

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

PROPOSED CONSOLIDATION OF EVERY 5 EXISTING ORDINARY SHARES IN KOMARKCORP (“KOMARKCORP SHARES” OR “SHARES”) INTO 1 KOMARKCORP SHARE (“CONSOLIDATED SHARE”) (“PROPOSED SHARE CONSOLIDATION”)

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 on a virtual basis and entirely via remote participation and voting operated by InsHub Sdn Bhd from the Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

If you decide to appoint a proxy or proxies for the EGM, you must complete, sign and return the Form of Proxy and deposit it at the 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 97702239 not less than 48 hours before the date and time indicated below or at any adjournment thereof. The completion and lodging of the Form of Proxy will not preclude you from attending and voting at the virtual EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last date and time for lodging the Form of Proxy	:	Saturday, 7 October 2023 at 10.30 a.m.
Date and time of the EGM	:	Monday, 9 October 2023 at 10.30 a.m.
Online meeting platform of the EGM	:	https://rebrand.ly/KomarkEGM

This Circular is dated 22 September 2023

DEFINITIONS

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

Adjustments of Warrants C	: Adjustments to be made to the exercise price and/or number of the Warrants C in accordance with the provisions of the Deed Poll C consequential to the Proposed Share Consolidation
Adjustments of Warrants D	: Adjustments to be made to the exercise price and/or number of the Warrants D in accordance with the provisions of the Deed Poll D consequential to the Proposed Share Consolidation
AGM	: Annual General Meeting
Board	: The Board of Directors of Komarkcorp
Books Closing Date	: A date to be determined and announced later by the Board, at the close of business on which the Shareholders must be registered in the Record of Depositors of the Company as at 5.00 p.m. in order to be entitled to participate in the Proposed Share Consolidation
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad
By-Laws	: The by-laws governing the ESOS
Circular	: This circular to Shareholders in relation to the Proposed Share Consolidation
Consolidated Shares	: Shares that have been consolidated following the completion of the Proposed Share Consolidation
Consolidated Warrants C	: Adjusted Warrants C after the Proposed Share Consolidation
Consolidated Warrants D	: Adjusted Warrants D after the Proposed Share Consolidation
Constitution	: Constitution of the Company
Convertible Securities	: Collectively, Warrants C and Warrants D
Deed Poll C	: The deed poll constituting Warrants C dated 6 January 2021
Deed Poll D	: The deed poll constituting Warrants D dated 12 May 2023
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

DEFINITIONS (CONT'D)

ESOS Options	:	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
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
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	6 September 2023, being the latest practicable date prior to the printing of this Circular
Market Day	:	Any day on which Bursa Securities is open for trading in securities
Maximum Scenario	:	Assuming all Convertible Securities are exercised into new Shares prior to the Books Closing Date
Minimum Scenario	:	Assuming none of the Convertible Securities are exercised into new Shares prior to the Books Closing Date
NA	:	Net assets
Proposed Consolidation Share	:	Proposed consolidation of every 5 existing Komarkcorp Shares held by the Shareholders on the Books Closing Date into 1 Consolidated Share
Record of Depositors	:	A record of securities holders provided by Bursa Depository under the rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991, including the Securities Industry (Central Depositories) Amendment Act, 1998
Rights Issues with Warrants	:	Listing and quotation of 577,256,790 Rights Shares together with 192,418,845 Warrants D and 65,403,769 additional Warrants C which was completed on 28 June 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 C	:	305,864,459 outstanding warrants 2021/2024 which will expire on 10 January 2024. Each Warrant C holder is entitled to subscribe for 1 new Share at the exercise price of RM0.43, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll C

DEFINITIONS (CONT'D)

Warrants D : 192,418,845 outstanding warrants 2023/2026 of the Company which will expire on 21 June 2026. Each Warrant D holder is entitled to subscribe for 1 new Share at the exercise price of RM0.08, subject to adjustments under circumstances prescribed in accordance with the terms and provisions of the Deed Poll D

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.

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EXECUTIVE SUMMARY

This Executive Summary of the Proposed Share Consolidation 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 Proposed Share Consolidation

The Proposed Share Consolidation entails the consolidation of every 5 existing Shares held by the Shareholders, whose names appear in the Company's Record of Depositors at the close of business on the Books Closing Date, into 1 Consolidated Share.

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

Rationale for the Proposed Share Consolidation

The reduction in the number of Shares available in the market may reduce the volatility of the trading price for the Shares. As the Shares are currently traded at relatively low price range, a small movement in the share price may be significant in percentage terms.

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

Approvals required

The Proposed Share Consolidation is subject to approvals being obtained from the following:

- (i) Bursa Securities had, vide its letter dated 6 September 2023, approved the Proposed Share Consolidation comprising the listing and quotation of;
 - (a) up to 330,579,328 Consolidated Shares;
 - (b) up to 61,172,891 Consolidated Warrants C; and
 - (c) up to 38,483,768 Consolidated Warrants D,on the Main Market of Bursa Securities;
- (ii) Shareholders at the forthcoming EGM; and
- (iii) any other relevant parties / authorities, if required.

Please refer to **Section 7** of this Circular for further information.

Board's recommendation

The Board recommends that you VOTE IN FAVOUR of the resolution pertaining to the Proposed Share Consolidation 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 9** of this Circular for further information.

KOMARK
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

22 September 2023

Board of Directors

YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Chairman / Independent Non-Executive Director)
Roy Ho Yew Kee (Executive Director)
Chan Jee Peng (Independent Non-Executive Director)
Koo Kien Keat (Independent Non-Executive Director)
Dr Azizah Binti Sulaiman (Independent Non-Executive Director)

PROPOSED SHARE CONSOLIDATION

1. INTRODUCTION

On 23 August 2023, TA Securities had, on behalf of the Board, announced that the Company proposes to undertake the Proposed Share Consolidation.

On 7 September 2023, TA Securities had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 6 September 2023, approved the Proposed Share Consolidation comprising the listing and quotation of:

- (i) up to 330,579,328 Consolidated Shares;
- (iii) up to 61,172,891 Consolidated Warrants C; and
- (iii) up to 38,483,768 Consolidated Warrants D,

on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the conditions as set out in **Section 7** of this Circular.

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

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HERIN BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHARE CONSOLIDATION AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

The Proposed Share Consolidation entails the consolidation of every 5 existing Shares held by the Shareholders, whose names appear in the Company's Record of Depositors at the close of business on the Books Closing Date, into 1 Komarkcorp Share.

As at the LPD, the Company has 1,154,613,338 Shares (including 18,000 treasury shares). The Company has the following convertible securities:

- (i) 305,864,459 Warrants C;
- (ii) 192,418,845 Warrants D; and
- (iii) up to 173,189,300 ESOS Options which may be granted and/or exercised pursuant to the maximum allowable amount under the ESOS.

As at the LPD, there are no outstanding ESOS Options which have been granted but unexercised. The Company does not intend to grant any ESOS Options prior to the completion of the Proposed Share Consolidation. For illustration:

- (i) assuming none of the Convertible Securities are exercised into new Shares prior to the Books Closing Date, the 1,154,613,338 Shares as at the LPD will be consolidated into 230,922,667 Consolidated Shares; and
- (ii) assuming all the Convertible Securities are exercised into new Shares prior to the Books Closing Date, the enlarged number of 1,652,896,642 Shares will be consolidated into 330,579,328 Consolidated Shares.

The actual number of Consolidated Shares will be determined based on the total number of issued Shares of the Company at the Books Closing Date to be determined later after taking into consideration any new Shares that may be issued arising from the exercise of any Convertible Securities.

Fractional entitlements arising from the Proposed Share Consolidation, if any, shall be disregarded and dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company.

The Proposed Share Consolidation will result in a reduction in the number of Shares available in the market. As such, the trading prices of the Shares will be adjusted accordingly in proportion to the basis of the Proposed Share Consolidation. Shareholders are strongly advised to trade cautiously to prevent overselling of their position in respect of their Shares.

2.1 Theoretical adjusted reference price of the Consolidated Shares, Consolidated Warrants C and Consolidated Warrants D

The Proposed Share Consolidation will result in an adjustment to the reference price of the Shares and Convertible Securities as listed and quoted on the Main Market of Bursa Securities but theoretically shall not have any impact on the total market value of the Shares and Convertible Securities.

(i) Consolidated Shares

For illustration, based on the last transacted market price of the Shares as at the LPD, the theoretical adjusted reference price of the Consolidated Shares upon completion of the Proposed Share Consolidation is as follows:

	No. of Shares	Closing market price / Theoretical adjusted reference price per Share (RM)	Total value ⁽¹⁾ (RM)
As at the LPD	1,154,613,338	0.04	46,184,534
After the Proposed Share Consolidation	230,922,667	0.20 ⁽²⁾	46,184,534

Notes:

(1) The total value is arrived at by multiplying the number of Shares with the closing market price / theoretical adjusted reference price per Share.

(2) The theoretical adjusted reference price is arrived at based on the following formula:

$$\begin{aligned}
 \text{Theoretical adjusted reference price} &= \text{Market price per Share} \times \frac{\text{Number of Shares before the Proposed Share Consolidation}}{\text{Number of Shares after the Proposed Share Consolidation}} \\
 &= 0.04 \times \frac{1,154,613,338}{230,922,667} \\
 &= 0.20
 \end{aligned}$$

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(ii) **Consolidated Warrants C**

The Proposed Share Consolidation will also result in an adjustment to the reference price of the Warrants C. For illustration, based on the last transacted market price of the Warrants C as at the LPD, the theoretical adjusted reference price of the Warrants C upon completion of the Proposed Share Consolidation is as follows:

	No. of Warrants C	Closing market price / Theoretical adjusted reference price per Warrant C (RM)	Total value ⁽¹⁾ (RM)
As at the LPD	305,864,459	0.005	1,529,322
After the Proposed Share Consolidation	61,172,891 ⁽²⁾	0.025 ⁽³⁾	1,529,322

Notes:

- (1) The total value is arrived at by multiplying the number of Warrants C with the closing market price / theoretical adjusted reference price per Warrant C.
- (2) The Proposed Share Consolidation is expected to result in adjustments to the exercise price and number of Warrants C, further details of which are set out in **Section 4.4.1** of this Circular.
- (3) The theoretical adjusted reference price is arrived at based on the following formula:

$$\begin{aligned} \text{Theoretical adjusted reference price} &= \text{Market price per Warrant C} \times \frac{\text{Number of Warrants C before the Proposed Share Consolidation}}{\text{Number of Warrants C after the Proposed Share Consolidation}} \\ &= 0.005 \times \frac{305,864,459}{61,172,891} \\ &= 0.025 \end{aligned}$$

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(iii) **Consolidated Warrants D**

The Proposed Share Consolidation will also result in an adjustment to the reference price of the Warrants D. For illustration, based on the last transacted market price of the Warrants D as at the LPD, the theoretical adjusted reference price of the Warrants D upon completion of the Proposed Share Consolidation is as follows:

	No. of Warrants D	Closing market price / Theoretical adjusted reference price per Warrant D (RM)	Total value⁽¹⁾ (RM)
As at the LPD	192,418,845	0.025	4,810,471
After the Proposed Share Consolidation	38,483,768 ⁽²⁾	0.125 ⁽³⁾	4,810,471

Notes:

- (1) The total value is arrived at by multiplying the number of Warrants D with the closing market price / theoretical adjusted reference price per Warrant D.
- (2) The Proposed Share Consolidation is expected to result in adjustments to the exercise price and number of Warrants D, further details of which are set out in **Section 4.4.2** of this Circular.
- (3) The theoretical adjusted reference price is arrived at based on the following formula:

$$\begin{aligned} \text{Theoretical adjusted reference price} &= \text{Market price per Warrant D} \times \frac{\text{Number of Warrants D before the Proposed Share Consolidation}}{\text{Number of Warrants D after the Proposed Share Consolidation}} \\ &= 0.025 \times \frac{192,418,845}{38,483,768} \\ &= 0.125 \end{aligned}$$

2.2 Ranking of the Consolidated Shares, Consolidated Warrants C and Consolidated Warrants D

The Consolidated Shares shall rank equally in all respects with one another.

The Consolidated Warrants C shall rank equally in all respects with one another.

The Consolidated Warrants D shall rank equally in all respects with one another.

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2.3 Suspension of trading, listing date and notices of allotment

There will not be any suspension of trading of the Shares, Warrants C and Warrants D on the Main Market of Bursa Securities pursuant to the Proposed Share Consolidation.

The Consolidated Shares, Consolidated Warrants C and Consolidated Warrants D will be listed and quoted simultaneously on the Main Market of Bursa Securities on the next Market Day after the Books Closing Date.

The notices of allotment of the Consolidated Shares, Consolidated Warrants C and Consolidated Warrants D will be issued and despatched to the entitled holders within 4 Market Days after the listing and quotation of the Consolidated Shares, Consolidated Warrants C and Consolidated Warrants D on the Main Market of Bursa Securities.

3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

As at the LPD, the last traded price of the Shares is RM0.04 and the Company has 1,154,613,338 Shares in issue. Following the completion of the Proposed Share Consolidation, the theoretical market price of each Share will increase by 5 times and the total number of Shares in issue will be reduced by the corresponding ratio.

The reduction in the number of Shares available in the market may reduce the volatility of the trading price for the Shares. As the Shares are currently traded at relatively low price range, a small movement in the share price may be significant in percentage terms.

Notwithstanding this, Shareholders should note that the Proposed Share Consolidation is not expected to alter the total value of the Consolidated Shares held by them.

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4. EFFECTS OF THE PROPOSED SHARE CONSOLIDATION

4.1 Share capital

The pro forma effects of the Proposed Share Consolidation 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	1,154,613,338	178,087,812	1,154,613,338	178,087,812
To be issued assuming full exercise of Warrants C ⁽¹⁾	-	-	305,864,459	131,521,717
To be issued assuming full exercise of Warrants D ⁽²⁾	-	-	192,418,845	23,140,502
After full exercise of the Convertible Securities	1,154,613,338	178,087,812	1,652,896,642	332,750,031
Issued share capital upon completion of the Proposed Share Consolidation	230,922,667	178,087,812	330,579,328	332,750,031

Notes:

- (1) Assuming full exercise of 305,864,459 Warrants C at the exercise price of RM0.43 each.
- (2) Assuming full exercise of 192,418,845 Warrants D at the exercise price of RM0.08 each and after accounting for the reversal of warrants reserve.

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4.2 NA

The pro forma effects of the Proposed Share Consolidation on the NA of the Group are as follows:

Minimum Scenario

	Audited as at 31 March 2023 (RM'000)	(I) After subsequent events⁽¹⁾ (RM'000)	(II) After (I) and the Proposed Share Consolidation⁽²⁾ (RM'000)
Share capital	132,927	178,088	178,088
Treasury shares	(4)	(4)	(4)
General reserve	-	-	-
Translation reserve	103	103	103
Revaluation reserve	15,274	15,274	15,274
Capital reserve	33,882	33,882	33,642
Warrant reserve	-	7,747	7,747
Accumulated losses	(86,437)	(94,184)	(94,424)
NA	95,745	140,906	140,426
Non-controlling interests	(423)	(423)	(423)
Total equity / NA	95,322	140,483	140,003
No. of Shares in issue (‘000)	577,357	1,154,614	230,923
NA per Share (RM)	0.17	0.12	0.61

Notes:

- (1) After accounting for the issuance of 577,256,790 new Shares at an issue price of RM0.08 each together with 192,418,845 Warrants D and after deducting expenses of approximately RM1.02 million pursuant to the Rights Issues with Warrants.
- (2) Based on the consolidation of every 5 existing Shares into 1 Consolidated Share pursuant to the Proposed Share Consolidation and after deducting estimated expenses to be incurred in relation to the Proposed Share Consolidation of RM0.24 million.

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Maximum Scenario

	Audited as at 31 March 2023 (RM'000)	(I) After subsequent events⁽¹⁾ (RM'000)	(II) After (I) and assuming full exercise of the Convertible Securities⁽²⁾ (RM'000)	(III) After (II) and the Proposed Share Consolidation⁽³⁾ (RM'000)
Share capital	132,927	178,088	332,750	332,750
Treasury shares	(4)	(4)	(4)	(4)
General reserve	-	-	-	-
Translation reserve	103	103	103	103
Revaluation reserve	15,274	15,274	15,274	15,274
Capital reserve	33,882	33,882	33,642	33,642
Warrant reserve	-	7,747	-	-
Accumulated losses	(86,437)	(94,184)	(94,184)	(94,424)
NA	95,745	140,906	287,581	287,341
Non-controlling interests	(423)	(423)	(423)	(423)
Total equity / NA	95,322	140,483	287,158	286,918
No. of Shares in issue ('000)	577,357	1,154,614	1,652,897	330,579
NA per Share (RM)	0.17	0.12	0.17	0.87

Notes:

- (1) After accounting for the issuance of 577,256,790 new Shares at an issue price of RM0.08 each together with 192,418,845 Warrants D and after deducting expenses of approximately RM1.02 million pursuant to the Rights Issues with Warrants.
- (2) Assuming full exercise of the following:
 - (i) 305,864,459 Warrants C at the exercise price of RM0.43 each; and
 - (ii) 192,418,845 Warrants D at the exercise price of RM0.08 each and after accounting for the reversal of warrants reserve.
- (3) Based on the consolidation of every 5 existing Shares into 1 Consolidated Share pursuant to the Proposed Share Consolidation and after deducting estimated expenses to be incurred in relation to the Proposed Share Consolidation of RM0.24 million.

4.3 Earnings and EPS

The Proposed Share Consolidation will not have any effect on the consolidated earnings of the Group for the FYE 31 March 2024, except that the lower number of Komarkcorp Shares in issue upon completion of the Proposed Share Consolidation will result in a corresponding increase in the EPS of the Group.

4.4 Convertible securities

Save for the following, the Company does not have any other convertible securities as at the LPD:

4.4.1 Warrants C

As at the LPD, there are 305,864,459 Warrants C, which have an exercise price of RM0.43 each and are expiring on 10 January 2024.

Consequential to the Proposed Share Consolidation, the exercise price and/or number of Warrants C may be adjusted in accordance with the provisions of the Deed Poll C to ensure that the status of the Warrant C holders is not prejudiced as a result of the Proposed Share Consolidation.

For illustrative purposes, the adjustments to the exercise price and number of the 305,864,459 outstanding Warrants C are set out below based on the assumption that the Books Closing Date has been fixed on the LPD.

Under the Deed Poll C, the exercise price and the number of outstanding Warrants C which are not exercised prior to the Books Closing Date will be adjusted based on the following formula:

$$\text{Adjusted exercise price of warrants} = \frac{\text{Existing exercise price of warrants} \times Y}{Z}$$

$$\text{Adjusted number of warrants} = \frac{\text{Existing number of warrants} \times Z}{Y}$$

where:

Y = The aggregate number of issued Komarkcorp Shares as at the Books Closing Date

Z = The aggregate number of issued Komarkcorp Shares on the next Market Day after the Books Closing Date

Following the above, the Adjustments are as follows:

$$\text{Adjusted exercise price of Warrants C} = \frac{\text{RM0.43} \times 1,154,613,338}{230,919,067}$$

$$= \text{RM2.15}$$

$$\text{Adjusted number of Warrants C} = \frac{305,864,459 \times 230,922,667}{1,154,613,338}$$

$$= 61,172,891$$

Such Adjustments of Warrants C will only be finalised on the Books Closing Date and will be effective on the next Market Day after the Books Closing Date. The rights and obligations of the holders of the existing Warrants C will remain unchanged, save for the aforesaid Adjustments of Warrants C.

The holders of the outstanding Warrants C will be officially notified in due course on the effective Adjustments of Warrants C arising from the Proposed Share Consolidation.

4.4.2 Warrants D

As at the LPD, there are 192,418,845 Warrants D, which have an exercise price of RM0.08 each and are expiring on 21 June 2026.

Consequential to the Proposed Share Consolidation, the exercise price and/or number of Warrants D may be adjusted in accordance with the provisions of the Deed Poll D to ensure that the status of the Warrant D holders is not prejudiced as a result of the Proposed Share Consolidation.

For illustrative purposes, the adjustments to the exercise price and number of the 192,418,845 outstanding Warrants D are set out below based on the assumption that the Books Closing Date has been fixed on the LPD.

Under the Deed Poll D, the exercise price and the number of outstanding Warrants D which are not exercised prior to the Books Closing Date will be adjusted based on the following formula:

$$\text{Adjusted exercise price of warrants} = \frac{\text{Existing exercise price of warrants} \times Y}{Z}$$

$$\text{Adjusted number of warrants} = \frac{\text{Existing number of warrants} \times Z}{Y}$$

where:

Y = The aggregate number of issued Komarkcorp Shares as at the Books Closing Date

Z = The aggregate number of issued Komarkcorp Shares on the next Market Day after the Books Closing Date

Following the above, the Adjustments are as follows:

$$\text{Adjusted exercise price of Warrants D} = \frac{\text{RM0.08} \times 1,154,613,338}{230,919,067}$$

$$= \text{RM0.40}$$

$$\text{Adjusted number of Warrants D} = \frac{192,418,845 \times 230,922,667}{1,154,613,338}$$

$$= 38,483,768$$

Such Adjustments of Warrants D will only be finalised on the Books Closing Date and will be effective on the next Market Day after the Books Closing Date. The rights and obligations of the holders of the existing Warrants D will remain unchanged, save for the aforesaid Adjustments of Warrants D.

The holders of the outstanding Warrants D will be officially notified in due course on the effective Adjustments of Warrants D arising from the Proposed Share Consolidation.

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As at the LPD, there is no outstanding ESOS Option which has been granted but yet to be exercised, and there are up to 173,189,300 ESOS Options which may be granted and/or exercised pursuant to the maximum allowable amount under the ESOS. Nonetheless, the Company does not intend to grant any ESOS Options prior to the completion of the Proposed Share Consolidation and hence there will not be any adjustment to exercise price and/or number of ESOS Options arising from the Proposed Share Consolidation.

5. 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
<u>2022</u>		
September	0.060	0.050
October	0.060	0.045
November	0.085	0.055
December	0.080	0.055
<u>2023</u>		
January	0.060	0.050
February	0.065	0.050
March	0.080	0.050
April	0.125	0.070
May	0.105	0.075
June	0.095	0.050
July	0.060	0.040
August	0.045	0.035
Last transacted market price on 22 August 2023, being the last market day immediately prior to the first announcement of the Proposed Share Consolidation	0.045	
Last transacted market price on the LPD (RM)	0.040	

(Source: Bloomberg)

6. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to all approvals being obtained, the Proposed Share Consolidation is expected to be completed by the fourth quarter of 2023. The tentative timeline for the implementation of the Proposed Share Consolidation is as follows:

Date	Events
9 October 2023	EGM for the Proposed Share Consolidation
End-October 2023	Books Closing Date Completion of the Proposed Share Consolidation

7. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Share Consolidation is subject to approvals being obtained from the following:

- (i) Bursa Securities for the Proposed Share Consolidation comprising listing and quotation of:
 - (a) up to 330,579,328 Consolidated Shares;
 - (b) up to 61,172,891 Consolidated Warrants C; and
 - (c) up to 38,483,768 Consolidated Warrants D,on the Main Market of Bursa Securities.

The approval of Bursa Securities for the above was obtained on 6 September 2023 subject to the following conditions:

Conditions		Status of compliance
(a)	Komarkcorp to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the EGM for the Proposed Share Consolidation prior to the listing and quotation of the Consolidated Shares, Consolidated Warrants C and Consolidated Warrants D;	To be complied
(b)	Komarkcorp or TA Securities is required to make the relevant announcements pursuant to Paragraph 6.56(2)(ii) and (iii) and Paragraph 13.20(2) of the Listing Requirements; and	To be complied
(c)	The Consolidated Shares, Consolidated Warrants C and Consolidated Warrants D must be listed and quoted simultaneously.	To be complied

- (ii) Shareholders at the forthcoming EGM; and
- (iii) any other relevant parties / authorities, if required.

The Proposed Share Consolidation is not conditional upon any other proposals undertaken or to be undertaken by the Company.

8. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

There are no other corporate exercises which have been announced by the Company but pending completion as at the date of this Circular.

9. BOARD'S RECOMMENDATION

The Board, having considered all aspects, including the rationale and effects of the Proposed Share Consolidation, is of the opinion that the Proposed Share Consolidation is in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Share Consolidation to be tabled at the forthcoming EGM.

10. EGM

The EGM, the notice of which is enclosed in this Circular, will be conducted on a virtual basis through live streaming and online remote participation and voting at <https://rebrand.ly/KomarkEGM> from a Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia operated by InsHub Sdn. Bhd. on the date and time indicated below or at any adjournment thereof for the purpose of considering and, if thought fit, passing the resolution, with or without modifications, to give effect to the Proposed Share Consolidation.

Date and time of the EGM	: Monday, 9 October 2023 at 10.30 a.m.
--------------------------	--

If you are unable to attend and vote in person at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy via hardcopy in accordance with the instructions contained therein as soon as possible, so as to arrive at the 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 97702239 not less than 48 hours before the date and time for the EGM as indicated above or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting at the virtual EGM should you subsequently decide to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

11. 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

APPENDIX I – FURTHER INFORMATION

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

TA Securities, being the Principal Adviser for the Proposed Share Consolidation, 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 Proposed Share Consolidation.

3. 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) the Constitution;
- (ii) audited consolidated financial statements of Komarkcorp for the 11-month FPE 31 March 2022 and FYE 31 March 2023 as well as unaudited consolidated financial statements of the Company for the 3-month FPE 30 June 2023;
- (iii) the letter of consent referred to in **Section 2 of Appendix I** above;
- (iv) the Deed Poll C; and
- (v) the Deed Poll D.

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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**”) of Komarkcorp Berhad (“**Komarkcorp**” or the “**Company**”) will be held on a virtual and entirely via remote participation and electronic voting via online meeting platform at <https://rebrand.ly/KomarkEGM> operated by InsHub Sdn Bhd from the Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Monday, 9 October 2023 at 10.30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution with or without modifications:

ORDINARY RESOLUTION

PROPOSED CONSOLIDATION OF EVERY 5 EXISTING ORDINARY SHARES IN KOMARKCORP (“KOMARKCORP SHARES” OR “SHARES”) INTO 1 KOMARKCORP SHARE (“CONSOLIDATED SHARE”) (“PROPOSED SHARE CONSOLIDATION”)

“**THAT** upon the approvals being obtained from the relevant authorities and/or parties (if required), approval be and is hereby given to the Company to give effect to the Proposed Share Consolidation;

THAT the Consolidated Shares shall, upon allotment and issuance, rank equally in all respects with one another **AND THAT** the fractional entitlements arising from the Proposed Share Consolidation in respect of the Consolidated Shares, if any, shall be disregarded and/or dealt with by the Board of Directors of the Company (“**Board**”) in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

AND THAT the Board be and is hereby authorised with full power to do all such acts, deeds and things and to execute and deliver on behalf of the Company all such documents and/or agreements as the Board may deem fit, necessary or expedient or appropriate in the best interest of the Company, in order to finalise, implement and/or give effect to the Proposed Share Consolidation with full power to assent to any terms, conditions, modifications, variations and/or amendments as may be imposed or required by the relevant authorities.”

By Order of the Board

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

Company Secretary

Kuala Lumpur
22 September 2023

Notes:

1. Please refer to the Administrative Guide for the procedures to register and participate in the virtual meeting. Shareholders will not be allowed to attend this EGM in person at the Broadcast Venue on the day of the meeting.
2. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("**ROD**") as at 27 September 2023. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this EGM.
3. 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.
4. 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.
5. 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.
6. 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.
7. If you decide to appoint a proxy or proxies for the EGM, you must complete, sign and return the Form of Proxy and deposit it at the 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 97702239 not less than forty-eight (48) hours before the time for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating in the EGM should you subsequently decide to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.
8. If you have submitted your Form of Proxy 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.
9. 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.

**KOMARKCORP BERHAD**

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

FORM OF PROXY

CDS Account No.				-				-							
No. of shares held															

I/We _____
(FULL NAME IN BLOCK LETTERS)

(NRIC No./ Registration No./ Passport No. _____)

of _____
(FULL ADDRESS)

(Contact No. _____ and Email Address _____)

being a member/members of **KOMARKCORP BERHAD** ("Company"), hereby appoint

Name of Proxy	NRIC No./ Passport No.	% of Shareholdings to be Represented
Address		
Contact No.	Email Address	

and/ or failing him/ her

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 Extraordinary General Meeting of the Company to be held on a virtual and entirely via remote participation and electronic voting via online meeting platform at <https://rebrand.ly/KomarKEGM> operated by InsHub Sdn Bhd from the Broadcast Venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Monday, 9 October 2023 at 10.30 a.m., or at any adjournment thereof.

My / our proxy is to vote as indicated below:

Resolution		For	Against
Ordinary Resolution	Proposed Share Consolidation		

Please indicate with "X" in the appropriate space how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit or, at his discretion, abstain from voting.

Dated this _____ day of _____ 2023.

*Signature of Member(s) / Common Seal of Shareholder

* Delete if not applicable



Notes:

1. Please refer to the Administrative Guide for the procedures to register and participate in the virtual meeting. Shareholders will not be allowed to attend this EGM in person at the Broadcast Venue on the day of the meeting.
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AFFIX
STAMP

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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