tools and equipment	1,000	-	1,000
Material costs	1,000	1,000	-
Other incidental expenses	1,032	1,000	32
Total	5,000	2,000	3,000

- (5) The breakdown of the utilisation of proceeds for working capital is as follows:

	(A)	(B)	(C) = (A) + (B)	(D)	(E) = (C) – (D)
Working capital	Proposed utilisation RM'000	Variation RM'000	After the variation RM'000	Actual proceeds utilised RM'000	Balance proceeds unused RM'000
Payment of staff salaries	3,585	1,821	5,406	5,406	-
Operating and administrative expenses such as utilities, rental costs, transportation costs and upkeep of office	896	455	1,351	1,351	-
Total	4,481	2,276	6,757	6,757	-

- (6) The Company had on 28 February 2025 varied RM9.20 million of the proceeds raised from Rights Issue 2023 for the procurement of raw material for its labelling and packaging business. As at the LPD, the Group has utilised RM8.54 million for the purchase of raw materials such as adhesive paper, films, ink foils and packaging substrates.

Further details of the proposed utilisation of the proceeds from the Rights Issue 2023 are set out in the abridged prospectus dated 29 May 2023 and the Company's announcement dated 28 February 2025.

As shown above, the Company has yet to utilise approximately RM12.63 million of the Rights Issue Proceeds which were originally earmarked mainly to fund the expansion of the manufacturing business.

Following the outbreak of the COVID-19 pandemic in March 2020, there was a significant increase in demand for personal protective equipment, particular face masks. Capitalising on this opportunity, the Group ventured into the face mask business and undertook the Rights Issue 2023 to raise funds for this purpose. The proceeds raised from the Rights Issue 2023 were intended to be utilised for, among others, acquiring additional machineries to increase the production capacity for the face mask business. As at the LPD, the Group has invested approximately RM43.41 million in the face masks business.

Notwithstanding the above, the favourable condition in the face mask industry has since deteriorated. With the successful rollout of vaccination programmes and easing of containment measures globally, the mandatory requirement of wearing face masks in public areas has been lifted in Malaysia. Consequently, the demand for face masks has declined. Further details of the revenue contribution of the face mask business to the Group are set out in **Section 7, Appendix I** of this Circular.

The management had been continuously monitoring the development of the face mask industry and after due consideration, is of the view that the prospect of the face mask industry remains challenging and unfavourable. Therefore, continuing with the expansion of the Group's face mask business may not be in the best interest of the Company and its Shareholders. As at the LPD, the Group will continue with its existing face mask business and does not have any plans to expand and/or divest its face mask business. The Group will also continue to monitor the industry development and assess the next course of action for its face mask business periodically.

The Company proposes to reallocate the remaining Rights Issue Proceeds of RM12.63 million for the following purposes:

Utilisation of proceeds	Estimated timeframe for utilisation from the Proposed Variation taking effect	Amount RM'000
(i) Replacement and/or upgrade of machineries for the Group's labelling and packaging business	Within 24 months	3,000
(ii) Procurement of raw materials for the Group's labelling and packaging business	Within 24 months	2,000
(iii) Working capital for the Group's labelling and packaging business	Within 12 months	2,726
(iv) Repayment of bank borrowings	Within 6 months	4,900
Total		12,626

(i) **Replacement and/or upgrade of machineries for the Group's labelling and packaging business**

The Group intends to reallocate approximately RM3.00 million of the Rights Issue Proceeds to replace and/or upgrade these machineries, in the following manner:

Machineries	Estimated output per month (unit / meter) ('000)	Quantity	Estimated cost per unit RM'000	Total RM'000
Multiform machine	230	1	430	430
10 colours printing machine	590	1	1,820	1,820
6 colours printing machine	460	1	750	750
Total				3,000

The number and specification of these machines are subject to change, depending on the requirement of the Group at the relevant point in time. The machineries currently deployed in the Group's labelling and packaging business typically have an average useful life of 20 to 30 years. Currently, most of these machineries are up to 30 years old and hence, some will require upgrades and/or replacement.

Among the limitations of these old machineries are, less efficient and higher reliance on manual labour, frequent and costly replacement of worn-out parts and/or difficulty in sourcing for replacement parts, as well as inability to cater to certain specifications required by customers. As such, the replacement and/or upgrade of these machineries is expected to be more efficient and able to better meet the specifications requirements of the Group's customers as compared to the existing machineries.

The Group is currently exploring machineries that have more advanced technologies with a higher degree of automation. The new machineries are expected to, among others:

- (a) improve the Group's capability to cater for customised and higher-specification label requirements;
- (b) increase production output, shorten production lead-time and improve quality consistency;
- (c) reduce wastage and production costs; and
- (d) strengthen the Group's market positioning by attracting new customers and creating greater brand awareness, including through marketing initiatives such as showcasing new manufacturing capabilities and upgrading its corporate website to highlight the Group's enhanced product or service range.

Accordingly, the replacement and/or upgrade of machineries is expected to support the Group's existing business operations and also contribute to its long-term growth.

(ii) Procurement of raw materials for the Group’s labelling and packaging business

The Group intends to reallocate RM2.00 million of the Rights Issue Proceeds for the procurement of raw materials for the Group’s labelling and packaging business.

The raw materials required by the Group for its labelling and packaging business include adhesive paper, films, inks, foils and packaging substrates. Bulk procurement of such materials will enable the Group to secure more favourable pricing terms from suppliers, which is expected to improve the gross margins of the labelling and packaging business.

Further, maintaining sufficient stock level of frequently used raw materials will allow the Group to:

- (a) mitigate risks of supply chain disruptions and price fluctuations;
- (b) minimise production downtime caused by delays in the delivery of raw materials; and
- (c) ensure the Group is able to meet urgent or large orders from customers in a timely manner.

Based on the latest audited consolidated financial statements of the Group for the FYE 30 June 2025, the Group had incurred approximately RM11.68 million on raw material purchases for the labelling and packaging business. This translated into an average monthly requirement of RM0.98 million for raw materials. Based on the foregoing, the reallocation of RM2.00 million of the Rights Issue Proceeds is expected to provide funding for approximately 2 months of the Group’s raw material requirements.

(iii) Working capital for the Group’s labelling and packaging business

The Group intends to reallocate RM2.73 million of the Rights Issue Proceeds to the working capital for the Group’s labelling and packaging business in the following manner.

Working capital	Percentage allocation %	Amount RM'000
Payment of staff salaries	85	2,317
Operating and administrative expenses such as utilities, rental costs, transportation costs and upkeep of office ⁽¹⁾	15	409
Total		2,726

Note:

- (1) The actual breakdown of these expenses cannot be determined at this juncture as it will depend on the actual administrative requirements of the Group at the relevant time.

As at the LPD, the Group’s net cash and bank balances after excluding the Rights Issue Proceeds amounted to approximately RM5.58 million. Based on the latest audited consolidated financial statements of the Group for the FYE 30 June 2025, the Group incurred approximately RM8.20 million for operating expenses (after excluding non-cash expenses). This translated into an estimated average monthly requirement of approximately RM0.68 million.

The working capital allocation will strengthen the Group’s financial flexibility and provide adequate liquidity to support the anticipated growth of the labelling and packaging business following the machinery upgrade and bulk procurement of raw materials.

(iv) **Repayment of bank borrowings**

As at the LPD, the Group's total borrowings amounted to approximately RM8.42 million, comprising bank overdrafts and term loans. The Group intends to reallocate RM4.90 million of the Rights Issue Proceeds to repay its bank borrowings, as follows:

Type of borrowings	Purpose of the borrowings	Interest rate per annum %	Amount outstanding as at the LPD RM'000	Estimated annual interest savings RM'000
Overdraft	Working capital	BLR + 0.5%	(1)4,907	340

Note:

(1) The amount was utilised for working capital in the following manner:

Working capital	Amount RM'000
Payment of staff salaries	3,760
Operating and administrative expenses such as utilities, rental costs, transportation costs and upkeep of office	1,147
Total	4,907

As set out above, the settlement of the outstanding loans is expected to result in interest savings of approximately RM0.34 million per annum based on the interest rate of 6.95% as at the LPD.

As the Proposed Variation entails the variation of more than 25% of the total proceeds of raised from the Rights Issue 2023 of RM46.18 million (i.e. 50.75%) as follows:

	Variation to the Rights Issue Proceeds	
	RM'000	%
First variation announced on 28 February 2025	11,476	24.85
Proposed Variation	11,963	25.90
Total variation	23,439	50.75
Rights Issue Proceeds	46,181	

The Proposed Variation is deemed a material change to the utilisation of proceeds raised from the Rights Issue 2023 in accordance with Paragraph 8.22(1) of the Listing Requirements. Accordingly, the Company is required to seek for its Shareholders' approval for the Proposed Variation.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Share Capital Reduction

The Proposed Share Capital Reduction will enable the Company to rationalise its financial position by reducing the accumulated losses to more appropriately reflect the value of the underlying assets and financial position. In addition, the reduction of accumulated losses is expected to enhance the credibility of both the Company and the Group with the bankers, customers, suppliers, investors and other stakeholders.

3.2 Proposed Variation

As set out in **Section 2.2** of this Circular, the balance of the unutilised Rights Issue Proceeds was originally intended for, among others, the Group's expansion of its face mask business. However, the prospects of the face mask industry have remained unfavourable following the overall recovery of the COVID-19 pandemic and therefore, proceeding with the Group's expansion of the face mask business may not be in the best interest of the Company and its Shareholders.

In view of the above, the Proposed Variation represents an avenue for the Company to reallocate the Rights Issue Proceeds for its existing labelling and packaging business (including, among others, the replacement and/or upgrade of machineries, procurement of raw materials), which is expected to better contribute to the overall financial performance of the Group. In this regard, the Proposed Variation is expected to continue strengthen its core business (i.e. labelling and packaging business) through the replacement and/or upgrade of the old machineries to improve the Group's capability and efficiency in the labelling and packaging business. This is expected to contribute positively to the financial performance of the Group.

4. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

4.1 Overview and outlook of the Malaysian economy

In 2025, the economy is expected to grow between 4% and 4.8%, underpinned by firm domestic demand. From the demand perspective, private consumption is anticipated to remain resilient, supported by higher disposable income, favourable labour market conditions, targeted assistance programmes and vibrant tourism activities. Investment momentum will be sustained by the realisation of multi-year projects and strong inflows into high-growth segments such as semiconductors and data centres. From a supply perspective, the services and manufacturing sectors will continue to lead growth. The services sector will be driven by robust tourism activities, dynamic retail trade and increased demand for business-related services. Meanwhile, the manufacturing sector will benefit from growing semiconductor demand due to the expansion of the digital economy and the increasing use of artificial intelligence (“AI”) edge applications as well as strong performance in domestic-oriented industries.

In 2026, Malaysia’s economy is projected to expand between 4% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System (“SSPA”), continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026 (“VM2026”). In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing will remain key drivers of growth, complemented by sustained construction and agriculture sectors.

Malaysia’s economy is expected to maintain resilient growth trajectory, anchored by a diversified economic structure and sound policy management against heightened global uncertainties, stemming from unsettled trade tariffs and prolonged geopolitical tensions. While Malaysia’s export-oriented markets remain vulnerable, domestic demand will continue to provide a solid foundation, supported by a strong labour market and vibrant private consumption. The upcoming VM2026 is strategically positioned to act as a lever for the economy. With the target of attracting 47 million foreign visitors, VM2026 is set to boost the services sector including retail, transportation and hospitality, while the manufacturing sector and trade remain supportive. The combination of a robust domestic economy, enhanced trade diversification and a major tourism impetus, positions Malaysia to navigate global headwinds and sustain the nation’s growth momentum.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

4.2 Overview and outlook of the manufacturing industry in Malaysia

The manufacturing sector grew by 3.9% in the first half of 2025, supported by expansion in both export- and domestic-oriented industries. The export-oriented industries dominated the first half performance, recording a steady growth of 4.8%, primarily driven by strong gains in the E&E segment. This growth is on the back of demand for data centre-related components and the emergence of initial AI edge applications. Meanwhile, the domestic-oriented industries registered a growth of 2.2%, contributed by continued household spending and construction-related activities.

For the second half of the year, the sector is projected to record a growth of 3.6%, in line with steady performance in all subsectors. Within the export-oriented industries, higher investment in the semiconductor segment and continued implementation of initiatives under existing policies, among others the New Industrial Master Plan 2030 (NIMP 2030) and National Semiconductor Strategy (NSS), will further enhance competitiveness through stronger industrial clusters and greater digital adoption. In addition, an upsurge in activities of mining-related clusters are anticipated to bolster the industries' growth. Meanwhile, robust domestic consumption in the consumer goods and construction segments is anticipated to support the domestic-oriented industries. The demand for consumer-related products, particularly in the food and beverages as well as transportation segments, will be underpinned by higher tourism-related activities. On the other hand, building materials such as metal and cement are expected to record higher production, in line with the steady performance of the construction sector. Hence, the manufacturing sector is projected to register a growth of 3.8% in 2025.

Growth in the manufacturing sector is projected to remain steady at 3% in 2026, supported by both export- and domestic-oriented industries. The broader gains from the global technology upcycle is anticipated to continue supporting export-oriented industries. The electric and electronic ("E&E") cluster is expected to remain the key driver, with sustained growth across semiconductor products, particularly in the chips segment, following robust demand for AI applications and digitalisation. These developments will further elevate growth prospects and strengthen Malaysia's position in the global E&E supply chain. Meanwhile, domestic-oriented industries will be supported by higher output, attributed to stable investment and consumption activities as well as concerted government efforts to boost local production. A surge in visitor arrivals and rising gastronomic activities are expected to increase output in the consumer goods segment, particularly food and beverages. Furthermore, Phase 2 of the SSPA implementation is anticipated to boost household spending. The transportation-related industries will also benefit from increasing logistics and travel activities.

(Source: Economic Outlook 2026, Ministry of Finance)

4.3 Overview and outlook of the self-adhesive label industry in Malaysia

Packaging and labelling are essential components of modern product marketing and distribution, serving both commercial and regulatory purposes. Product labels play a critical role in brand presentation, consumer communication and compliance with applicable labelling requirements across multiple industries, and self-adhesive labels are widely used across diverse packaging formats and end-use environments.

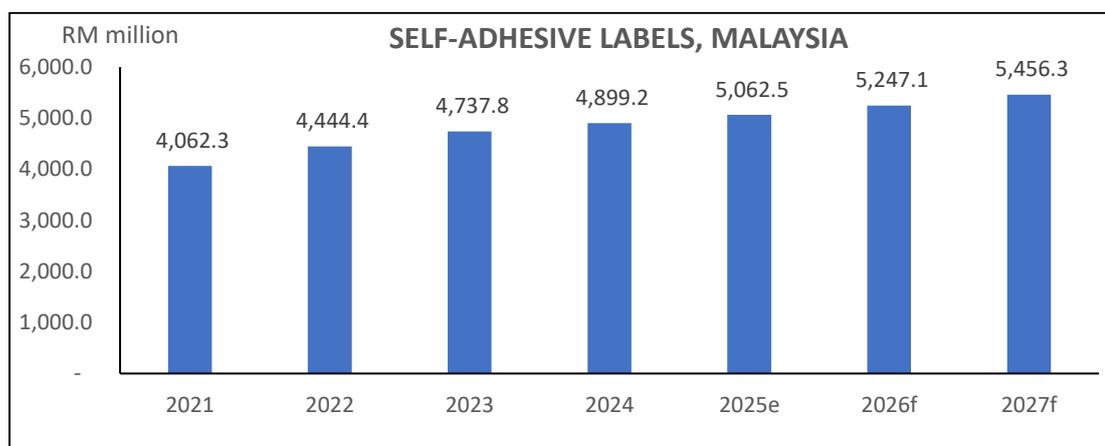
Self-adhesive labels are manufactured using industrial printing technologies such as flexographic, digital and offset printing, and are available in a wide range of shapes, sizes, colours and substrate materials. They are engineered with enhanced functional properties, including resistance to moisture, chemicals, abrasion, temperature and ultraviolet exposure, as well as specialised features such as food-grade compliance, removable or repositionable adhesives, tamper-evident mechanisms and traceability solutions such as barcodes, QR codes and RFID.

These labels serve as a primary medium for displaying essential product information to meet regulatory requirements and consumer information expectations, while also enhancing shelf appeal and supporting brand recognition.

In Malaysia, self-adhesive label manufacturers convert raw materials such as polymer films, paper substrates, adhesive formulations, printing inks and release liners into finished label products supplied to a broad range of end-user sectors, including food and beverages, pharmaceutical, healthcare, personal care, household, industrial, automotive, logistics and e-commerce. Label specifications are typically customised based on product surface characteristics, environmental exposure, durability requirements and regulatory standards. Manufacturers add value through customised solutions, technical advisory services and quality assurance, particularly for applications requiring regulatory compliance, traceability, security features and performance consistency.

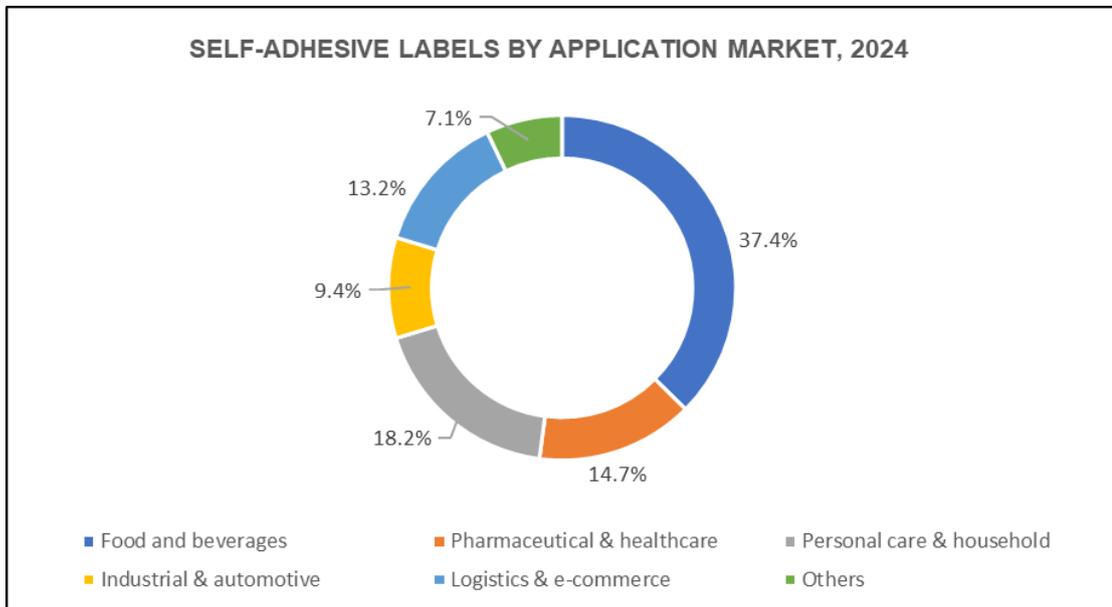
The industry is subject to sector-specific labelling regulations enforced by relevant Malaysian authorities. Barriers to entry are generally moderate, with capital investment required for printing equipment and quality systems, while long-term success depends on consistent quality, operational reliability, regulatory compliance and strong customer relationships.

The self-adhesive label industry in Malaysia expanded by 3.4% to RM4,899.2 million in 2024, up from RM4,737.8 million in 2023. The market is estimated to grow 3.3% to RM5,062.5 million in 2025, and is projected to continue its gradual growth trajectory, increasing to RM5,247.1 million in 2026 and RM5,456.3 million in 2027, supported by stable demand across consumer, industrial and logistics-related applications.



Notes:
e = estimate
f = forecast

In terms of application, the food and beverages segment represents the largest source of demand, accounting for approximately 37.4% in 2024, driven by sustained consumption of packaged and convenience foods and the need for regulatory-compliant, moisture-resistant labelling. This is followed by the personal care and household segment (18.2%), pharmaceutical and healthcare segment (14.7%), and logistics and e-commerce segment (13.2%), each supported by steady consumption of essential products, stringent regulatory and traceability requirements, and continued growth in distribution, warehousing and parcel delivery activities.



The Malaysian self-adhesive label market is supported by Malaysia’s diversified manufacturing activities and ongoing demand from a broad range of end-user sectors. Demand is driven by the expansion of key sectors, rising consumer preference for packaged products, increased emphasis on product safety, traceability and information disclosure, and halal certification requirements. The growth of e-commerce and logistics activities, together with supply-chain digitalisation, has expanded demand for shipping labels, barcodes, QR codes and track-and-trace applications. Sustainability considerations are also influencing label specifications, with customers increasingly requiring recyclable materials and waste-reduction solutions.

The industry is fragmented and competitive, with competition based on product quality, turnaround time, price, technical capabilities, regulatory compliance and customer service. Differentiation is increasingly driven by customised and value-added solutions. Market demand remains supported by recurring replenishment cycles, particularly in regulated sectors such as pharmaceuticals, healthcare, food processing, logistics and industrial applications, where purchasing decisions are primarily influenced by compliance and functional performance.

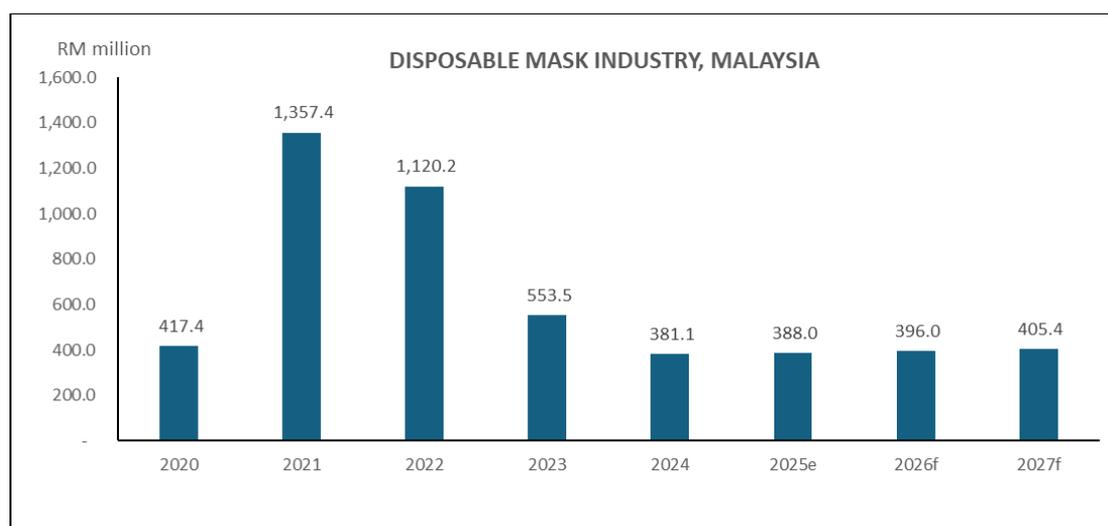
Key macro trends supporting demand include:

- Continued urbanisation, with Malaysia's urban population increasing from approximately 22.6 million in 2014 to approximately 28.2 million in 2024 (CAGR: 2.2%), and urbanisation rising from 73.6% to 79.2% over the same period.
- Rising gross national income (GNI) per capita, increasing from RM42,838 in 2020 to RM54,793 in 2024 (CAGR: 6.4%), and projected to reach RM77,289 by 2030.
- Premiumisation of consumer products, leading to greater demand for enhanced label quality and value-added features.
- Further penetration of digital supply-chain solutions, increasing the use of barcodes, QR codes and track-and-trace systems.

(Source: IMR Report)

4.4 Overview and outlook of the disposable masks industry in Malaysia

The Malaysian disposable mask industry experienced a sharp post-pandemic contraction, with market size declining by 31.2% in 2024 to RM381.1 million from RM553.5 million in 2023, following the normalisation of pandemic-driven demand. This contraction reflects the structural unwind of emergency consumption and the exit or consolidation of smaller and opportunistic manufacturers that entered the market during the COVID-19 period.



Notes:

e = estimate

f = forecast

Going forward, the industry is expected to stabilise at a significantly lower base, with market size projected to remain largely flat at approximately RM388.0 million in 2025 and edging to RM396.0 million and RM405.4 million in 2026 and 2027, respectively. Any expansion is expected to be limited and incremental, reflecting replacement and institutional demand rather than broad-based market growth.

Overall, the disposable mask industry has transitioned from an exceptional, crisis-driven market to a structurally smaller and mature demand environment. Future demand is expected to be driven primarily by institutional and regulated end users, with limited growth prospects and reduced sensitivity to consumer-driven demand cycles.

(Source: IMR Report)

4.5 Prospects of Komarkcorp Group

The Group is primarily involved in the label and printing as well as face mask business. In the last few years, the Group has undertaken, among others, the following initiatives in its efforts to improve the Group's financial and operational performance:

- (i) In 2020, the Group diversified into the manufacturing and sale of face mask to capitalise on the global shortage of face mask resulting from the COVID-19 pandemic. In conjunction with the diversification, the Group completed a private placement exercise in December 2020, raising gross proceeds of RM59.21 million. The proceeds were mainly utilised for the acquisition of machineries to set up the face mask business.
- (ii) In 2021, the Group completed a private placement exercise in May 2021, raising gross proceeds of RM12.93 million, which were mainly utilised for the expansion of the face mask production capacity.
- (iii) In 2022, the Group introduced new products and services within its labelling and packaging business, focusing on flexible packaging, which included pouch packaging, roll-fed form, foil lids, shrink sleeves, lidding film and recyclable packaging.
- (iv) In 2022, the Group disposed of its subsidiary, Komark (Thailand) Co Ltd to D'Nonce Technology Bhd for a consideration of RM9.10 million. This was aimed at reducing operating costs and streamlining the Group's labelling and packaging operations. The disposal was completed in December 2022.
- (v) In 2023, the Group undertook the Rights Issue 2023, which was completed in June 2023, and raised proceeds of RM46.18 million. The proceeds were intended to be utilised mainly for the expansion of the face mask manufacturing business and enhancement for the labelling and packaging business.

Apart from the above, the Group also intends to turnaround its existing core business of manufacturing self-adhesive labelling and flexible packaging by implementing cost cutting measures (e.g. reducing reliance on manual labour, minimising materials wastage and optimising raw material procurement through bulk purchasing) and improving operational efficiency as well as attracting new customers and creating brand awareness in both domestic and global markets through participation in marketing events, advertising in magazines and on online platforms.

The Board remains cognisant of the evolving challenges in the Group's business landscape, particularly in the face mask business, and has implemented targeted mitigation strategies to address these challenges. Accordingly, the Group is redirecting resources towards the label and printing business, which represents the Group's core business, while continuing to pursue export market opportunities for face masks.

Premised on the above, the Group remains cautiously optimistic of its future prospects moving forward.

(Source: Management of Komarkcorp)

5. EFFECTS OF THE PROPOSALS

5.1 Share capital

The Proposed Variation will not have any effect on the issued share capital of the Company.

The pro forma effects of the Proposed Share Capital Reduction on the issued share capital of the Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	Share capital RM	No. of Shares	Share capital RM
Issued share capital as at the LPD ⁽¹⁾	230,921,376	173,277,341	230,921,376	173,277,341
Assuming full exercise of Warrants D ⁽²⁾	-	-	38,483,696	20,203,949
After full exercise of Warrants D	230,921,376	173,277,341	269,405,072	193,481,290
Reduction of issued share capital pursuant to the Proposed Share Capital Reduction	-	(148,700,000)	-	(148,700,000)
Issued share capital after the Proposed Share Capital Reduction	230,921,376	24,577,341	269,405,072	44,781,290

Notes:

- (1) Includes 3,600 Shares held as treasury shares.
- (2) Based on the exercise price of RM0.40 per Warrant D and after accounting for the reversal of the warrants reserve of RM4.81 million.

5.2 NA and gearing

The pro forma effects of the Proposals on the NA and gearing of the Group are as follows:

Minimum Scenario

	Audited as at 30 June 2025 RM'000	After the Proposals⁽¹⁾⁽²⁾ RM'000
Share capital	173,277	24,577
Treasury shares	(4)	(4)
Warrant reserve	4,810	4,810
Other reserve	22,254	22,254
Accumulated losses	(116,785)	31,915
Shareholders' equity / NA	83,552	83,552
Non-controlling interests	(3,566)	(3,566)
Total equity	79,986	79,986
No. of Shares in issue ('000)	230,918	230,918
NA per Share (RM)	0.36	0.36
Total borrowings	11,711	6,811
Gearing (times)	0.15	0.09

Notes:

- (1) After setting-off RM148.70 million from the Company's accumulated losses due to the cancellation of the Company's issued share capital.
- (2) After taking into account the repayment of bank borrowings as set out in **Section 2.2** of this Circular.

Maximum Scenario

	Audited as at 30 June 2025 RM'000	(I) After assuming full exercise of Warrants D⁽¹⁾ RM'000	(II) After (I) and the Proposals⁽²⁾⁽³⁾ RM'000
Share capital	173,277	193,481	44,781
Treasury shares	(4)	(4)	(4)
Warrant reserve	4,810	-	-
Other reserve	22,254	22,254	22,254
Accumulated losses	(116,785)	(116,785)	31,915
Shareholders' equity / NA	83,552	98,946	98,946
Non-controlling interests	(3,566)	(3,566)	(3,566)
Total equity	79,986	95,380	95,380
No. of Shares in issue ('000)	230,918	269,405	269,405
NA per Share (RM)	0.36	0.37	0.37
Total borrowings	11,711	11,711	6,811
Gearing (times)	0.15	0.12	0.07

Notes:

- (1) Assuming full exercise of 38,483,696 Warrants D at the exercise price of RM0.40 each and after accounting for the reversal of warrants reserve.
- (2) After setting-off RM148.70 million from the Company's accumulated losses due to the cancellation of the Company's issued share capital.
- (3) After taking into account the repayment of bank borrowings as set out in **Section 2.2** of this Circular.

5.3 Substantial Shareholder's shareholdings

The Proposals will not have any effect on the group structure and substantial Shareholder's shareholdings in the Company.

5.4 Earnings and EPS

The Proposals will not have any material effect on the consolidated earnings of the Group for the FYE 30 June 2026. Barring any unforeseen circumstances, the utilisation of the Rights Issue Proceeds pursuant to the Proposed Variation is expected to contribute positively to the future earnings and EPS of the Group.

5.5 Convertible securities

As at the LPD, the Company has 38,483,696 outstanding Warrants D.

As at the LPD, there is no outstanding ESOS Option which has been granted but yet to be exercised, and there are up to 34,638,200 ESOS Options which may be granted and/or exercised pursuant to the maximum allowable amount under the ESOS.

Save as disclosed above, the Company does not have any other outstanding convertible securities.

The Proposals will not result in any adjustment to the exercise price and/or number of Warrants D and ESOS Options pursuant to the Deed Poll D and By-Laws, respectively.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Komarkcorp Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:

	High RM	Low RM
2025		
February	0.100	0.090
March	0.095	0.080
April	0.085	0.070
May	0.085	0.065
June	0.070	0.060
July	0.070	0.045
August	0.055	0.040
September	0.075	0.040
October	0.070	0.050
November	0.055	0.045
December	0.055	0.045
2026		
January	0.055	0.045
Last transacted market price on 21 January 2026, being the last market day immediately prior to the first announcement of the Proposals	0.050	
Last transacted market price on the LPD (RM)	0.050	

(Source: Bloomberg)

7. ESTIMATED TIMEFRAME FOR COMPLETION

The tentative timeline for the implementation of the Proposals is as follows:

Date	Events
2 April 2026	- EGM for the Proposals - Effective date of the Proposed Variation
June 2026	- Lodgement of documents to the CCM for the Proposed Share Capital Reduction - Effective date of the Proposed Share Capital Reduction

8. APPROVALS REQUIRED AND CONDITIONALITY

The Proposals are subject to the following being obtained:

- (i) the approval from Shareholders at the forthcoming EGM; and
- (ii) the approvals / consents from any other authorities, if required.

For avoidance of doubt, the Proposed Share Capital Reduction is not subject to the approval of the court as it is carried out pursuant to Section 117 of the Act.

The Proposals are not inter-conditional and not conditional upon any other proposals undertaken or to be undertaken by the Company.

9. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there are no other corporate exercises which have been announced by the Company but pending completion as at the date of this Circular.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major Shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposals.

11. BOARD'S RECOMMENDATION

The Board, having considered all aspects of the Proposals, including but not limited to the rationale and the financial effects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.

Accordingly, the Board recommends that you VOTE IN FAVOUR of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

12. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Lot 132, Jalan 16/1, Kawasan Perindustrian Cheras Jaya, 43200 Balakong, Selangor Darul Ehsan on the date and time indicated below or at any adjournment thereof for the purpose of considering and, if thought fit, passing the resolutions, with or without modifications, to give effect to the Proposals.

Date and time of the EGM : Thursday, 2 April 2026 at 10.30 a.m.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy by completing the Proxy Form in accordance with the instructions stated therein. The Proxy Form must be deposited at the Share Registrar office of the Company, Aldpro Corporate Services Sdn Bhd 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 stipulated for holding the EGM or at any adjournment thereof. The completion and lodging of the Proxy Form will not preclude you from attending and voting at the EGM should you subsequently wish to do so and in such an event, your Proxy Form shall be deemed to have been revoked.

13. FURTHER INFORMATION

You are requested to refer to the appendix for further information.

Yours faithfully,
For and on behalf of the Board of
KOMARKCORP BERHAD

ROY HO YEW KEE
Executive Director

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular or other facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST**2.1 TA Securities**

TA Securities, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

TA Securities has confirmed that there is no conflict of interest that exists or any circumstances which would or is likely to give rise to a possible conflict of interests in relation to its role as the Principal Adviser for the Proposals.

2.2 Infobusiness

Infobusiness, being the independent market researcher for the Proposals, have given and has not subsequently withdrawn its written consent to the inclusion of its name and extracts of its IMR Report referred to in **Sections 4.3** and **4.4** of this Circular in the form and context in which it appears in this Circular.

Infobusiness has confirmed that there is no conflict of interest that exists or any circumstances which would or is likely to give rise to a possible conflict of interests in relation to its role as the independent market researcher for the Proposals.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**Material commitments**

As at the LPD, the Board confirmed that there is no material commitment incurred or known to be incurred by the Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group.

Contingent liabilities

As at the LPD, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group.

4. MATERIAL CONTRACTS

Save as disclosed below, the Board confirmed that there are no material contracts (not being contracts entered into the ordinary course of business) which have been entered into by the Group within 2 years immediately preceding the date of this Circular.

(i) **Sale and Purchase Agreement (Relating to the 424.8 kwp Solar PV System at Lot 132, Kawasan Perusahaan Cheras Jaya, 43200 Cheras, Selangor) dated 19 June 2025 (“SPA”) between Komark International (M) Sdn Bhd, a wholly-owned subsidiary of the Company, as the vendor (“KIM”) and Vsolar Engineering Sdn Bhd as the purchaser (“VESB”):**

KIM was the owner of a solar photovoltaic energy generating system with a DC capacity of 424.8 kwp (“**Solar PV System**”) located on the premises owned by KIM erected on the piece of land held under Lot 132, Kawasan Perusahaan Cheras Jaya, 43200 Cheras, Selangor (“**Said Premises**”) to generate and supply solar photovoltaic energy.

Pursuant to the SPA, KIM has agreed to sell and VESB has agreed to purchase the Solar PV System free from all encumbrances upon the terms and conditions of the SPA and at a purchase consideration of RM1,400,000.00 (“**Purchase Consideration**”), which shall be satisfied by cash, whereby seventy percent (70%) of the Purchase Consideration amounting to RM980,000.00 shall be paid by VESB to KIM on the date of the SPA (“**Deposit**”) and thirty percent (30%) of the Purchase Consideration amounting to RM420,000.00 shall be paid by VESB to KIM on the completion date of the SPA (“**Balance Purchase Consideration**”).

The Balance Purchase Consideration was paid by VESB to KIM on 7 August 2025 and, as such, the completion date of the SPA is on 7 August 2025.

(ii) **Rooftop Solar Supply Agreement dated 1 July 2025 (“Solar Supply Agreement”) between KIM and VESB:**

Pursuant to the Solar Supply Agreement, KIM and VESB had agreed that the solar photovoltaic energy generated from the Solar PV System (“**Net Energy Electrical Output**”) shall be supplied and used by KIM upon the terms and conditions of the Solar Supply Agreement. In consideration of the Net Energy Electrical Output generated and delivered from the Solar PV System, KIM shall make solar energy payments (“**Solar Energy Payment**”) to VESB in accordance with such Net Energy Electrical Output generated and delivered from the Solar PV System.

Unless otherwise terminated in accordance with the Solar Supply Agreement, the Solar Supply Agreement shall be effective for a period of ten (10) years (“**Term**”) and may be renewed for a further period of ten (10) years (“**1st Extended Term**”) and thereafter, the Solar Supply Agreement may be renewed for further period of five (5) years (“**2nd Extended Term**”).

As at the LPD, the Solar Supply Agreement is ongoing and subsisting.

5. MATERIAL LITIGATION

As at the LPD, the Group is not involved in any material litigation, claims or arbitration and the Board confirmed that there are no proceedings pending or threatened involving the Group, or of any facts likely to give rise to any such proceedings which might materially affect the business or financial position of the Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the EGM:

- (i) Constitution of the Company;
- (ii) audited consolidated financial statements of Komarkcorp for the 15-month FPE 30 June 2024 and FYE 30 June 2025 as well as unaudited consolidated financial statements of the Company for the 3-month FPE 30 September 2025;
- (iii) IMR Report;
- (iv) the letter of consent referred to in **Section 2** of this **Appendix I**;
- (v) the material contracts referred to in **Section 4** of this **Appendix I**; and
- (vi) deed poll constituting the Warrants D.

7. HISTORICAL FINANCIAL INFORMATION

A summary of the historical financial information of the Group is as follows:

	Audited				
	FYE 30 April 2021 RM'000	11-month FPE 31 March 2022 RM'000	FYE 31 March 2023 RM'000	15-month FPE 30 June 2024 RM'000	FYE 30 June 2025 RM'000
Revenue ⁽¹⁾	37,627	48,322	40,741	29,357	19,921
Cost of sales	(37,770)	(44,146)	(36,699)	(28,009)	(20,716)
(GL) / GP	(143)	4,176	4,042	1,348	(795)
Other income	1,733	636	4,546	1,782	2,560
Other operating expenses	(16,650)	(12,104)	(12,673)	(33,987)	(27,506)
Net (losses) / gain on impairment of financial assets	-	(101)	551	(9,831)	(412)
Finance costs	(1,071)	(547)	(599)	(949)	(1,165)
LBT	(16,131)	(7,940)	(4,133)	(41,637)	(27,318)
Taxation	176	141	380	(4)	839
Loss from discontinued operations, net of tax	-	(2,437)	(1,344)	-	-
LAT⁽¹⁾	(15,955)	(10,236)	(5,097)	(41,641)	(26,479)
LAT attributable to:					
- owners of the Company	(15,834)	(10,099)	(4,760)	(39,523)	(25,454)
- non-controlling interest	(121)	(137)	(337)	(2,118)	(1,025)
(GL) / GP margin (%)	(0.38)	8.64	9.92	4.59	(3.99)
LAT margin (%)	42.40	21.18	12.51	141.84	132.92
Weighted average number of Shares in issue ('000)	261,780	568,599	577,347	210,027	230,917
Basic LPS (sen) ⁽²⁾	(6.05)	(1.78)	(0.82)	(18.82)	(11.02)

Notes:

(1) The segmentation breakdown for revenue and LAT are as follows:

	FYE 30 April 2021 RM'000	11-month FPE 31 March 2022 RM'000	FYE 31 March 2023 RM'000	15-month FPE 30 June 2024 RM'000	FYE 30 June 2025 RM'000
Revenue					
Labelling and packaging	35,201	23,511	20,038	24,128	19,567
Face mask	2,426	24,811	20,703	5,229	354
	37,627	48,322	40,741	29,357	19,921
LAT					
Labelling and packaging	(14,302)	(8,422)	(4,621)	(12,612)	(12,437)
Face mask	(1,653)	(1,814)	(476)	(29,029)	(14,042)
	(15,955)	(10,236)	(5,097)	(41,641)	(26,479)

(2) Diluted LPS is not presented as the exercise of convertible securities would be anti-dilutive.

(i) FYE 30 June 2025 vs 15-month FPE 30 June 2024

The Group's revenue decreased by RM9.44 million or 32.14% from RM29.36 million for the 15-month FPE 30 June 2024 to RM19.92 million for the FYE 30 June 2025 (the annualised revenue for the 15-month FPE 30 June 2024 was RM23.49 million, representing a decrease of RM3.57 million or 15.18%). This was mainly due to the lower revenue from the face mask segment which decrease to RM0.35 million (15-month FPE 31 December 2024: RM5.23 million) arising from lower demand for face masks following the recovery of the COVID-19.

The Group's LAT decreased by RM15.16 million or 36.41% from RM41.64 million for the 15-month FPE 30 June 2024 to RM26.48 million for the FYE 30 June 2025 (the annualised LAT for the 15-month FPE 30 June 2024 was RM33.31 million, representing a decrease of RM6.83 million or 20.51%).

The decrease in LAT was mainly due to the following:

- (a) lower impairment losses on property, plant and equipment of RM4.81 million (FPE 2024: RM10.85 million); and
- (b) lower allowance for impairment losses on trade receivables of RM0.41 million (FPE 2024: RM9.77 million).

(ii) 15-month FPE 30 June 2024 vs FYE 31 March 2023

The Group's revenue decreased by RM11.38 million or 27.94% from RM40.74 million for the FYE 31 March 2023 to RM29.36 million for the 15-month FPE 30 June 2024 (the annualised revenue for the 15-month FPE 30 June 2024 was RM23.49 million, representing a decrease of RM17.25 million or 42.35%). This was mainly due to the lower revenue from the face mask segment which decrease to RM5.23 million (FYE 31 March 2023: RM20.70 million) arising from lower demand for face masks following the recovery of the COVID-19. The decrease in revenue was partially mitigated by the revenue increase in the labelling and packaging segment which increase to RM24.13 million (FYE 31 March 2023: RM20.04 million)

The Group's LAT increased by RM36.54 million or 716.97% from RM5.10 million for the FYE 31 March 2023 to RM41.64 million for the 15-month FPE 30 June 2024 (the annualised LAT for the 15-month FPE 30 June 2024 was RM33.31 million, representing an increase of RM28.21 million or 553.52%).

The increase in LAT was mainly due to the following:

- (a) decrease in GP by RM2.69 million in tandem with the decrease in revenue;
- (b) impairment of property, plant and equipment of RM10.85 million (FYE 31 March 2023: Nil);
- (c) allowance for impairment losses on trade receivables of RM9.77 million (FYE 31 March 2023: RM0.64 million);
- (d) inventories written down of RM2.45 million (FYE 31 March 2023: RM0.92 million); and
- (e) fair value loss on investment in quoted shares of RM4.07 million (FYE 31 March 2023: fair value gain of RM2.35 million).

(iii) FYE 31 March 2023 vs 11-month FPE 31 March 2022

The Group's revenue decreased by RM7.58 million or 15.69% from RM48.32 million for the 11-month FPE 31 March 2022 to RM40.74 million for the FYE 31 March 2023 (the annualised revenue for the 11-month FPE 31 March 2022 was RM52.71 million, representing a decrease of RM11.97 million or 24.71%. This was mainly due to the following:

- (a) lower revenue from the labelling and packaging segment which decrease to RM20.04 million (11-month FPE 31 March 2022: RM23.51 million) mainly due to:
 - (aa) the Group ceased to consolidate revenue from Komark (Thailand) Co Ltd (indirect wholly-owned subsidiary of the Company) in FYE 31 March 2023 following the disposal of this indirect subsidiary; and
 - (bb) General Labels and Labelling Pte Ltd (wholly-owned subsidiary of the Company) had ceased operation during FYE 31 March 2023.
- (b) lower revenue from face mask segment which decrease to RM20.70 million (11-month FPE 31 March 2022: RM24.81 million) arising from lower demand for face mask which is in line with the gradual relaxation of requirements of face mask following the recovery of the COVID-19.

The Group's LAT decreased by RM5.14 million or 50.21% from RM10.24 million for the 11-month FPE 31 March 2022 to RM5.10 million for the FYE 31 March 2023 (the annualised LAT for the 11-month FPE 31 March 2022 was RM11.17 million, representing a decrease of RM6.07 million or 54.36%).

The lower LAT was mainly due to the following:

- (a) one-off gain on disposal of a subsidiary amounting to RM1.40 million (11-month FPE 31 March 2022: Nil); and
- (b) fair value gain on investment in quoted shares amounting to RM2.35 million (11-month FPE 31 March 2022: Nil).

(iv) 11-month FPE 31 March 2022 vs FYE 30 April 2021

The Group's revenue increased by RM10.69 million or 28.42% from RM37.63 million for the FYE 30 April 2021 to RM48.32 million for the 11-month FPE 31 March 2022 (the annualised revenue for the 11-month FPE 31 March 2022 was RM52.71 million, representing an increase of RM15.08 million or 40.10% on an annualised basis. This was mainly due to higher revenue from the face mask segment which increase to RM24.81 million (FYE 30 April 2021: RM2.43 million) arising from the increase in production capacity during the 11-month FPE 31 March 2022 as well as the increase in the demand for face masks due to the COVID-19 pandemic. Further, the face mask segment of the Group only commenced operations in October 2020.

Notwithstanding the foregoing, the increase in revenue was partially offset by the lower revenue in the labelling and packaging segment which decrease to RM23.51 million (FYE 30 April 2021: RM35.20 million).

The Group's LAT decreased by RM5.72 million or 35.84% from RM15.96 million for the FYE 30 April 2021 to RM10.24 million for the 11-month FPE 31 March 2022 (the annualised LAT for the 11-month FPE 31 March 2022 was RM11.17 million, representing a decrease of RM4.79 million or 30.01%).

The lower LAT was mainly due to the following:

- (a) recorded GP of RM4.18 million (FYE 30 April 2021: GL of RM0.14 million); and
- (b) absence of amortisation of goodwill (FYE 30 April 2021: RM1.75 million).

(v) FYE 30 April 2021 vs FYE 30 April 2020

The Group's revenue decreased by RM1.92 million or 4.85% to RM37.63 million for the FYE 30 April 2021 to RM39.55 million for the FYE 30 April 2020. This was mainly due to lower revenue from the labelling and packaging segment which decrease to RM35.20 million (FYE 30 April 2020: RM39.55 million) arising from the following:

- (a) intense competition in the labelling and packaging segment;
- (b) loss of certain customers who have changed their product packaging specifications, which no longer require labels; and
- (c) the outbreak of the COVID-19 pandemic.

Notwithstanding the foregoing, the decrease in revenue was partially mitigated by the commencement of face mask segment in October 2020 which contributed RM2.43 million (FYE 30 April 2020: Nil).

The Group's LAT increased by RM5.25 million or 49.03% from RM10.71 million for the FYE 30 April 2020 to RM15.96 million for the FYE 30 April 2021. The higher LAT was mainly due to the amortisation of goodwill of RM1.75 million and mobilisation costs incurred for the expansion of the face mask segment.



KOMARKCORP BERHAD

(Registration No. 199601001919 (374265-A))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**” or “**Meeting**”) of Komarkcorp Berhad (“**Komarkcorp**” or the “**Company**”) will be held at Lot 132, Jalan 16/1, Kawasan Perindustrian Cheras Jaya, 43200 Balakong, Selangor Darul Ehsan, on Thursday, 2 April 2026 at 10.30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications:

SPECIAL RESOLUTION 1

PROPOSED REDUCTION OF UP TO RM148.70 MILLION OF THE ISSUED SHARE CAPITAL OF KOMARKCORP PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 (“ACT”) (“PROPOSED SHARE CAPITAL REDUCTION”)

“**THAT** subject to the approvals of the relevant authorities and/or parties being obtained, where required, approval be and is hereby given to the Company to reduce the issued share capital of the Company by way of cancellation of the issued share capital of the Company which is unrepresented by available assets of up to RM148.70 million pursuant to Section 117 of the Act. The corresponding credit of up to RM148.70 million arising from such cancellation will be solely utilised to set-off against the accumulated losses of the Company;

AND THAT the Board of Directors of the Company (“**Board**”) be and is hereby authorised and empowered to do or procure to be done all acts and things and to execute all necessary documents, to give full effect and to complete the Proposed Share Capital Reduction, with full powers to assent to any conditions or make any modifications, variations and/or amendments as may be required, or imposed by the relevant authorities or as may be required by the relevant authorities and as the Board may deem necessary and expedient to finalise, implement and give full effect to complete the Proposed Share Capital Reduction.”

ORDINARY RESOLUTION 2

PROPOSED VARIATION OF RM23.44 MILLION TO THE UTILISATION OF PROCEEDS PREVIOUSLY RAISED FROM THE RIGHTS ISSUE WITH WARRANTS EXERCISE UNDERTAKEN BY THE COMPANY THAT WAS COMPLETED ON 28 JUNE 2023 (“PROPOSED VARIATION”)

“**THAT** subject to the approval of all the relevant authorities, where required, approval be and is hereby given to the Company for the variation to the utilisation of proceeds previously raised from the rights issue with warrants exercise undertaken by the Company that was completed on 28 June 2023;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary to give effect and complete the Proposed Variation and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise, give full effect and to complete the Proposed Variation.”

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482 / SSM PC No. 202208000250)

Company Secretary

Kuala Lumpur
25 February 2026

Notes:

1. In respect of the deposited securities, only members whose names appear in the Record of Depositors on 18 March 2026 shall be eligible to attend the EGM 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 EGM, you must complete, sign and return the Proxy Form and deposit it at the Share Registrar office of the Company, Aldpro Corporate Services Sdn Bhd 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 EGM 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 EGM 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

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