



KOMARKCORP BERHAD

Registration No. 199601001919 (374265-A)

Strengthening in **Diversification**



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VISION

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

MISSION

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

CORE VALUES

We identify the 8 Core values of Komarkcorp Berhad are:



Trustability



Responsibility



Innovation



Commitment



Passion



Integrity



Compliance



Speed

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Roy Ho Yew Kee
(Executive Director)

Ihsan Bin Ismail
(Independent Non-Executive Director)

Koo Kien Keat
(Independent Non-Executive Director)

Chan Jee Peng
(Independent Non-Executive Director)
(Appointed on 1 May 2021)

AUDIT COMMITTEE

Chan Jee Peng, Chairman
(Appointed on 1 May 2021)

**YM Tengku Ezuan Ismara
Bin Tengku Nun Ahmad**, Member
(Appointed on 3 November 2020)

Ihsan Bin Ismail, Member

NOMINATION COMMITTEE

Ihsan Bin Ismail, Chairman
(Re-designated on 3 November 2020)

**YM Tengku Ezuan Ismara
Bin Tengku Nun Ahmad**, Member
(Appointed on 3 November 2020)

Chan Jee Peng, Member
(Appointed on 1 May 2021)

REMUNERATION COMMITTEE

**YM Tengku Ezuan Ismara
Bin Tengku Nun Ahmad**, Chairman
(Appointed on 3 November 2020)

Ihsan Bin Ismail, Member

Chan Jee Peng, Member
(Appointed on 1 May 2021)

COMPANY SECRETARY

Tan Tong Lang
(SSM PC NO. 201908002253 & MAICSA 7045482)

AUDITORS

KC Chia & Noor (AF0922)
Chartered Accountants
229-1 & 2 Jalan Perkasa Satu,
Taman Maluri, Cheras,
55100 Kuala Lumpur.

Tel: 03-9284 3102/3
Fax: 03-9284 7952

REGISTERED OFFICE

Level 5, Block B, Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam,
Selangor.

Tel: 03-7890 0638

Fax: 03-7890 1032

PRINCIPAL PLACE OF BUSINESS

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

Tel: 03-9080 3333

Fax: 03-9080 5233

Website: <https://komark.com.my/>

Email: enquiry@komark.com.my

SHARE REGISTRAR

Boardroom.com Sdn. Bhd.
[Registration No. 200801019600 (820910-X)]
Level 5, Block B, Dataran PHB,
Saujana Resort, Section U2,
40150 Shah Alam,
Selangor.

Tel: 03-7890 0638

Fax: 03-7890 1032

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name: KOMARK

Stock Code: 7017

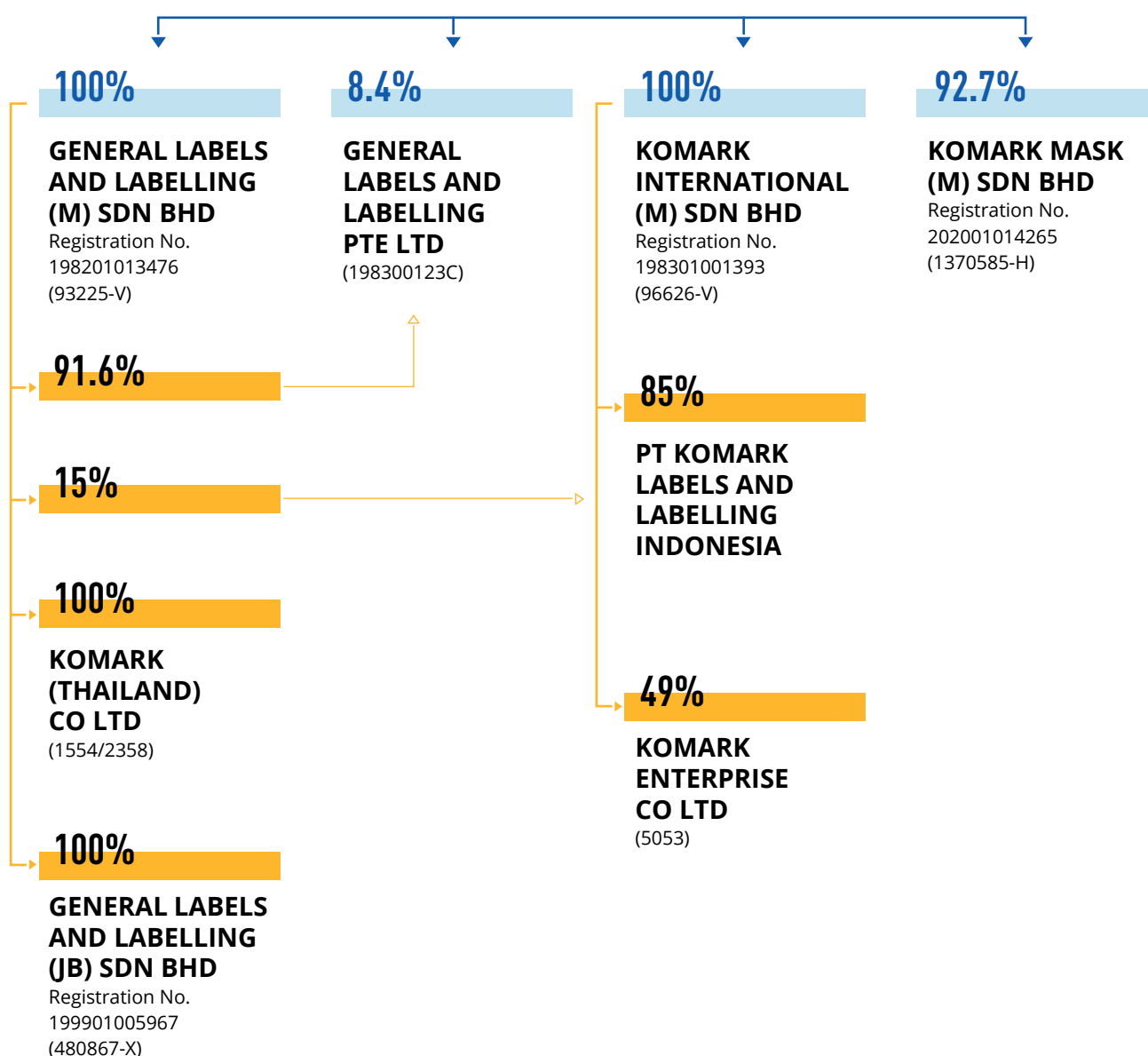
Sector: Industrial Products & Services

CORPORATE STRUCTURE



KOMARKCORP BERHAD

Registration No. 199601001919 (374265-A)



FIVE-YEARS GROUP FINANCIAL HIGHLIGHTS

YEAR ENDED 30 APRIL	2021	2020	2019	2018	2017
Operating Result (RM'000)					
Revenue	37,627	39,547	47,743	56,949	65,388
Loss Before Tax	(16,131)	(10,357)	(11,090)	(20,942)^	(12,197)
Loss After Tax	(15,955)	(10,706)	(9,847)	(21,669)^	(13,692)
Total Comprehensive Loss	(15,943)	(7,002)	(8,861)	(21,734)^	(13,590)
Key Balance Sheet Data (RM'000)					
Total Assets	127,157	84,533	83,435	90,559^	110,660^
Total Interest Bearing Borrowings	14,047	17,017	19,434	17,182	9,487
Total Liabilities	28,621	27,603	28,965	28,796^	26,507^
Paid-Up Capital	120,166	62,789	48,425	48,425^	31,158
Shareholders' Equity	98,485	56,930	54,470	61,763^	84,153^
Share Information					
No of shares in issued ('000)	481,116	205,577	164,434	164,434	124,634
Per share (sen)					
Basic LPS	(6.05)	(4.78)	(4.59)	(10.31)	(11.10)
Diluted LPS	(3.15)	(4.78)	(4.59)	(10.31)	(11.10)
Gross Dividend (Recommended)	0.00	0.00	0.00	0.00	0.00
Gross Dividend Paid	0.00	0.00	0.00	0.00	5.00
Net Assets	20.48	27.69	33.13	37.56	67.52
Financial Ratio (%)					
Return on Equity	(16.20)	(18.81)	(18.08)	(35.08)	(16.27)
Return on Total Assets	(12.55)	(12.66)	(11.80)	(23.93)	(12.37)
Gearing ratio	14.26	29.89	35.68	27.82	11.27

* Continuing operations

^ Restated

Revenue (RM'000)

37,627

2017:
65,388

2018:
56,949

2019:
47,743

2020:
39,547

2021:
37,627

Loss After Tax (RM'000)

(15,955)

2017:
(13,692)

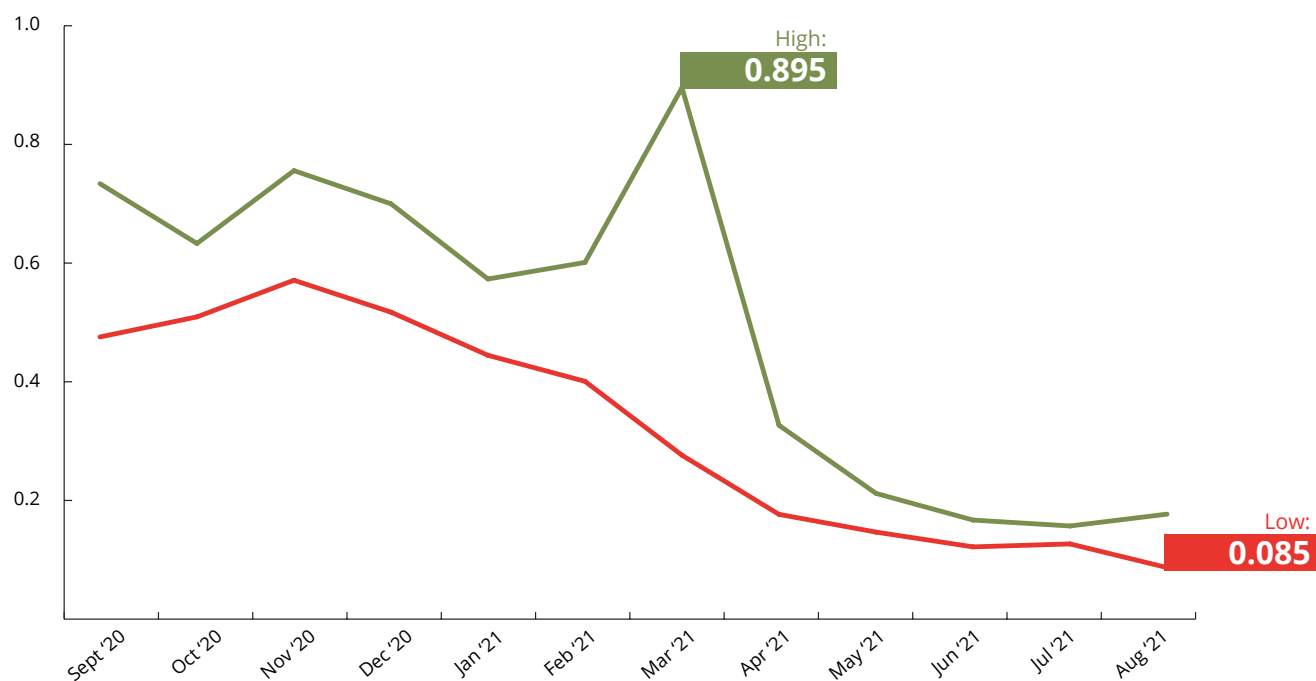
2018:
(21,669)

2019:
(9,847)

2020:
(10,706)

2021:
(15,955)

SHARE PRICE PERFORMANCE



	HIGH (RM)	LOW (RM)		HIGH (RM)	LOW (RM)
Sept 2020	0.733	0.475	Mar 2021	0.895	0.275
Oct 2020	0.632	0.509	Apr 2021	0.325	0.175
Nov 2020	0.755	0.571	May 2021	0.210	0.145
Dec 2020	0.699	0.517	Jun 2021	0.165	0.120
Jan 2021	0.572	0.444	Jul 2021	0.155	0.125
Feb 2021	0.600	0.400	Aug 2021	0.175	0.085

DIRECTORS' PROFILE

YM TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD

Independent Non-Executive
Chairman

Aged 43 | Male

YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad was appointed to the Board as Independent Non-Executive Chairman on 11 August 2020. YM Tengku Ezuan is the Chairman of Remuneration Committee and a member of the Audit Committee and Nomination Committee.

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

He is a member of the Royal Family and a long serving corporate citizen exposed to a multitude of industries, including Oil & Gas, Defence, Private Equity, Finance and ICT Consulting. Where, YM Tengku Ezuan has dealt with Petronas, HESS Petroleum and GL Noble Denton.

Presently, he serves as the Non-Independent Non-Executive Director of Key Alliance Group Berhad

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

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

ROY HO YEW KEE

Executive Director

Aged 46 | Male

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

Mr. Roy obtained his Bachelor of Commerce from the Griffith University, Brisbane, Australia. Mr. Roy brings over 20 years of financial service and restructuring experience both locally and abroad in various capacities.

Mr. Roy started his career in Australia in 1998, in the financial services industry, joining Hartley Poynton Ltd, a subsidiary of Royal Bank of Canada, where he was trained as a financial advisor, specialising in derivatives and first generation fintech products. He then moved to a boutique trading firm, Tricom Futures Ltd, in 2003, where he set up a trading desk in greenfield markets, specialising in debt instruments, capital raising, equity linked structures and derivatives.

In 2011, Mr. Roy returned to Malaysia where he joined Key Alliance Group Berhad as an Executive Director overseeing corporate strategy and in 2017, he was redesignated as Managing Director of Key Alliance Group Berhad.

Currently, Mr. Roy sits on the Board of XOX Bhd and Cheetah Holdings Berhad as Executive Director and Key Alliance Group Berhad as Managing Director.

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

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

DIRECTORS' PROFILE

IHSAN BIN ISMAIL

Independent Non-Executive
Director

Aged 58 | Male

Encik Ihsan Bin Ismail was re-appointed to the Board as Independent Non-Executive Director on 23 September 2013 after his first appointment from 1 January 2009 to 16 August 2013. He is the Chairman of Nomination Committee and also a member of the Audit Committee and Remuneration Committee.

He joined Lembaga Tabung Haji as an investment officer after graduating from California State University, USA in 1987 with a Master in Business Administration.

Encik Ihsan was attached to Lembaga Tabung Haji for 9 years from 1987 to 1996 and he was a special assistant to Deputy Director General in Investment and an assistant director of corporate affair prior to setting up his own business. He also represented Lembaga Tabung Haji in several companies namely Syarikat Peladang Tabung Haji Sdn Bhd for 7 years

from 1989 to 1996 and Syarikat Times Offset Malaysia Sdn Bhd for 15 years from 1992 to 2007. He has wide experience in investment management and project evaluations.

He does not hold any directorship in other public companies and listed issuer.

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

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

KOO KIEN KEAT

Independent Non-Executive
Director

Aged 36 | Male

Mr. Koo Kien Keat was appointed to the Board on 11 August 2020 as Independent Non-Executive Director.

Mr. Koo is a Malaysian former professional badminton player. He reached a career high ranking of world number 1 in Men's Doubles in 2007 and became the youngest ever men's doubles pair to win an Asian Games Gold Medal. He won 5 Gold Medals in Commonwealth Games (most Gold Medal for history of Malaysia). Mr. Koo was a club coach cum club manager for Badminton Asia High Performance Director and currently owns a badminton club.

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

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

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

DIRECTORS' PROFILE

CHAN JEE PENG

Independent Non-Executive
Director

Aged 41 | Male

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

Mr. Chan has close to twenty (20) years of audit and financial management experience. He started his career with two (2) of the Big Four accounting firms and has held senior financial position in public listed companies. Subsequently, he joined a mid-tier accounting firm and rose to the ranks of an Executive Director and then joined UHY Malaysia as their Audit Partner. He was involved in various audit of public listed companies, multinational companies and local government agencies. He was in charge of many reporting accountants' assignments for various corporate exercise of public listed companies including initial public offering,

restructuring and due diligence assignment. Currently, he is the Managing Partner of SFAI Malaysia which provides assurance, tax and advisory services.

Mr. Chan currently sits on the Board of Tex Cycle Technology (M) Berhad and LKL International Berhad as Independent and Non-Executive Director.

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

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

KEY SENIOR MANAGEMENT PROFILE

WOO LAI YUAN

Financial Controller

Aged 35 | Female

Ms. Woo Lai Yuan is graduated in year 2009 with a Bachelor of Degree in Accounting from the University Putra Malaysia. She is also a Chartered Accountant of the Malaysian Institute of Accountants.

Ms. Woo has 12 years of working experience in the areas of auditing, accounting, commercial business, finance and taxation. She began her career in 2009 with Ernst & Young as an Audit Assistant. She then joined Schlumberger as a Management Accountant serving Africa region in 2014 and progressed her profession as a Finance Manager for the subsidiary of Gabungan AQRS Berhad towards late year 2015 and she was later promoted to Senior Finance Manager in 2019.

Presently, she is the Financial Controller of the Group and overseeing Finance, Taxation, Human Resource and Administration Department.

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

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies.

GONG DENG HUNG

General Manager for Middle Office

Aged 44 | Male

Mr. Gong obtained his Bachelor of Science with Education (Hons) – Mathematics from Universiti Putra Malaysia in year 2002. He started his career in year 2002 with a forwarding & logistics company in Singapore. After the relocation decision, Mr. Gong started his career back in Malaysia in year 2003 with a US based global leading logistics and transportation provider, servicing the key account customer. In year 2006, he was attached with a British based specialty chemicals company, taking care on the trading business covering the APAC and Middle East region. In year 2009, he continued his career path as Customer Service Manager with an Australian company which manufactures protective industrial and medical gloves. In year 2016, Mr. Gong changed his portfolio as a Demand Planning & Supply Chain Manager, with Ecolex Sdn Bhd, a local company who producing the animal nutrition, food ingredients and home & personal care products. Prior to be part of Komark, he joined Markem-Imaje Sdn Bhd, the trading entity of a global manufacturer and distributor of specialized traceability, variable data and product identification equipment, covering the Malaysia and Singapore market under the position of CRM Logistics Manager.

Presently, he is the General Manager under Middle Office, handling various Department under his capacity, such as Quality Control, Procurement, Maintenance, IT, Planning & Customer Service and Warehouse.

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

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

KEY SENIOR MANAGEMENT PROFILE

KIO CHIN LIT

Operation Manager for
Production Label and
Packaging

Aged 36 | Male

Mr. Kio has joined the Company as Operation Manager under Production Label and Packaging on 15th April 2021.

Mr. Kio obtained his Bachelor in Math Modeling & Minor in Computer Science from University Science of Malaysia in year 2008. Mr. Kio has passed his iNarte Certified ESD Associate Engineer exam in year 2012 and passed Radiation Protection Officer exam in year 2020.

He has started his career as a Production Manager cum Sales Engineer in year 2009 with Innovative Shield Sdn Bhd. After 7 years tenure with Innovative Shield Sdn Bhd, Mr. Kio enhanced his career development with Wear Safe Sdn Bhd under Kossan Group as a Production Manager. In year 2019, Mr. Kio has joined Stellar Films Malaysia Sdn Bhd as an Operation Manager cum Radiation Protection Officer in year 2019.

Presently, Mr. Kio is the Operation Manager under Production Label, handling various portfolio under him such as High End and Low-End printing, Digital Printing and Flexible Printing for Production Label and Packaging.

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

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

YAP WEI SIN

Operation Manager for
Production Mask

Aged 42 | Male

Mr. Yap has joined the Company as Operation Manager under Production Mask on 6th November 2020. Mr. Yap has a Bachelor of Mechanical Engineering in year 2004 from University Tenaga Nasional. He has stated his career in year 2004 in Hoven Packaging Sdn Bhd as Manager. After serving the Company for 9 years, Mr. Yap enhance his job development and joined TC Module Integrator Sdn Bhd in year 2013 as a Project Manager. His biggest achievement is successfully setting up a new plant for Tan Chong Assembly and setup the operation for Logistic, Production and Quality Control Department. He pursues his career as Plant Manager in Hartalega in year 2016 and Stanta Mauser (M) Sdn Bhd as Plant Manager in year 2017.

Presently, Mr. Yap is the Operation Manager under Production Mask, handling various portfolio under him such as mask machine operation for head loop, ear loop and KN95, mask packing and mask inspection.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS



OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Business Background and Operations

Komarkcorp Berhad ("KMC", or "Komark" or "the Group") has embarked its business as the provider of packaging solution and a manufacturer of labelling machines in 1975. Thereafter, Komarkcorp Berhad has successfully listed in Bursa Malaysia Securities Berhad's Main Market in 1997. Throughout the 42 years of printing label experience with packaging solution, Komark has obtained a remarkable result as one of Malaysia's top pioneer packaging company in supplying premium labels to the domestic market as well as exporting to Asia, South Asia and Middle East.

KMC's corporate office provides executive and centralised services such as finance, accounting, information technology and oversees the Group's operations in Balakong, Selangor Malaysia. KMC has a workforce of more than 300 employees and has 5 manufacturing operations of which located in Selangor and Johor in Malaysia, Thailand, Indonesia and Singapore.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

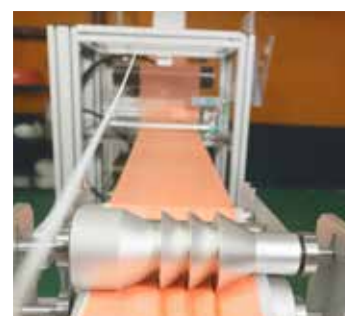
Business Background and Operations (cont'd)

KMC operates in two business segments namely:

- (i) manufacturing of self-adhesive labels, stickers, automatic labelling machinery, trading of related products; and



- (ii) manufacturing of disposable surgical and OEM face mask.



The Group provides packaging solutions and self-adhesive labels to various industries such as chemical and agrochemical, food and beverage, home and personal care, industrial and lubricant oil, and pharmaceutical industries. The Manufacturing of automatic labelling machinery segment is principally operated in Malaysia whereas, it's another business such as self-adhesive labels and stickers are operated across Thailand, Indonesia, and Singapore.

The recent outbreak of Coronavirus 19 pandemic has an adverse impact on the performance and the cash flows of the Group. Nevertheless, the Group remain buoyant in its competitive market by diversifying their business into manufacture of disposable surgical and OEM face mask. As such, on 16 June 2020, the Group has announced to manufacture and sales of face masks. This is to capitalize on a booming segment of face mask with favourable long-term prospects while making the most out of the opportunities created by the COVID-19 pandemic. The operation was commenced during 3rd quarter following a growing business during 4th quarter of the year.

The Group is ambitious to expand its geographical footprint as the largest face mask manufacturer in Southeast Asia. The Group will continuously strive to achieve a high yielding result in maximizing sustainable shareholder value to all the stakeholders.

The vision of KMC is to be the world-class total solution provider of premium labels, flexible packaging and largest face mask manufacturer in Southeast Asia delivering sustainable shareholder value to all the stakeholders.



The vision of KMC is to be the world-class total solution provider of premium labels, flexible packaging and largest face mask manufacturer in Southeast Asia delivering sustainable shareholder value to all the stakeholders.



MANAGEMENT DISCUSSION AND ANALYSIS



OUR STRATEGIES FOR MARKET AND PRODUCT

Besides being a self-adhesive label supplier, the Group also provide packaging solution and automatic labelling machine to domestic and international markets. With our ability to provide total solution as a label and packaging printing company, it has made us the preferred and well-known packaging printing supplier for customers. The Group's main market not only covers within Malaysia but also exported to Singapore, Thailand and Indonesia for multinational, large global and small-medium customers. The Group is facing an intense competition with many players globally. However, the Group remain resilient by continuously increase their market shares through business innovation and diversification. As such, we had expanded a new venture of business into manufacturing of disposable face mask business.

The recent unexpected outbreak of Coronavirus Covid-19 pandemic and the restrictive containment measures taken by the respective governments have caused tension, fear, vulnerable and unpredictable spending behaviour and pattern among consumers in the global market. As a result, there is a changing in customers' preference and needs as they are more vigilant and discerning with placing their orders. Besides, many businesses are forced to cope with standard operating procedures (SOP) such as social distancing, lockdown restriction and movement restriction of workers which give rise to disruption in business supply chain and operation, reduce in business revenue and increase in cost. Barring the unfavourable outlook, the performance of the Group in the financial year is challenging as the Group anticipate lower sales, slower demand from customers, longer customers' collection period, customers' overdue payment and stringent credit terms with suppliers.

The Group has taken steps to improve sales, through adopting more aggressive marketing strategies by strengthening customer relationship and engaging with their previous customers. The Group has also taken all necessary positive measures to reduce other operating expenses. In addition, the Group also looked into a new market of diversifying their new product portfolio in manufacturing of disposable face mask to mitigate the current risks and explore the new opportunities in response to this Covid-19 pandemic.

In order to increase the sustainable growth and long-term shareholders' value in its business, the Group has taken proactive steps and actions through various forms of initiatives and strategies. The Group's vision is to increase its market shares by expansion globally and product innovation, marketing through various pathway and platform. These sustainable action plans are to help the Group to build a sustainable long-term relationship with their customers and undistruptive supply chain system. At the same time, the Group's sales and productivity will increase following the strong drive and maneuverer in building its sustainable long-term stakeholders' network globally.

On 26 February 2021, the Group has obtained the European Conformity ("CE") and United States of America Food and Drug Administration ("FDA") certification for its suite of medical masks, allowing the Company to export its products globally. The certification has enabled the Group to gain a remarkable position to penetrate their new diversify face mask products into new market, Poland and thus, secured a contract worth USD3.6 million.

MANAGEMENT DISCUSSION AND ANALYSIS

OUR STRATEGIES FOR MARKET AND PRODUCT (CONT'D)

The Group's action plans include venturing into the manufacturing of disposable surgical face masks and OEM face masks since October 2020. This segment had contributed positively to its earnings despite the operation has just been operated for less than twelve months. The revenue contribution from the manufacturing segment started to flow with effect from the 3QFY2021 with contributions of approximately RM628k. It gained a steady growth momentum going into 4QFY2021 with an increase of RM1.8 million. Besides, the Group is also optimistic to improve Group sales during the current and ensuing financial years through its newly invested machineries with more flexible packaging new features to cater the needs of its customers.

The Group's mission and objective is to transform their business into the largest face mask manufacturer in Southeast Asia for the near future. Thus, the Group is planning to expand its face mask business by increasing its production capacity to 128 production lines as the current factory at Balakong can only accommodate 30 production lines. Besides, the Group will also set up another plant in Klang Valley and extending the face mask production to Johor Bahru. The Group believes that with all these sustainable initiatives and new strategies, their mission will realise in near future and this will bring a sustainable long-term value to stakeholders.



CORPORATE EXERCISE

Bonus Issue of Warrant

On 8 October 2020, the Company proposes to undertake a bonus issue of free warrants in the Company ("Warrants C") on the basis of 1 Warrant C for every 2 existing ordinary shares in the Company.

The bonus issue of Warrants has been completed following the listing and quotation of 133,625,329 Warrants C on the Main Market of Bursa Securities on 15 January 2021.

Private Placement I

On 24 December 2020 and 28 December 2020 respectively, the Group completed the Private Placement I exercise involving the issuance of 45,011,000 and 16,664,000 Placement Shares on the Main Market of Bursa Securities, raising total proceeds of RM59.21 million for the business diversification. The New Business is anticipated to contribute 25% or more of the net profits of the Group.

Private Placement II

On 31 May 2021, the Group has completed the Private Placement II, raising total proceeds of RM12.93 million which were intended to be utilised for the expansion of production capacity for the face mask manufacturing business. Having these proceeds, the Group intends to expand its production capacity further by purchasing additional machineries to set up another 79 production lines for 3-ply face mask and 25 production lines for respirator face mask. Upon completion of the expansion, the Group would have an annual production capacity of RM1.22 billion units of 3-ply face mask and RM312 million units of respirator face mask.

Establishment of Employee Share Option Scheme

On 3 July 2020, the Company proposes to undertake the establishment of an employees' share options scheme ("ESOS") involving up to 15% of the total number of issued shares of Komarkcorp (excluding treasury shares, if any) for eligible directors and employees of Komarkcorp and its subsidiaries.

None of such option had been granted to any eligible persons by the Company under ESOS since its commencement up to the financial year ended 30 April 2021.

Proposed Share Split

On 6 January 2021, the Company proposes to undertake a share split involving the subdivision of every 10 existing Shares into 18 Shares. The proposed share split had been approved by the shareholders of the Company at an Extraordinary General Meeting that held on 25 January 2021.

The Share Split has been completed following the listing and quotation of 481,133,548 Split Shares and 106,870,761 Additional Warrants C on the Main Market of Bursa Securities on 11 February 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

REVENUE HIGHLIGHTS	
Branch	FYE 2021 (RM'000)
Malaysia	19,177
Singapore	7,083
Indonesia	925
Thailand	15,415
Inter Group	(4,959)
Total	37,641

Gross Profit and Gross Profit Margin

	FYE 2021 (RM'000)	FYE 2020 (RM'000)	Variance+ (RM'000 %)
Revenue	37,641	39,547	(1,906)
Cost of Sales	(37,960)	(36,416)	(1,544)
Gross Profit	(319)	3,131	(3,450)

For the current quarter ended 30 April 2021, the Group recorded a revenue of RM37.641 million compared to preceding year corresponding quarter of RM39.547 million. A decrease of RM1.906 million or 4.8%. The decrease in revenue was mainly due to the loss of customers, shrinkage of business regionally and outbreak of Covid-19 pandemic.

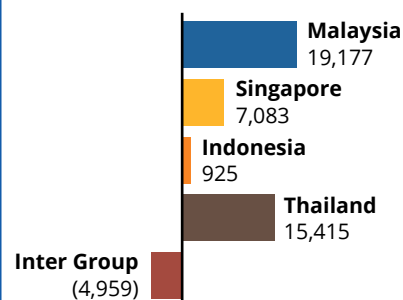
Liquidity and Capital Resources

Net cash from/(used in)	FYE 2021 (RM'000)	FYE 2020 (RM'000)
Operating Activities	(12,787)	(5,195)
Investing Activities	(4,763)	(492)
Financing Activities	53,895	4,829
Net Increase / (Decrease) in Cash and Cash Equivalents	36,345	(858)

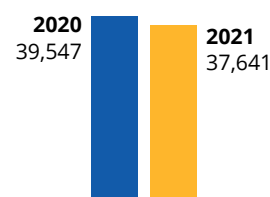
Gearing

	FYE 2021 (RM'000)	FYE 2020 (RM'000)
Total Borrowings	14,047	17,017
Total Equity	98,536	56,930
Gearing Ratio	0.14	0.28

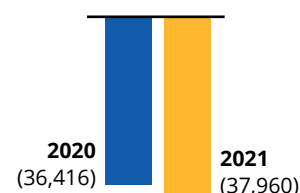
REVENUE HIGHLIGHTS



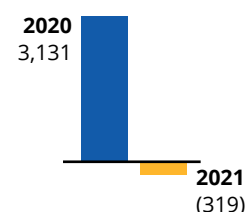
REVENUE (RM'000)



COST OF SALES (RM'000)



GROSS PROFIT (RM'000)



MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDENDS

The Group has adopted a prudent approach towards capital management as the Group is of the view that its cash is needed to fund new capital investments and business expansion as well as to face the challenges arising from the Covid-19 pandemic. Thus, no dividend was declared for FYE 2021.

KEY RISK FACTORS

The Group is cognisant of the fact that it is exposed to various risks that may have a material effect on its business operations, financial performance and conditions, and liquidity. As such, the Management of the Group has identified the following key risks faced by the Group together with the measures undertaken to mitigate such risks:

(i) Risks relating to the impact of the Covid-19 pandemic on the Group's operations

As a result of Covid-19 pandemic, the stringent preventive measures taken by the Group to strengthen the safety at the workplace and to safeguard the health of the employees had led to the increase in operating cost. These measures are to reduce the risk of the Group's employees in contracting the virus. Thus, the Group monitors closely the employees' compliance with the SOP imposed by our Government, which include, all employees required to undergo a Covid-19 test to determine if they are fit for the daily operational work in office, individual scanning in via MySejahtera system for contact tracing before entry into office premises, measuring of body temperature daily on employees and external parties prior entering into premises, practising of social distancing at workplace, wearing of face masks at all times, regular cleaning, sanitisation and disinfection process of facilities at work, sharing of the latest updates and preventive measures to employees to advocate the good hygiene and etc.

The Group will remain vigilant and proactive in fighting the Covid-19 pandemic.

(ii) Business Operations Risk

The Group's business is affected by the business performance and operation risks. The inherent business operational risk is associated with the industry, which including the general economic downturn in the global and regional economy causing a decline in consumer demand, changes in consumer tastes and preferences, increase in

operating costs, delay in obtaining certification from local authorities, etc.

The Group is working hard to ensure that their products quality meet the requirement of the authorities and subsequently meet the customers' satisfaction.

(iii) Dependence on Customers

Currently, the Group has a modest rate of dependency on certain customers. The Group's biggest customer accounted for approximately 6.61% of the consolidated revenue for FYE 2021. The five (5) and twenty-five (25) of their largest customers of the Group represented approximately 21.22% and 47.18% of the total revenue respectively. Several hundred of the other customers make up the remainder of total revenue. Although the Group has a strong partner relationship with its customers, there will still be a risk of maintaining the continuing relationship with any particular customer. Thus, the loss of any significant customer could have a material adverse effect on the business operation and financial condition of the Group.

The Group is taking all the necessary steps to mitigate the risk of dependency on a particular customer by growing their strategies into other customers in other region and also exploring new markets to export to or to invest in.

(iv) Competitive Environment

Manufacturing industry is always competitive. The Group faces intense competition from both new entrants and existing players in the industries that offer similar products and services. Continuous increased competition could result in revenue erosion and loss of market shares which could materially and adversely affect the Group's business, operating results and financial condition. To mitigate the risk of the highly competitive environment, the Group take proactive action to hire competent procurement staff to source for good quality raw materials at reasonable price. The Group also hire more Sales staff to boost their sales through various strategies scheme and platforms. The Group will always follow up on the customers' feedback and to provide supreme services to customers to ensure they are satisfied with the products.

The Management of the Group will remain competitive by leveraging on present and future strategic alliances to sustain and gain more economic value to all the stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS



FORWARD LOOKING STATEMENT

Growth of the Malaysian economy is expected to recover in 2021. However, Malaysia's economy is projected to grow by 4.5% in 2021, lower than initial projections of 6.0% as a result of the slower pathway in subduing the pandemic and slower than expected vaccine rollout, according to the *"Malaysia Economic Monitor June 2021: Weathering the Surge"* publication issued by the World Bank.

The recovery of the Malaysia's future economic activities is underpinned by a better global demand, increased public and private sector expenditure as well as the pace on the rollout of the vaccination programme backed by the on-going government expansionary monetary policy and fiscal policy.

Although the on-going vaccination efforts bode well for the growth outlook, the downside risks persist, including lingering uncertainty over the pandemic and the pace of vaccine rollout. Besides, there will be risks of uncertainty from various trade negotiations, geopolitical risks, weaker-than-expected growth of major trade partners, and heightened volatility in the financial markets, global oil price and commodity price fluctuations as well as rise in headline inflation.

The inevitable impact of Covid-19 pandemic to KMC Group is to comply strictly the Standard Operating Procedures (SOP) set by the Government. This compliance of SOP has affected their business disruption and thus resulting a higher operating cost as well as decrease in revenue due to lesser customers' demand and shrinkage of business regionally.

The Group anticipates the economic landscape for consumer packaging and printing services industry to remain challenging in the near future. As such, moving forward, the Group will be focusing on developing the face mask business in order to cushion any adverse impacts from the consumer packaging and printing services industry.

For the face mask business, the Group plans to gradually expand the production capacity of its face mask manufacturing operations up to 102 manufacturing lines for 3-ply face masks and 26 manufacturing lines for respirator face mask by 2023.

The Group will also plan to streamline its manufacturing processes to reduce the higher operating costs and focus in hiring competent procurement personnel to source for good quality raw material at a reasonable price in order to achieve a sustainable profit for its business.

In addition, the Group has plan and strategies to raise fund up to RM81.8 million from the Proposed Rights Issue based on the illustrative price of RM0.10 per Rights Shares, to fulfil the Group's ambition to be one of the largest face mask manufacturers in Southeast Asia.

Last but not least, KMC believes that the synergies between both business segments can be leveraged upon to create distinctive opportunities for growth and expansion. As such, the Group remains optimistic of its future prospects and growth in the coming financial year despite the challenging operating environment.

SUSTAINABILITY STATEMENT

INTRODUCTION

Komarkcorp Berhad ("KMC" or "the Group") is an investment holding company. Its subsidiaries are involved in the manufacturing and trading of self-adhesive labels, stickers and related products. Besides manufacturing for local markets in Malaysia, Thailand, Indonesia, and Singapore, the Group also exports to South Asia, the Philippines, Vietnam, Sri Lanka, and Myanmar. KMC had expanded a new venture of business into manufacturing of disposable face mask business during the year.

The Group integrates sustainability factors into its business operations by considering the materiality of the relevant topics based on the level of significance of their economic, environmental and social ("EES") impacts.

This Statement outlines KMC's actions, goals, and achievements with its stakeholders and society and it includes quantitative and qualitative indicators.

Along with the sustainability policy, we can deliver sustainable value and improvements for our employees, clients, suppliers, and society.

**Key pillars
of corporate
responsibility
and
sustainability
policy**



KMC prepared the Statement according to the Main Market Listing Requirements ("Listing Requirements") and Bursa Malaysia Securities Berhad ("Bursa Securities")' Sustainability Reporting Guide and Toolkits (2nd Edition) ("Sustainability Reporting Guide").

The scope of this Statement covers our sustainability performance for the operations in Malaysia. The reporting period corresponds with KMC's financial year from 1 May 2020 to 30 April 2021 ("FYE2021").

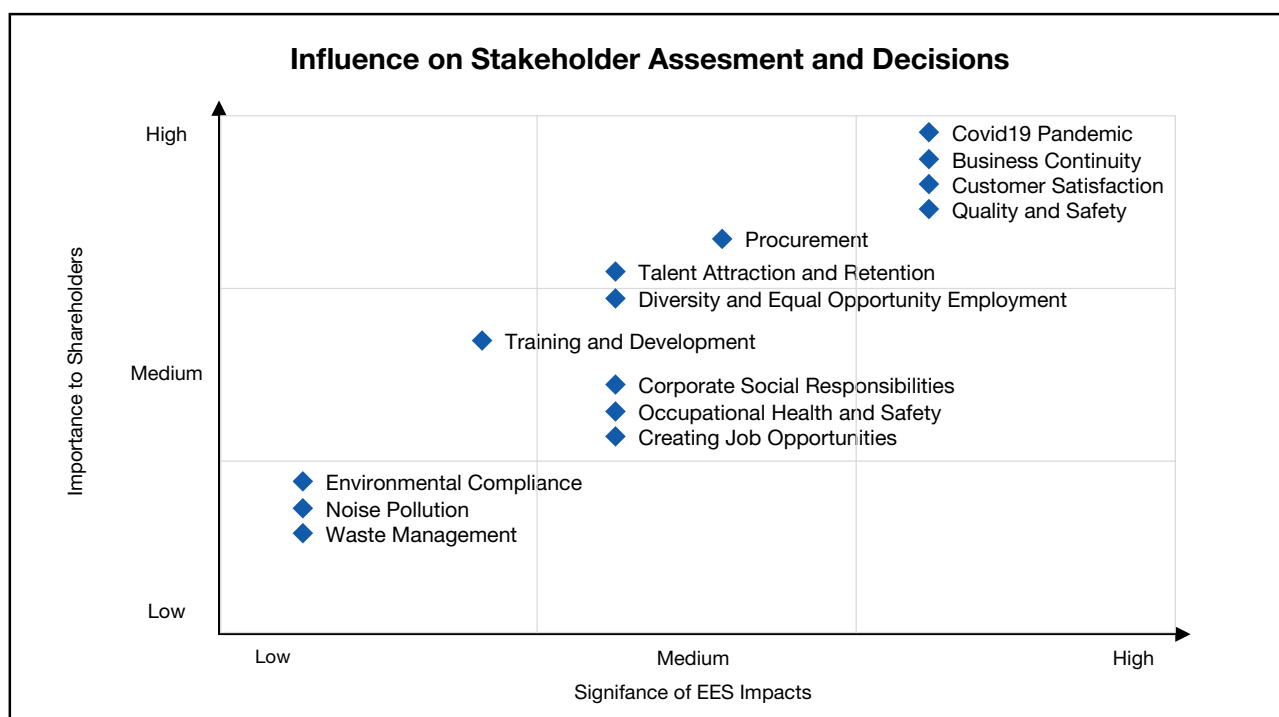
GOVERNANCE STRUCTURE

The Board acknowledges its responsibility to embed sustainability into the Group's business strategy. The Board meticulously reviews and approves KMC's sustainability strategies and ensures that adequate resources, systems and processes are in place for managing sustainability matters. The Group's commitment towards sustainable business practices is instilled at every level of its organization. To ensure that our commitment to good sustainable economic, environmental and social practices are followed through, the Board has established a Sustainability Committee to account, oversee, and review all sustainability matters and performance. The outcomes of the materiality assessments are reviewed by the Sustainability Committee and reported to the Board.

SUSTAINABILITY STATEMENT

MATERIAL ASSESSMENT

The Sustainability Committee has identified and categorized sustainability issues that KMC should consider and, subsequently, assessed the impact of these issues. A list of sustainability issues was identified from a combination of internal and external sources. The internal sources are derived from relevant internal analysis of trends while the external sources are obtained from concerns raised by stakeholders during stakeholder engagements, Annual General Meetings, examination of emerging and development of relevant laws and regulations, and the overall business environment.



The material EES factors identified are as follows: -

1. Covid-19 Pandemic
2. Business Continuity
3. Customer Satisfaction
4. Quality and Safety
5. Procurement
6. Talent Attraction and Retention
7. Diversity and Equal Opportunity Employment
8. Training and Development
9. Corporate Social Responsibilities
10. Occupational Health and Safety
11. Creating Job Opportunities

Other EES factors disclosed in the report:

1. Environmental Compliance
2. Noise Pollution
3. Waste Management

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

In the process of identifying and prioritizing material sustainability matters, KMC engages with different stakeholder groups. These interactions are crucial to identify, prioritize and address material sustainability matters. For effective engagement with its stakeholders, various methods are employed including but not limited to the following:

Stakeholder	Engagement Objective	Methods of engagement
Employees 	• To retain competent employees • To ensure safe working environment • Continuing professional development	• Professional development • Staff performance appraisal • Circulation of internal policies/memo • Management & committee meetings
Shareholders and investors 	• To enhance shareholders' and investors' confidence	• Annual General Meetings • KMC's website updates • Annual Reports • Quarterly Reports • Announcements to Bursa Securities
Financial Institutions 	• To ensure continuous financial support	• Annual Reports • Quarterly Reports • Meetings
Suppliers 	• To ensure continuous supply of quality materials and services	• Meetings • Written communication
Community 	• To enhance the relationship	• Community engagement
Customers 	• To fulfil customer satisfaction	• Meetings • Customer satisfaction surveys
Government and regulators 	• To ensure compliance with laws and regulations	• Reports • Dialogues, seminars and meetings

SUSTAINABILITY STATEMENT

ECONOMIC IMPACT



COVID-19 PANDEMIC



BUSINESS CONTINUITY



CUSTOMER SATISFACTION



QUALITY AND SAFETY



PROCUREMENT



COVID-19 ("COVID") PANDEMIC

The Coronavirus has impacted business and communities across the world at a scale not seen before. It has caused major supply chains disruptions while lockdowns and Movement Control Orders have had a profound effect on our business operations. Skyrocketing infection rates caused a lot of concern among workers, suppliers, customers and other stakeholders. Under these circumstances, creating a detailed continuity plan and cash flow forecast was crucial to help us sustain our operations, albeit at a lower capacity, and facilitate recovery once the crisis is brought under control.

Our sustainability principles empowered us to carry on with our core business activities, in the face of potential challenges, through the setup of a dedicated team that reports to our senior management. The team is responsible for assessing and managing the potential impact of Covid-19 as well as dealing with the steps put in place by government authorities. The Group ensures that the team:

- has representatives from support functions including HR, IT, purchasing, and security.
- establishes and maintains clear internal and external protocols for regular and emergency communication with employees and other key stakeholders.
- monitors and responds to developments with appropriate senior management supervision.
- monitors local government announcements and World Health Organisation advice and regularly communicates recommendations to employees such as travel restrictions to particular areas and essential measures to help prevent the spread of Covid-19.
- provides staff with protective masks and all other support that they might need to deal with difficult situations.
- establishes procedures requiring staff to report to designated supervisors if they feel unwell and, report possible infection or exposure to the virus or concerns involving others they have been in contact with at work.
- plans for resource allocation strategies (re-allocation of staff, splitting of teams, and hybrid office and work from home arrangements)

At KMC, we have also set up a Covid-19 Task Force consisting three divisions. The sanitation team is responsible for daily and scheduled sanitation works, the swab test team is tasked with weekly and ad-hoc swab test arrangements while the food bank team arranges food supply for the infected employees under home quarantine.



COVID-19 TASK FORCE



SANITATION



SWAB TEST



FOOD BANK

Notwithstanding this, we have developed contingency processes to cater for a potential scenario involving Covid-19 positive cases in our factory and a series of risk prevention measures.

SUSTAINABILITY STATEMENT

ECONOMIC IMPACT (CONT'D)



The Group diversified into the face masks business around mid-June 2020 to manage possible business continuity risks due to COVID-19. Diversification into the face mask segment is the right business move as the Group foresees that this division becoming an essential revenue generator.

BUSINESS CONTINUITY



CUSTOMER SATISFACTION

Customers are among our main stakeholders and form a vital part of our value proposition. We are committed to building strong and trustworthy relationships with our customers and always consider their needs to serve them effectively.

Throughout the year, we keep track of customer satisfaction with our products and services quality through surveys to continuously improve our performance. We provide an open channel to interact with our customers to obtain feedback, appreciate all comments we receive and commit to improving our quality control and delivery arrangements. We are glad that our customers are satisfied with our services and promise to uphold our philosophies to provide the very best to our customers at all times.



QUALITY AND SAFETY

KMC has established a system in line with the essentials of ISO 9001 & FSSC 22000 and continuously monitor the Group's compliance to relevant requirements. KMC developed a Quality and Food Safety Policy whereby this policy is the foundation of the culture and commitment to our customers and also, legal compliance. To strive for quality and excellence, all employees share the responsibility to provide the best value of our products and services.

We provide a framework for establishing and reviewing quality and food safety objectives which take their roots from the following basic principles:



to improve
production efficiency



to deliver on time



to produce quality
and safe products

KMC produces medical-grade face masks with United States of America Food and Drug Administration (FDA) and European Conformity (CE) certifications. KMC is also registered under Medical Device Authority (MDA) and the manufacturing facilities meet ISO13485 standards. We ensure our masks meet the quality requirements and are safe to use.

Quality products help maintain customer satisfaction and loyalty and reduce the risk and cost of replacing faulty goods. We have built a solid reputation by gaining accreditation with a recognized quality standard.



PROCUREMENT

We recognize the importance of suppliers in our business supply chain and maintain a long-lasting business relationship with them to ensure smooth operations in KMC. We adopt a strict supplier selection process to evaluate them based on market prominence, services, quality, and pricing to ensure continuous supply. We comply with the procurement policy for effective and efficient purchases. As part of our ongoing efforts to enhance the supply chain, we maintain regular dialogue with the suppliers.

SUSTAINABILITY STATEMENT

SOCIAL IMPACT



TALENT ATTRACTION AND RETENTION



DIVERSITY AND EQUAL OPPORTUNITY EMPLOYMENT



TRAINING AND DEVELOPMENT



OCCUPATIONAL HEALTH AND SAFETY



CORPORATE SOCIAL RESPONSIBILITY



CREATING JOB OPPORTUNITIES



TALENT ATTRACTION AND RETENTION

We value our employees as our greatest asset. Our success relies on our ability to attract, train and retain the right talent for the right position. As such, we are dedicated to attracting well-suited candidates on the basis of merit, work experience, industry exposure and achievements. We utilise various means to attract talent, including establishing a “Career” section on KMC’s corporate website and evaluating employee referrals.

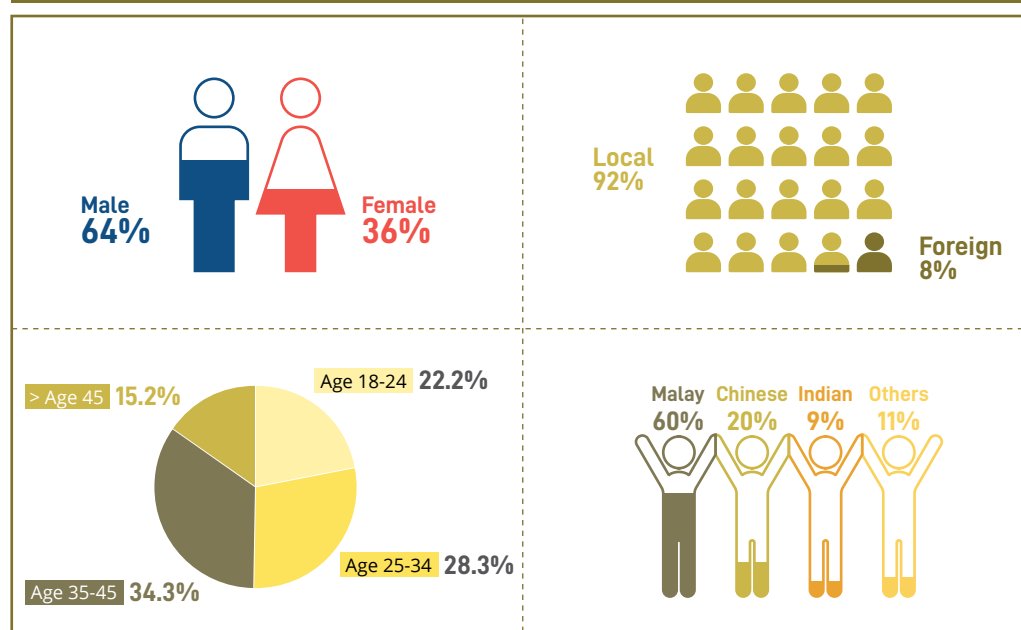
We seek to provide a productive work environment and opportunities for our employees to reach their full potential at KMC. As part of our human capital management strategy to retain talent, we offer competitive remuneration packages with bonuses twice a year, based on work performance. Further, we also provide employee benefits such as annual leave, maternity leave and group personal accident coverage for all employees including foreign workers, and phone allowance for selected employees.



DIVERSITY AND EQUAL OPPORTUNITY EMPLOYMENT

Our diversity policy is a reflection of the multi-racial and societal makeup of the Malaysian society. We are committed to creating a culture that promotes equal employment opportunity and eliminates any form of discrimination, harassment, and victimization in the Group. We strive to treat our employees with dignity and respect. With people of diverse backgrounds, religions, ethnicity and gender, the Group is well-equipped to deliver sustainable value to our stakeholders.

WORKFORCE COMPOSITION IN FYE2021:



SUSTAINABILITY STATEMENT

SOCIAL IMPACT (CONT'D)



TRAINING AND DEVELOPMENT

Continuous employee training and development is crucial to ensure performance improvements and sustained growth of the Group. We seek opportunities to provide training and seminar to employees to equip them with better skills and knowledge of the current situation.



OCCUPATIONAL HEALTH AND SAFETY

Occupational Health and Safety (OHS) focuses primarily on protecting employees in the workplace from accidents, injuries, and exposure to harmful substances. For this reason, we established an OHSAS committee and policies that comply with the Occupational Safety and Health (Safety and Health Committee) Regulation 1996 and Occupational Safety and Health Act 1994 [ACT 514].

Our OHSAS committee consists of a chairman, a secretary, representatives of the employer, and representatives of the employees from various departments such as operations, quality assurance & quality control (QAQC), human resource, maintenance, purchasing, production, store, and graphic printing.

KMC appointed a safety officer in February 2021 and she has conducted several events such as chemical training, noise risk training, security induction, and safety induction for our employees. The safety officer conducts a routine safety audit to prevent potential safety hazards that could cause injury or worse.



CORPORATE SOCIAL RESPONSIBILITY

We promote Corporate Social Responsibility (CSR) activities to benefit different segments of society. KMC had distributed more than 1,900 boxes of facemasks to Daru Amin Surau and residents of Bangi. We also donated 10,000 boxes of four-ply face masks to the Royal Malaysia Police (PDRM) as a token of appreciation for their commitment in ensuring national safety and security during the Covid-19 pandemic.



SUSTAINABILITY STATEMENT

SOCIAL IMPACT (CONT'D)

CORPORATE SOCIAL RESPONSIBILITY

Besides, the food bank team arranges food supply for Covid-19 infected patients under home quarantine.



CREATING JOB OPPORTUNITIES

KMC created additional job opportunities through diversification into the face masks division. We hired 44 employees and 144 workforces under the external agency. Job creation contributes to social development as people can move forward on their path to self-sufficiency. They can meet their basic needs from the wages earned, to support their families and contribute to the overall economy through their spending. We share the responsibility of improving the well-being of society, preventing and reducing poverty.

ENVIRONMENTAL IMPACT



ENVIRONMENTAL COMPLIANCE



NOISE POLLUTION



WASTE MANAGEMENT



ENVIRONMENTAL COMPLIANCE

We strive to create a better planet and recognise the importance of preserving the environment while striving for growth.

We believe in using the Earth's resources wisely. As such, we are committed to minimizing negative impact on the environment in areas such as waste, water, energy, and air quality. We aim to ensure that our suppliers are socially and environmentally responsible. The Group also creates innovative approaches which minimize adverse environmental impacts, improve economic bottom lines while maintaining our responsibility to the society. KMC has applied for Net Offset Virtual Aggregation (NOVA) approval to install industrial solar panels from Sustainable Energy Development Authority Malaysia (SEDA). SEDA approved the application on 12 July 2021.

There was no environmental incident in breach of any environmental legislation in FYE2021.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL IMPACT (CONT'D)



NOISE POLLUTION

The Group's operations produce noise as an inevitable side effect. We pay close attention to the impact and in this regard, we monitor and establish control measures to minimize the impact of noise pollution on our surroundings and employees. We conduct periodic assessments on operating locations and provide earplugs to workers who operate machineries that emit high noise levels.

KMC appoints a certified consultant to perform the Noise Risk Management and Boundary Noise Levels Measurement on a regular basis. The latest monitoring was performed in January 2021 and the outcome of the report complies with DOE guidelines (Environmental Noise Limits and Control) of 75 dB(A) for daytime and night time.



WASTE MANAGEMENT

At KMC, we manage waste through a formalized waste management flow. We monitor the implementation of control measures very strictly to comply with relevant regulations. There are two types of waste - general waste and scheduled waste. We segregate the general waste including items such as plastic, paper, wooden pallet, metal scrap by container and send them to either the authorized landfills or recycling facilities. The production team segregates the scheduled waste generated into the correct bin or container. Before entering the scheduled waste storage, the leader of the production team will weigh the waste and paste the waste code label. These waste items are handled with care before collection by an authorized vendor.

There was no waste related incident in breach of any regulation in FYE2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Komarkcorp Berhad (“the Company” or “KMC”) recognises the importance of good corporate governance practices within the Company and its subsidiary companies (“Group” or “KMC Group”) as a fundamental part of discharging its responsibilities to safeguard shareholders’ investments and to protect the interests of all stakeholders.

The Board is committed to ensure the applicable principles and recommendations as set out in the Malaysian Code on Corporate Governance (“MCCG”) and the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) respectively are applied throughout the Group so as to enhance the value to our shareholders and other stakeholders as well as to generate long-term sustainability and growth.

The Board will continue to undertake review of its corporate governance practices and developments in order to ensure that the Group’s corporate governance remain relevant and appropriate for a Group of our size.

The Board is pleased to present the Corporate Governance Overview Statement (“CG Statement”), which provides key highlights on how the Company complies with the three (3) principles of MCCG during the financial year ended 30 April 2021 (“FYE2021”), which are as follows, and shall be read together with the Corporate Governance Report which is available to download from the Company’s website at www.komark.com.my:-

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board’s Responsibilities

The Board is collectively responsible to the Company’s shareholders for the long-term success of the Group and its overall strategic direction, its values and its governance. The Board is led by experienced and knowledgeable Directors who provide the Company with the core competencies and the leadership necessary for the Group to meet its business objectives and goals.

All members of the Board are aware of their responsibility to take decisions objectively which promote the success of the Group for the benefits of shareholders and other stakeholders. The role and responsibilities of the Board are clearly set out in the Board Charter, which is available on the Company’s website at www.komark.com.my. The Board Charter is reviewed periodically as and when the need arises to ensure that the dynamic needs of the Group are consistently met.

Broadly, the responsibilities of the Board are inclusive of but not limited to:

- identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- ensure there is a sound framework for internal controls and risk management;
- ensuring that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
- establishing and reviewing the policies and procedures on whistleblowing;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- ensuring that the Company’s financial statements are true and fair and conform with the accounting standards;
- monitoring and reviewing policies and procedures relating to occupational health and safety and compliance with relevant laws and regulations; and
- ensuring that the Company adheres to high standards of ethics and corporate behaviour.

To assist in the discharge of its stewardship role, the Board has delegated and conferred some of its authority and powers to its Committees, namely the Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) (collectively referred as “Board Committees”). The Board Committees are entrusted with the responsibility to oversee specific aspects of the Company’s affairs in accordance with their respective terms of reference as approved by the Board and to report to the Board with their findings and recommendations. The ultimate responsibility for decision making, however, lies with the Board. A copy of the Terms of Reference of the board committees is available on the Company’s website at <http://www.komark.com.my>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Separation of positions of the Chairman and Executive Director

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The positions of Chairman of the Company and Executive Director are held by different individuals with distinct and separate roles to enhance governance and transparency.

Company's Policies

The Board encourages employees across the Company to adhere to and maintain the highest standard of ethical behaviour. Hence, the Company has put in place a Code of Ethics and Conducts ("CoEC") to promote the corporate culture which engenders ethical conduct that permeates throughout the Company and its subsidiaries. The CoEC sets out the Company's expectations with regard to certain values, principles and standards of good conduct such as conflict of interests, confidentiality, fair practices, acceptance of gifts and appropriate use of the Company's property which reflects the Company's commitment to integrity, transparency, accountability and self-regulation.

The Company also established a Whistle-Blowing Policy which provides avenues for employees and external party to raise legitimate concerns relating to potential breaches of business conduct, non-compliance with legal and regulatory requirements as well as other malpractices. All cases are reported and assessed by the Group Chairman and the AC Chairman.

The Company has in place an Anti-Corruption Policy to incorporate the policies and procedures on anti-corruption to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption.

Details of the Board Charter, CoEC, Anti-Corruption Policy and Whistleblowing Policy are available in the Company's website at www.komark.com.my

Qualified and Competent Company Secretary

The Company Secretary of the KMC is competent and suitably qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. Every Director has readied and unrestricted access to the advice and the services of the Company Secretary to ensure the effective functioning of the Board. The Company Secretary ensure that Board policies and procedures are both followed and reviewed regularly and they have the responsibility to ensure that each Director is made aware of and provided with guidance as to their duties, responsibilities and powers. The Company Secretary also notify the Board of any corporate announcements released to Bursa Securities and the impending restriction on dealing with the securities of the Company prior to the announcement of the quarterly results.

The Company Secretary play an important advisory role to the Board in relation to the Company's constitution and advise the Board on any updates relating to new statutory and relevant regulatory requirements pertaining to the duties and responsibilities of Directors as and when necessary.

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of their function.

Board and Board Committees Meetings

In discharging their responsibilities effectively, the Directors attended Board and Board Committee meetings to deliberate on matters under their review. During the FYE2021, key activities undertaken by the Board include:

- Received reports and updates on operational and financial performance of the Group and other key matters;
- Considered corporate proposals;
- Approved the Company's full year and interim results;
- Discussed updates on corporate governance and regulatory matters;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board and Board Committees Meetings (cont'd)

In discharging their responsibilities effectively, the Directors attended Board and Board Committee meetings to deliberate on matters under their review. During the FYE2021, key activities undertaken by the Board include (cont'd):

- Received updates from the Chair of the Board Committees on the work undertaken by each committee;
- Considered and approved the appointment of the Company's new external auditors, Messrs. KC Chia & Noor; and
- Considered and recommended the proposed Authority for the Company to purchase its own ordinary shares for shareholders' approval.

Board Composition

The Board comprises five (5) members, comprising of one (1) Executive Director and four (4) Independent Non-Executive Directors.

The summary of change in the board composition as follow: -

Name	Date of Appointment	Date of resignation	AC	NC	RC
Teh Foo Hock (Independent Non-Executive Director)		30 April 2021	Ceased to be a Chairman of AC and Member of NC and RC on 30 April 2021		
Chan Jee Peng (Independent Non-Executive Director)	1 May 2021		Appointed to be a Chairman of AC and Member of NC and RC on 1 May 2021		
Koh Chie Jooi (Group Chief Executive Officer and Executive Director)		23 July 2021			

The present composition of the Board has complied with the Paragraph 15.02 of the MMLR of having at least two (2) or one third (1/3) of the Board comprising independent directors. In the event of any vacancy of the Board, resulting in non-compliance with the Paragraph 15.02 of the MMLR, the Company will fill the vacancy within three (3) months.

The current Board comprises directors with diverse knowledge, experience, requisite range of skills and competence to enable them to discharge their duties and responsibilities effectively, objectively and independently. The Directors bring external perspectives to the Board's deliberation through their diverse backgrounds and experiences, enabling them to ensure necessary checks and balances, contributing to Board decision making. The independent directors consist of individuals from accounting and finance are able to express divergent points of views and concerns, provide insights on trends and forecast as well as challenge management in a more objective manner to create more values and sustainability of the business.

The Board through Nomination Committee conducts an annual review of its size and composition, gives due regard to skills, experience, gender and background.

As part of the FYE2021 Board evaluation, the Board also reviewed the independence of each of the non-executive Directors. Each independent Director has also confirmed that they have no material or other relationship with the major shareholders or any directors of the Group. The Board is satisfied that they are independent to act in the best interest of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Composition (cont'd)

The Board is aware that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) years' term, an Independent Director may continue to serve on the Board as an Independent Director subject to shareholder's approval and if the Board continues to retain the Independent Director after the twelfth (12th) year, the Board should seek annual shareholders' approval through a two-tier voting process.

Currently, En Ihsan Bin Ismail, the Independent Director of the Company who had served the Board for a cumulative term of more than twelve (12) years, is going to retain as Independent Directors through a two-tier voting process at the forthcoming 25th AGM of the Company.

Time Commitment

The Board meets at least four (4) times a year to facilitate the discharge of its responsibilities. The Board will also attend additional meetings to be convened on an ad-hoc basis as and when necessary to consider business issues that require urgent decision of the Board.

Board meetings for each year are scheduled in advance to ensure sufficient time for the Directors to plan their meeting schedule.

During the FYE 2021, a total of six (6) Board meetings were held and the attendance of the directors at Board and Committee meetings is shown in the table below:

Name of Directors	Board	AC	NC	RC
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad Chairman and Independent Non-Executive Director (Appointed on 11 August 2020)	5/5	2/2		
Koh Chie Jooi Executive Director/ Group Chief Executive Officer (Resigned on 23 July 2021)	6/6			
Roy Ho Yew Kee Executive Director (Appointed on 25 June 2020)	6/6	2/2		
Ihsan Bin Ismail Independent Non-Executive Director	6/6	5/5	1/1	1/1
Koo Kien Keat Independent Non-Executive Director (Appointed on 11 August 2020)	5/5			
Chan Jee Peng* Independent Non-Executive Director (Appointed on 1 May 2021)	*_	*_		
Teh Foo Hock Independent Non-Executive Director (Resigned on 30 April 2021)	6/6	4/4		
Koh Hong Muan @ Koh Gak Siong Executive Chairman (Retired on 16 July 2020)	1/1			1/1
Tan Lay Ching Independent Non-Executive Director (Resigned on 1 July 2020)	1/1	1/1	1/1	1/1

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Time Commitment (cont'd)

During the FYE2021, the attendance of the directors at Board and Committee meetings is shown in the table below (cont'd):

Name of Directors (cont'd)	Board	AC	NC	RC
Low Tuck Meng Independent Non-Executive Director (Resigned on 1 July 2020)	0/1	0/1	0/1	0/1

*Mr. Chan Jee Peng was appointed to the Board, AC, NC and RC on 1 May 2021. Hence, his attendance was not included.

Based on the above, all Directors (except Mr Low Tuck Meng who has resigned on 1 July 2020) have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in MMLR. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at each Board meeting.

Board Training and Development

The Board acknowledges the importance of continuous education and training programmes for its members to enable effective discharge of its responsibilities and to be apprised of the changes to regulatory requirements and the impact such regulatory requirements will have on the Group. The Company Secretary circulate and brief the relevant guidelines on statutory and regulatory requirements from time to time and for the Board's reference.

The Directors have completed the Mandatory Accreditation Programme as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Directors attended trainings, workshops, briefing and seminars conducted by relevant regulatory authorities and professional bodies. Details of the training programmes attended/participated by the Directors are as follows:

Board members	Courses/Training Programmes Attended
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	• Covid-19 Impact on Financial Reporting and Internal Controls • Decoding Transactions and RPT Rules • Examining Section 17A Of The MACC Act 2009
Mr. Koh Chie Jooi	• Examining Section 17A Of The MACC Act 2009
Mr. Roy Ho Yew Kee	• Covid-19 Impact on Financial Reporting and Internal Controls • Decoding Transactions and RPT Rules • Examining Section 17A Of The MACC Act 2009
En Ihsan Bin Ismail	• SRI Virtual Conference 2020 • Economic Recovery Plan
Mr. Teh Foo Hock	• Audit Committee Conference 2021 • Human, Waste and Environment • The Risk of Sitting & The Power of Moving • MIA Town Hall 2021 – National • Unlock The Leader In Your • Directors' Responsibilities In The Zone Of Insolvency • MIA's Workshop With Uantchern Loh On The Importance of Culture
Mr. Koo Kien Keat	• Decoding Transactions and RPT Rules

*Mr Chan Jee Peng was appointed to the Board on 1 May 2021. Hence, the training attended by him during the FYE 2021 was not included.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Nomination Committee

Board Appointments

The NC plays a role in the Board appointment process. The process of nomination and selection of directors involves identification of potential candidate(s), evaluation of suitability of candidates based on the agreed upon criteria, followed by deliberation by NC and recommendation to the Board for its final approval. The NC will continuously take measures to strengthen the nomination process and, may consider utilising independent sources such as directors' registry, advertisement or recruitment agency to identify qualified candidates when necessary. The NC may also engage external independent consultancy services to conduct searches for potential candidates where appropriate.

The NC comprises three (3) members, all of them are Independent Non-Executive Directors.

During the FYE2021, the NC had undertaken the following activities:

- Reviewed and accessed the suitability of the appointment of new Independent Director to the Board;
- Identified suitable orientation and training programs for Directors for year 2020 and recommendation to the Board;
- Reviewed the composition of the Board Committee;
- Conducted an annual assessment of the performance of the Board as a whole and made its recommendation to the Board; and
- Conducted an annual assessment of the Independent Directors and made its recommendation to the Board.

Board Evaluation

The NC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC Chairman and supported by the Company Secretary via questionnaires.

The effectiveness of the Board is assessed in the areas of the Board's roles and responsibilities and composition, attendance record, the intensity of participation at meetings, quality of interventions and special contributions. Besides, the effectiveness of the Board Committees is assessed in terms of structure and processes, accountability and responsibility as well as the effectiveness of the Chairman of the respective Board Committees.

Based on the annual assessment conducted during the financial year, the NC was satisfied with the existing Board composition and concluded that each Directors has the requisite competence to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the financial year under review, and recommended to the Board the re-election of retiring Directors at the Company's forthcoming Annual General Meeting ("AGM"). All assessments and evaluations carried out by the NC in discharge of its functions were properly documented.

Diversity of Board and Senior Management

The Board acknowledges the importance and benefits of boardroom diversity in terms of age, gender, nationality, ethnicity and socio-economic background. The Board views that while promoting boardroom diversity is essential, the normal selection criteria based on competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority.

Currently, our Board does not comprise of any female director. In line with the Code of at least 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as considering the appointment of female director onto the Board in future to bring about a more diverse perspective

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Remuneration Committee

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

The present RC consists of all three (3) Independent Non-Executive Directors.

The remuneration packages for the Executive Directors and key senior management personnel comprises basic salary, benefits in kind and bonuses. The basic salaries are reviewed annually taking into account a number of factors, including individual responsibilities, performance and experience, and practice at other companies of similar size. Bonuses are determined based on performance against financial performance of the Company. To ensure that the overall remuneration package is competitive, Executive Directors receive other benefits in kind in the form of company car and car allowances.

Each of the Director receives a director's fee and meeting allowance for each Board and general meetings that they attend. The level of Directors fee reflects their experience and level of responsibilities. Chairman of the AC, RC and NC receives higher fees in respect of their services as a chairman of the respective committee. The Directors will receive an additional fee if they are members of the Board Committee. The fees for Directors are determined by the Board with approval from shareholders at AGM.

During the financial year under review, the RC reviewed and recommended the remuneration of the Executive Directors and key senior management of the Company for Board's approval pursuant to the Terms of Reference of RC. The Directors' fees and benefits payable to Directors have also been reviewed and recommended by the RC to the Board to seek shareholders' approval at the Company's forthcoming AGM. No Director is involved in deciding his own remuneration.

The interested Directors abstained from deliberation and voting on their own remuneration at the Board meetings.

Directors' Remuneration

The details of the Directors' remuneration comprising remuneration received/receivable from the Company and its subsidiaries during the FYE2021 are as follows:

Directors	Directors' Fees (RM)	Salary (RM)	Other Emoluments (RM)	Total (RM)
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Appointed on 11 August 2020)	60,742	-	5,000	65,742
Mr. Roy Ho Yew Kee (Appointed on 25 June 2020 and Redesignated on 3 Nov 2020)	60,700	168,462	6,500	235,662
En Ihsan Bin Ismail	47,000	-	8,500	55,500
Mr. Koo Kien Keat (Appointed on 11 August 2020)	34,710	-	5,000	39,710

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Directors' Remuneration (cont'd)

The details of the Directors' remuneration comprising remuneration received/receivable from the Company and its subsidiaries during the FYE2021 are as follows (cont'd):

Directors (cont'd)	Directors' Fees (RM)	Salary (RM)	Other Emoluments (RM)	Total (RM)
Mr. Chan Jee Peng (Appointed on 1 May 2021)	-	-	-	-
Mr. Koh Chie Jooi (Redesignated on 15 October 2020 and Resigned on 23 July 2021)	5,500	668,581	-	674,081
Mr. Teh Foo Hock (Resigned on 30 April 2021)	57,000	-	7,500	64,500
Mr. Koh Hong Muan @ Koh Gak Siong (Retired on 16 July 2020)	154,172	-	30,191	184,363
Miss Tan Lay Ching (Resigned on 1 July 2020)	8,000	-	3,000	11,000
Mr. Low Tuck Meng (Resigned on 1 July 2020)	7,000	-	1,000	8,000
				1,338,558

Remuneration of Key Senior Management

The remuneration paid to the Key Senior Management during the financial year under review, as follows: -

Range of Remuneration	Number of Key Senior Management
Below RM100,000	4

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

In assisting the Board to discharge its duties on financial reporting, the Board has established an AC, which comprises three (3) members, all of whom are Independent Non-Executive Directors. The AC is chaired by Mr Chan Jee Peng, who is not the Chairman of the Board. Collectively, the AC members are financially literate, have commercial expertise skills, knowledge and understanding of the matters under the purview of the AC including the principles and developments of financial reporting. They constantly keep abreast of relevant changes to financial reporting standards and issues which have a significant impact on the financial statements through regular updates from the external auditors and the Executive Directors.

All the AC members undertake training and continuous professional developments as set out in this Statement on page 31.

The composition, roles and responsibilities of the AC are set out on pages 37 to 39 under the AC Report in this Annual Report. The duties and responsibilities of the AC are also available in the AC's TOR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Audit Committee (cont'd)

Under its TOR, the AC assists the Board in fulfilling its statutory and fiduciary responsibilities relating to the Company's internal and external audit functions, risk management and compliance systems and practice, financial statements, accounting and control systems and matters that may significantly impact the financial condition or affairs of the business.

The AC is responsible in ensuring that the financial statements of the Company are in accordance with the applicable accounting standards in Malaysia and in compliance with relevant rules and regulation. In this regard, the AC reviewed the scope of the audit set out in the audit planning memorandum, work plan, areas of audit emphasis, fee proposal, issues arising from the audit and remedial actions to rectify the issues, audit judgements, level of errors identified during the audit and recommendations made by the external auditors. The AC also meets with the external auditors without the presence of the executive directors and management once a year to discuss key matters within their responsibilities.

The terms of reference of the AC requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC.

The AC has reviewed the independence and suitability of the external auditor based on the relevant criteria set out in the Listing Requirements and External Auditor Assessment Policy which was approved by the Board on 28 June 2018. The AC has also reviewed the nature and extent of non-audit services provided by the external auditors for FYE2021 and recommends to the Board on the reappointment of the external auditor.

The external auditors have confirmed in writing that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants ("MIA"). In compliance with the MIA requirements, the lead partner is rotated every five (5) years to ensure independence and effectiveness.

Sound Risk Management and Internal Control

The Board has overall responsibility for maintaining a sound system of risk management and internal control of the Group that provides reasonable assurance of effective and efficient business operations, compliance with laws and regulations as well as internal procedures and guidelines.

The AC assists the Board in overseeing the risk management framework and reviewing the adequacy and operating effectiveness of the system of risk management and internal control in the Group. The internal Risk Management Working Committee is responsible to manage business risks, including developing, implementing and monitoring mitigating measures to manage such risks to acceptable levels.

The AC processes are designed to establish a proactive framework and dialogue in which the AC, the management and the external and internal auditors review and assess the risk management framework. The Company Internal Risk Management Working Committee reports to the AC quarterly.

The Group has outsourced the internal audit function to a professional service firm which is independent of the activities and operations of the Group. The outsourced internal auditors report directly to the AC.

Details on the risk management and internal control system of the Group are set out in the AC report and Statement on Risk Management and Internal Control of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Communications with Stakeholders

The Board always recognizes that an effective communication with stakeholders is an essential requirement of the Group's sustainability. In view thereof, stakeholders are informed of all material business events and risks of the Group in a factual, timely and widely available manner. A corporate disclosure policies and procedures has been formalized to enable comprehensive, accurate and timely information relating to the Group are disclosed to the shareholders and other stakeholders not only to comply with the disclosure requirements as stipulated in the Listing Requirements, but also set out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders in compliance with the Listing Requirements of Bursa Securities.

The Company's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences.

The Company also attended queries from shareholders via post, telephone, facsimile or email.

The Group is committed to a policy which provides accurate, balanced, clear, timely and complete disclosure of corporate

The Group is mindful of the importance of timely and equal dissemination of material information to the stakeholders, media and regulators. In this respect, the Group has in place a Corporate Disclosure Policy to ensure that comprehensive, accurate and timely disclosures are provided to shareholders and stakeholders.

Significant matters relating to development of the business, reporting requirements etc are disseminated by way of announcements via Bursa Securities and press releases. Interim and full results are announced in a mandatory period.

The Company has established a website at www.komark.com.my from which shareholders and members of the public may access the latest information on the operations and activities of the Group as well as relevant information required by Bursa Securities.

Annual General Meetings

The last AGM was held on 22 October 2020. The AGM is the principal forum for dialogue with shareholders. AGM provides an opportunity for shareholders to understand the financial and operational performance of the Company and to pose questions to the Chairman, other Directors and key management.

The Chairman allocated sufficient time to encourage the shareholders, proxies and the corporate representatives to ask questions pertaining to the matters tabled at general meetings or voice any concerns. The Board, Management team and the Company's external auditors were present at the meetings to answer questions raised and provide clarification as required by the shareholders, proxies and corporate representatives.

Notice of AGM sets out the resolutions together with the Company's Annual Report will be sent to shareholders at least twenty-eight (28) days prior to the meeting to provide shareholders with sufficient time for considerations and to make informed decisions. Shareholders who are unable to attend are allowed to appoint proxies to attend, speak and vote on their behalf.

Pursuant to Paragraph 8.29A of Listing Requirements, the Company must ensure that any resolution set out in the Notice of any general meeting is to be voted by poll. The Company has implemented poll voting for all resolutions via electronic means.

The Board will continue to adopt poll voting for all resolutions set out in the Notice of the AGM of which the votes cast will be validated by an independent scrutineer. The outcome of all resolutions proposed at the AGM is to be announced to Bursa Securities at the end of the meeting day while a summary of the key matters discussed at the AGM shall be published on the Company's website as soon as practicable after the conclusion of the AGM.

This Statement was approved by the Board on 23 September 2021.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of Komarkcorp Berhad ("Komarkcorp" or "the Company") is pleased to present the Audit Committee ("AC") Report for the financial year ended 30 April 2021 ("FYE 2021").

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

A. COMPOSITION

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

Chairman:	Mr. Chan Jee Peng, Independent Non-Executive Director (Appointed on 1 May 2021) Mr. Teh Foo Hock, Independent Non-Executive Director (Appointed on 1 July 2020; redesignated as Chairman on 17 August 2020 and resigned on 30 April 2021) Miss Tan Lay Ching, Independent Non-Executive Director (Resigned on 1 July 2020)
Members:	YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad, Independent Non-Executive Director (Appointed on 3 November 2020) En Ihsan Bin Ismail, Independent Non-Executive Director Mr. Roy Ho Yew Kee, Executive Director (Appointed on 1 July 2020 and resigned on 3 Nov 2020) Mr. Low Tuck Meng, Independent Non-Executive Director (Resigned on 1 July 2020)

The Chairman of the AC, Mr. Chan Jee Peng is a member of the Malaysian Institute of Accountants. The current composition of the AC is in compliance with Paragraph 15.09 of the Main Market Listing Requirements ("Listing Requirement") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Malaysian Code on Corporate Governance.

B. TERM OF REFERENCE

The principal objective of the AC is to assist the Board in meeting its responsibilities relating to accounting and reporting practices of the group. The duties and responsibilities of the AC is as set out in the Terms of Reference of the AC which can be found on the Company's website at <https://komark.com.my/>.

C. MEETINGS AND ATTENDANCE

The AC conducted five (5) meetings during the FYE 2021 and the attendance of the AC members is set out as below:-

<u>Name of AC Members</u>	<u>Attendance</u>
(a) Mr. Chan Jee Peng (Appointed on 1 May 2021)	-*
(b) YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Appointed on 3 November 2020)	2/2
(c) En Ihsan Bin Ismail	5/5
(d) Mr. Roy Ho Yew Kee (Appointed on 1 July 2020 and resigned on 3 Nov 2020)	2/2
(e) Mr. Teh Foo Hock (Appointed on 1 July 2020 and resigned on 30 April 2021)	4/4
(f) Miss Tan Lay Ching (Resigned on 1 July 2020)	1/1
(g) Mr. Low Tuck Meng (Resigned on 1 July 2020)	0/1

AUDIT COMMITTEE REPORT

C. MEETINGS AND ATTENDANCE (CONT'D)

*Mr. Chan Jee Peng was appointed as AC chairman on 1 May 2021. Hence, his attendance was not included.

The meetings were structured through the use of agendas which were distributed to the AC with sufficient notification. The AC members are provided with notices and agenda about seven (7) days before the meeting. The meetings were of adequate length to allow the AC to accomplish its agenda with sufficient time to discuss emerging issues.

The Company Secretary or the representatives were present at all the meetings. Upon invitation, the executive Board members, members of management as well as representatives of the external auditors and internal auditors also attended specific AC meetings to facilitate direct communication and to provide clarifications on audit issues and the operations of the Group.

The minutes of each AC meeting were recorded and tabled for confirmation at the next following AC meeting. The AC Chairman reported to the Board on the key matters deliberated during the AC meetings, for the Board's consideration and decision.

D. SUMMARY OF WORK

During the FYE 2021, in line with their Term of Reference, the activities of the AC included, among others, the following:-

- (a) reviewed the unaudited quarterly financial statements of the Group to ensure adherence to the regulatory reporting requirements and appropriate resolution prior to the Board's approval;
- (b) reviewed and confirmed the minutes of the AC meetings;
- (c) reviewed the external auditors' reports on audit findings and the accounting issues arising from the audit before appropriate audit adjustments were made to the Group's financial statements for FYE 2021;
- (d) discussed the Audit Planning Memorandum from the external auditors for the FYE 2021;
- (e) discussion with external auditors without the presence of executive Board members and management;
- (f) reviewed the related party transactions to be entered into by the Group to ensure that the transactions entered into were on arm's length basis and on normal commercial terms and not detrimental to the interests of minority shareholders every quarter;
- (g) reviewed the business plan and budget of the group for FYE 2021;
- (h) reviewed the internal audit report which outlined the recommendations towards correcting areas of weaknesses and ensured that there were management action plans established for the implementation of the Internal Auditors' recommendations;
- (i) discussed the Internal Audit Planning Memorandum from the internal auditors for the FYE 2021;
- (j) discussed the Group Risk Management Report;
- (k) reviewed with the internal auditor, external auditors and the management, the adequacy of the existing policies, procedures and systems of internal control of the Group;

AUDIT COMMITTEE REPORT

D. SUMMARY OF WORK (CONT'D)

- (l) reviewed the re-appointment of External Auditors and their audit fees, after taking into consideration the independence and objectivity of the External Auditors and the cost effectiveness of their audit, before the recommendation to the Board for approval;
- (m) discussed on details of the Proposed Private Placement;
- (n) reviewed with the External Auditors and Internal Auditors, the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report;
- (o) reviewed the AC report, Corporate Governance Overview Statement together with Corporate Governance Report, Management Discussion and Analysis and Sustainability Statement for inclusion in the Annual Report and Circular /Statement to Shareholders; and
- (p) reviewed the annual audited financial statements of the Company and of the Group prior to the Board's consideration and approval.

E. INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to a professional firm named Messrs. Indah Corporate Governance Sdn. Bhd. ("**Internal Auditor**").

The primary responsibility of Internal Auditor is to provide independent and reasonable assurance that the Group's systems of internal controls are adequate and continue to operate satisfactorily and effectively. The internal auditor provides the AC with independent and objective reports on the state of internal controls of the Group, the extent of compliance with the established policies, procedures and relevant statutory requirements, the extent the Group's assets are accounted for and safeguarded, and improvements to operations, processes and control systems.

The Internal Audit highlighted to the AC on their audit findings and requested formulation of management action plans by the Management to ensure an adequate and effective internal control system within the Group and to mitigate risks arising from any weaknesses in the Group's internal control system. Subsequently, follow up review was performed to ensure that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management.

The AC and the Board are satisfied with the performance of the outsourced Internal Auditors and have in the interest of greater independence and continuity in the internal audit function, taken the decision to continue with the outsourcing of the Internal Audit function.

The total costs incurred by the Internal Auditor in discharging its functions and responsibilities in respect of the FYE 2021 was RM30,000.

Further details of the internal audit function and its activities are provided in the Statement on Risk Management and Internal Control, set out on pages 40 to 42 of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Issuers, the Board of Directors (the “Board”) is pleased to present its Statement on Risk Management and Internal Control. This Statement outlines the nature and scope of the Group’s internal control and risk management for the financial year ended 30 April 2021.

BOARD’S RESPONSIBILITY

The Board has an overall responsibility to establish and maintain a sound risk management and internal control system for the Group and to continually review the adequacy and effectiveness of the system in order to achieve the corporate objectives and to safeguard the shareholders’ investment and the Group’s assets.

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

KEY ELEMENTS OF INTERNAL CONTROL

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK AND PROCESS

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

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

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

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

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

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

INTERNAL AUDIT FUNCTION

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION (CONT'D)

During financial year under review, the internal auditors have carried out the audit on the following areas:-

1. Credit Management
2. Invoicing Management
3. Warehouse Management
4. Occupational Health and Safety Management

REVIEW OF STATEMENT BY EXTERNAL AUDITOR

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

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

CONCLUSION

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

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

This statement was approved by the Board of Directors on 23 September 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

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

The Directors are responsible to ensure that the audited financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company for the financial year ended 30 April 2021. Where there are new accounting standards or policies that become effective during the period, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

In preparing the financial statements, the Directors have:

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

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

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

This Statement is made in accordance with a resolution of the Board dated 17 August 2021.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

AUDIT FEE AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

For the Financial Year Ended 30 April 2021, the amount of audit and non-audit fees paid or payable to the External Auditors by the Group and Company respectively as follows:

Type of fees	Group (RM'000)	Company (RM'000)
Audit fees	199	40
Non-audit fees	54	54
Total	253	94

MATERIAL CONTRACTS

There were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholder's interest which were still subsisting at the end of the financial year ended 30 April 2021 or entered into since the end of the previous financial year.

UTILISATION OF PROCEEDS

a. Private Placement of up to 30% of the total number of issued shares of Company

On 16 June 2020, the Company proposed to undertake private placement of up to 30% of total number of issued shares of the Company to independent third-party investors ("**Private Placement up to 30%**"). The Private Placement up to 30% was completed following the listing and quotation of 45,011,000 and 16,664,000 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 24 December 2020 and 28 December 2020 respectively, raising RM59,208,000 for the Company.

As at 30 April 2021, the summary of the utilisation of proceeds were as follows:-

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Variation RM'000	Unutilised RM'000
(i) Investment in the new business	17,900	9,483	-	8,417
(ii) Repayment of borrowings	1,423	1,423	-	-
(iii) Working Capital	38,725	9,936	-	28,789
(iv) Estimated expenses for the Proposals	1,160	1,160	-	-

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

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

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

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

EMPLOYEES SHARE OPTION SCHEME (“ESOS”) (CONT'D)

None of such option had been granted to any eligible persons including Executive Director, Non-Executive Directors and Key Senior Management of the Company under ESOS since the implementation of ESOS up to the financial year ended 30 April 2021.

RECURRENT RELATED PARTY TRANSACTIONS (“RRPT”)

The Recurrent Related Party Transactions of a Revenue or Trading Nature incurred during the financial year are set out as below:-

Name of Related Parties	Nature of Transaction	Interested Directors, Major Shareholders and Persons Connected	Aggregate value made during the financial year ended 30 April 2021 (RM'000)
Toprint Packaging Sdn Bhd	Sales of high-end labels to Toprint	- Mr. Koh Hong Muan @ Koh Gak Siong - Mr. Koh Chee Hao - Mr. Koh Chie Jooi (Resigned w.e.f 23 July 2021)	12
Toprint Packaging Sdn Bhd	Sales of boxes, prepaid cards, low end labels, punch cards, name cards, A4 papers, printed forms to Komark Group	- Mr. Koh Hong Muan @ Koh Gak Siong - Mr. Koh Chee Hao - Mr. Koh Chie Jooi (Resigned w.e.f 23 July 2021)	1,215
Key Alliance Group Berhad	i) Provision of Information and Communication Technology (“ICT”) services. ii) Installation of Enterprise Resource Planning (“ERP”) systems. iii) Installation of security and Closed-Circuit Television (“CCTV”) monitoring iv) Installation of Internet of Things (“IOT”) devices v) Installation of covid-19 preventive measures. vi) Migration of various operating platforms to cloud based.	- Mr. Roy Ho Yew Kee - YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	636

Besides, the Company is seeking approval from the shareholders for the proposed new and renewal shareholders' mandate for the Company to enter into RRPT(s) of a revenue or trading nature pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Securities at the forthcoming Annual General Meeting to be convened on Friday, 29 October 2021 at 10:00 a.m. The details as enclosed in the circular dated 30 September 2021.



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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2021.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company and providing management services to its subsidiaries within the Group.

The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year except for the new subsidiary incorporated during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss for the year	(15,955)	(13,596)
Loss attributable to:		
- Owners of the Company	(15,834)	(13,596)
- Non-controlling interests	(121)	-
	(15,955)	(13,596)

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the previous financial year, no dividend has been declared or paid by the Company.

The directors do not recommend the payment of any dividend in respect of the current financial year.

TREASURY SHARES

As at 30 April 2021, the Company held 18,000 units of its issued and paid-up ordinary shares as treasury shares at a carrying amount of RM3,547 in accordance with Section 127(4) of the Companies Act 2016. Details of the treasury shares are disclosed in Note 14 to the financial statements.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from RM62,789,075 to RM120,166,163 by way of:

- (i) a private placement of 61,675,000 units of new ordinary shares at RM0.96 each for a cash consideration of RM59,208,000; and
- (ii) an issuance of 35,400 units of new ordinary shares pursuant to the exercise of Warrants 2021/2024 ("Warrants C") at RM1.00 each for a cash consideration of RM35,400.

Out of the total net proceeds, RM 17,900,000 was used to finance the manufacturing and sales of face masks with the balance amount used for repayment of loans and borrowings, and as working capital purposes. The newly issued ordinary shares rank pari passu in all respects with the then existing ordinary shares of the Company. Details of the issuance of new ordinary shares are disclosed in Note 14 to the financial statements.

Other than the above, no debentures were issued by the Company during the financial year.

WARRANTS 2021/2024 ("WARRANTS C")

On 15 January 2021, the Company issued 133,625,329 free Warrants C to the existing shareholders of the Company on the basis of one (1) warrant for every two (2) existing ordinary shares held. During the financial year, the movement of the outstanding warrants is as follows:-

Date issued	Exercise price	Number of Warrants 2021/2024				At 30.4.2021
		At 15.1.2021	Exercised	Lapsed	Effect of share split	
15.1.2021	RM0.56	133,625,329	(35,400)	-	106,870,761	240,460,690

The salient terms of Warrants 2021/2024 are disclosed in Note 15 to the financial statements.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

On 5 August 2020, the shareholders of the Company at an Extra-ordinary general meeting approved an ESOS to be granted to eligible persons of the companies within the Group to subscribe for unissued new ordinary shares in the Company.

None of such option had been granted to any eligible persons by the Company during the financial year and the salient features of the ESOS are disclosed in Note 16 to the financial statements.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year and up to the date of this report are:

YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad*	(Appointed as Chairman and Director on 11 August 2020)
Ihsan Bin Ismail	
Roy Ho Yew Kee*	(Appointed on 25 June 2020)
Koo Kien Keat	(Appointed on 11 August 2020)
Chan Jee Peng	(Appointed on 1 May 2021)
Koh Hong Muan @ Koh Gak Siong*	(Retired as Chairman and Director on 16 July 2020)
Koh Chie Jooi*	(Resigned on 23 July 2021)
Teh Foo Hock	(Resigned on 30 April 2021)
Tan Lay Ching (f)	(Resigned on 1 July 2020)
Low Tuck Meng	(Resigned on 1 July 2020)

* As director of the Company and certain subsidiaries of the Group

Pursuant to Section 253 of the Companies Act 2016, the list of directors of the subsidiaries who served since the beginning of the financial year and up to the date of this report, not including those directors mentioned above is as follows:

Ong Ann Boon	
Karnrawee Cherdchai	
Chu Chee Peng	(Appointed on 23 July 2021)
Koh Chee Hao	(Resigned on 17 August 2020)
Koh Chee Kian	(Resigned on 9 July 2020)
Koh Soo Choo (f)	(Resigned on 6 July 2020)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of Ordinary Shares			
	Balance at 1.5.2020	Bought	Sold	Effect of share split
				Balance at 30.4.2021
Direct Interest				
YM Tengku Ezuan Ismara				
Bin Tengku Nun Ahmad	-	200,000	-	-
Roy Ho Yew Kee	-	400,000	-	-

Indirect Interest				
Koh Chie Jooi	47,973,243 ⁽¹⁾⁽²⁾	-	(47,973,100)	113
				256 ⁽¹⁾⁽²⁾

	Number of Warrants 2021/2024			
	Balance at 1.5.2020	Granted	Exercised	Effect of share split
				Balance at 30.4.2021
Indirect Interest				
Koh Chie Jooi	-	71	-	56
				127 ⁽¹⁾⁽²⁾

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows (cont'd):

- (1) Deemed interested in the shares by virtue of shares held by a company in which the director has interest.
- (2) Deemed interested in the shares held by connected persons under Section 8 of the Companies Act, 2016.

By virtue of their interests in the shares of the Company, Koh Chie Jooi is also deemed to have an interest in the shares of all the subsidiaries of the Company in Malaysia to the extent the Company has interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 30(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the share options to be granted to certain eligible directors pursuant to the ESOS of the Company.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company and its subsidiaries during the financial year are disclosed in Note 27 to the financial statements.

INDEMNITY AND INSURANCE COSTS

There were no indemnity given to or insurance effected for the directors, officers or auditors of the Group and of the Company during the financial year.

SUBSIDIARIES

Details of the subsidiaries of the Company are disclosed in Note 6 to the financial statements.

The auditors' reports on the financial statements of the subsidiaries did not contain any qualification and/or any adverse comment made under Section 266(3) of the Act.

SIGNIFICANT EVENTS

Significant events occurring during and after the reporting period are disclosed in Note 34 to the financial statements.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

SUBSEQUENT EVENTS

Subsequent events after the reporting period are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, KC Chia & Noor, have expressed their willingness to continue in office.

Details of the auditors' remunerations are disclosed in Note 25 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors

ROY HO YEW KEE

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

Kuala Lumpur
Dated: 17 August 2021

STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Roy Ho Yew Kee and YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad, being two of the directors of Komarkcorp Berhad do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 59 to 143 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 April 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors

ROY HO YEW KEE

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

Kuala Lumpur
Dated: 17 August 2021

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Roy Ho Yew Kee, being the director primarily responsible for the financial management of Komarkcorp Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 59 to 143, to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed ROY HO YEW KEE
(NRIC No.: 751110-14-5401) at
Kuala Lumpur in the State of Wilayah
Persekutuan on 17 August 2021

ROY HO YEW KEE

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Komarkcorp Berhad, which comprise the statements of financial position as at 30 April 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 59 to 143.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") (Ref: Note (a)), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT

Impairment review of goodwill, investment in subsidiaries and amounts due from subsidiaries

(a) Goodwill on consolidation

(Refer to Note 9 to the financial statements)

In accordance with MFRS 136: Impairment of Assets, the Group is required to perform annual impairment test of cash generating units ("CGU") or groups of CGUs to which goodwill has been allocated and whenever there is an indication that the goodwill may be impaired by comparing the carrying amount with its recoverable amount. Recoverable amount is defined as the higher of fair value less costs of disposal ("FVLCD") and value-in-use ("VIU").

The Group estimated the recoverable amounts of its CGUs or groups of CGUs to which the goodwill is allocated, based on the VIU method. Due to the complexity and subjectivity involved in the impairment assessment, we considered this as an area of audit focus.

Our Response

In addressing this area of audit focus, amongst others:

- (i) Obtained an understanding of the relevant processes and internal controls over estimating the recoverable amount of the CGUs or groups of CGUs.
- (ii) Evaluated the key assumptions used by management in the cash flow projections on whether they are reasonable by comparing to past actual outcomes by corroborating with industry analysts' views, management's plans, existing contracts and upcoming bidding opportunities, where applicable.
- (iii) Evaluated the discount rates, terminal growth rates and methodology used in deriving the present value of the cash flows, with the support of our internal valuation specialists.
- (iv) For CGUs or groups of CGUs to which goodwill is allocated, we have performed sensitivity analysis on the key inputs to understand the impact that alternative assumptions would have had on the recoverable amounts.
- (v) We have assessed the adequacy of the allowance for impairment losses.
- (vi) We have examined the adequacy of the disclosures made in the financial statements.

(b) Cost of investment in subsidiaries

(Refer to Note 6 to the financial statements)

The Company is required to perform impairment test of its investments whenever there is an indication that the investments may be impaired. The history of continued losses and depleting shareholders' funds reported by the subsidiaries of the Company indicate that the carrying amounts of the investment in subsidiaries may be impaired.

The Company estimated the recoverable amounts of the costs of investment in subsidiaries based on the higher of fair value less costs of disposal ("FVLCD") and value in use ("VIU").

Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the investments and discounting them at an appropriate discount rate. Such estimations are highly subjective and accordingly we consider this to be an area of audit focus.

Our Response

In addressing this area of audit focus, amongst others:

- (i) We obtained an understanding of the relevant internal controls of the Company over the estimation of recoverable amounts of investments in subsidiaries.

INDEPENDENT AUDITORS' REPORT

Impairment review of goodwill, investment in subsidiaries and amounts due from subsidiaries (cont'd)

(b) Cost of investment in subsidiaries (cont'd)

Our Response (cont'd)

In addressing this area of audit focus, amongst others (cont'd):

- (ii) We evaluated the assumptions used in the determination of discounted cash flows (such as sales contracts or orders secured, selling prices, discounts given, as well as the expenses related to the respective revenue streams to the agreements with purchasers) by making comparisons to historical trends;
- (iii) We assessed whether the rates used in discounting the future cash flows to its present value by comparing with prevailing market rates.

(c) Amounts due from subsidiaries

(Refer to Note 11 to the financial statements)

The Company performed impairment reviews in respect of the amounts due from subsidiaries by comparing the assets' carrying amounts and the present value of estimated future cash flows receivable from the subsidiaries. The estimated future cash flows that are included in the impairment reviews are the contractual cash of the financial assets, reduced or delayed based on the current expectations of the amounts and timing of these cash flows as a result of losses incurred at the reporting date. Those cash flows are discounted at the original effective interest rate of the financial assets.

The aforementioned estimation of future cash flows involves significant judgment and estimates which are highly subjective and accordingly we consider this to be an area of audit focus.

Our Response

In addressing this area of concern, amongst others:

- (i) We obtained an understanding of the relevant internal controls of the Company over the estimation of recoverable amounts due from subsidiaries; and
- (ii) We evaluated the assumptions applied in the determination of the amounts and timing of receipts from the subsidiaries in light of the estimation of profits and the resulting cash flows to be derived from the operations of the subsidiaries.

Information Other than the Financial Statements and Auditors' Report

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

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

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

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

INDEPENDENT AUDITORS' REPORT

Responsibilities of the directors for the financial statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries, of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

Other Matters

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

KC CHIA & NOOR

AF: 0922

Chartered Accountants

Kuala Lumpur

Dated: 17 August 2021

CHIA KWONG CHOW

01127/01/2022 (J)

Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assets					
Non-current assets					
Property, plant and equipment	4	66,018	65,942	-	-
Rights-of-use of assets	5	703	1,207	-	-
Investments in subsidiaries	6	-	-	26,574	30,272
Investment in associate	7	-	-	-	-
Deferred tax assets	8	110	55	-	-
Goodwill on consolidation	9	-	1,750	-	-
		66,831	68,954	26,574	30,272
Current assets					
Inventories	10	5,782	3,624	-	-
Trade and other receivables	11	14,542	8,935	16,050	4,130
Tax recoverable		93	174	10	9
Short-term funds	12	30,056	-	30,056	-
Cash and bank balances	13	9,853	2,846	5,493	736
		60,326	15,579	51,609	4,875
Total assets		127,157	84,533	78,183	35,147
Equity and liabilities					
Equity:					
Equity attributable to owners of the Company:					
Share capital	14	120,166	62,789	120,166	62,789
Treasury shares	14	(4)	(4)	(4)	(4)
Other reserves	17	50,150	50,176	33,882	33,882
Accumulated losses		(71,827)	(56,031)	(77,641)	(64,101)
		98,485	56,930	76,403	32,566
Non-controlling interests	6	51	-	-	-
Total equity		98,536	56,930	76,403	32,566
Non-current liabilities					
Post-employment benefits	18	1,138	1,033	-	-
Loans and borrowings	19	5,373	5,840	-	-
Lease liabilities	20	262	718	-	-
Finance lease liabilities	21	2,189	4,601	-	-
Deferred tax liabilities	8	477	767	-	-
		9,439	12,959	-	-

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Equity and liabilities (cont'd)					
Current liabilities					
Trade and other payables	22	12,446	8,781	1,780	2,581
Loans and borrowings	19	2,789	2,810	-	-
Lease liabilities	20	473	501	-	-
Finance lease liabilities	21	2,961	2,547	-	-
Tax payable		513	5	-	-
		19,182	14,644	1,780	2,581
Total liabilities		28,621	27,603	1,780	2,581
Total equity and liabilities		127,157	84,533	78,183	35,147

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	23	37,627	39,547	-	-
Cost of sales		(37,770)	(36,416)	-	-
Gross (loss)/profit		(143)	3,131	-	-
Other operating income		1,733	1,928	34	6
Other operating expenses		(16,650)	(13,924)	(13,630)	(33,666)
Finance costs	24	(1,071)	(1,492)	-	-
Loss before tax	25	(16,131)	(10,357)	(13,596)	(33,660)
Income tax expense	28	176	(349)	-	5
Loss net of tax		(15,955)	(10,706)	(13,596)	(33,655)
Other comprehensive income/(loss):					
Items that will not be reclassified to profit or loss in subsequent year:					
- Gain on revaluation of properties		-	3,800	-	-
- Deferred tax on revaluation gain		-	(380)	-	-
- Deferred tax on remeasurement gain/(loss) of defined benefit plan		12	(20)	-	-
- Fair value gain on short term fund		56	-	56	-
- Remeasurement (loss)/gain on defined benefit plan		(30)	78	-	-
		38	3,478	56	-
Items that will be reclassified to profit or loss in subsequent year:					
- Exchange (loss)/gain on translating foreign operations		(26)	226	-	-
Total comprehensive loss for the year		(15,943)	(7,002)	(13,540)	(33,655)
Loss net of tax attributable to:					
Owners of the Company		(15,834)	(10,706)	(13,596)	(33,655)
Non-controlling interests		(121)	-	-	-
		(15,955)	(10,706)	(13,596)	(33,655)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Total comprehensive loss attributable to:					
Owners of the Company		(15,822)	(7,002)	(13,540)	(33,655)
Non-controlling interests		(121)	-	-	-
		(15,943)	(7,002)	(13,540)	(33,655)
Loss per share attributable to owners of the Company (sen per share):					
- Basic	29	(6.05)	(4.78)		
- Diluted	29	-*	-*		

* Anti-dilutive in nature

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Attributable to owners of the parent					Total equity
	Share capital (Note 14) RM'000	Treasury shares (Note 14) RM'000	Other reserves (Note 17) RM'000	Accumulated losses RM'000	Non-controlling interests RM'000	
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
At 1 May 2020	62,789	(4)	50,176	(56,031)	-	56,930
Exchange translation loss	-	-	(26)	-	-	(26)
Loss for the year	-	-	-	(15,834)	(121)	(15,955)
Deemed acquisition of non-controlling interest	-	-	-	-	172	172
Fair value gain on short-term funds	-	-	-	56	-	56
Remeasurement loss on defined benefit plan	-	-	-	(30)	-	(30)
Deferred tax on remeasurement gain of defined benefit plan	-	-	-	12	-	12
Total comprehensive (expense)/income for the financial year	-	-	(26)	(15,796)	51	(15,771)
Transactions with owners:						
Issuance of new ordinary shares pursuant to private placement	59,208	-	-	-	-	59,208
Issuance of new ordinary shares pursuant to exercise of warrants	35	-	-	-	-	35
Share issuance expenses	(1,866)	-	-	-	-	(1,866)
Total transactions with owners, recognised directly in equity	57,377	-	-	-	-	57,377
At 30 April 2021	120,166	(4)	50,150	(71,827)	51	98,536

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Attributable to owners of the parent						Total equity
	Share capital (Note 14)	Treasury shares (Note 14)	Non-distributable	Warrant reserve (Note 15)	Other reserves (Note 17)	Accumulated losses	
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
At 1 May 2019	48,425	-	-	6,017	46,530	(46,502)	54,470
Exchange translation differences	-	-	-	-	226	-	226
Loss for the financial year	-	-	-	-	-	(10,706)	(10,706)
Gain on revaluation of properties	-	-	-	-	3,800	-	3,800
Remeasurement gain on defined benefit plan	-	-	-	-	-	78	78
Deferred tax on revaluation gain	-	-	-	-	(380)	-	(380)
Deferred tax on remeasurement gain of defined benefit plan	-	-	-	-	-	(20)	(20)
Total comprehensive income/(expense) for the financial year	-	-	-	-	3,646	(10,648)	(7,002)
Transactions with owners:							
Acquisition of treasury shares	-	(4)	-	-	-	-	(4)
Disposal of treasury shares	9,466	-	-	-	-	-	9,466
Issuance of new ordinary shares pursuant to exercise of Warrants B	4,898	-	-	(4,898)	-	-	-
Lapse of outstanding Warrants B	-	-	-	(1,119)	-	1,119	-
Total transactions with owners, recognised directly in equity	14,364	(4)	(4)	(6,017)	-	1,119	9,462
At 30 April 2020	62,789	(4)	(4)	-	50,176	(56,031)	56,930

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Attributable to equity holders of the Company					Total
	Share capital (Note 14) RM'000	Treasury shares (Note 14) RM'000	Warrant reserve (Note 15) RM'000	Other reserves (Note 17) RM'000	Accumulated losses RM'000	
Company						
At 1 May 2020	62,789	(4)	-	33,882	(64,101)	32,566
Loss for the financial year	-	-	-	-	(13,596)	(13,596)
Fair value gain on short-term fund	-	-	-	-	56	56
Total comprehensive expense for the financial year	-	-	-	-	(13,540)	(13,540)
Transactions with owners:						
Issuance of new ordinary shares pursuant to private placement	59,208	-	-	-	-	59,208
Issuance of new ordinary shares pursuant to exercise of Warrants C	35	-	-	-	-	35
Share issuance expenses	(1,866)	-	-	-	-	(1,866)
Total transactions with owners	57,377	-	-	-	-	57,377
At 30 April 2021	120,166	(4)	-	33,882	(77,641)	76,403

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	Attributable to equity holders of the Company					
	Share capital (Note 14) RM'000	Treasury shares (Note 14) RM'000	Warrant reserve (Note 15) RM'000	Other reserves (Note 17) RM'000	Accumulated losses RM'000	Total RM'000
Company						
At 1 May 2019	48,425	-	6,017	33,882	(31,565)	56,759
Loss net of tax representing total comprehensive loss for the financial year	-	-	-	-	(33,655)	(33,655)
Transactions with owners:						
Acquisition of treasury shares	-	(4)	-	-	-	(4)
Issuance of new ordinary shares pursuant to exercise of warrants	9,466	-	-	-	-	9,466
Exercise of Warrants B	4,898	-	(4,898)	-	-	-
Lapse of outstanding Warrants B	-	-	(1,119)	-	1,119	-
Total transactions with owners	14,364	(4)	(6,017)	-	1,119	9,462
At 30 April 2020	62,789	(4)	-	33,882	(64,101)	32,566

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

Note	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Operating activities:				
Loss before tax	(16,131)	(10,357)	(13,596)	(33,660)
Adjustments for:-				
Amortisation of right-of-use assets	505	239	-	-
Bad debt recovered	(5)	-	-	-
Bad debt written off	14	15	-	-
Allowance/(reversal) for impairment loss on:-				
- Amount due from an associate	(17)	35	-	-
- Amount due from subsidiaries	-	-	5,077	7,130
- Trade receivables	112	(20)	-	217
- Other receivables	17	-	-	-
- Investment in subsidiaries	-	-	5,876	24,055
Allowance/(reversal) for expected credit loss on:-				
- Trade receivables	(13)	-	-	-
- Amount due from subsidiaries	-	-	1,211	1,081
Depreciation of property, plant and equipment	4,431	4,135	-	-
Gain on disposal of property, plant and equipment	(13)	-	-	-
Goodwill written off	1,750	-	-	-
Interest expense	911	1,492	-	-
Interest income	(11)	(40)	(34)	(4)
Inventories written off	79	248	-	-
Loss allowance for slow-moving, defective and obsolete inventories	380	180	-	-
Non-controlling interest	172	-	-	-
Property, plant and equipment written off	6	-	-	-
Unrealised loss/(gain) on foreign exchange - net	337	(563)	18	8
Operating loss before working capital changes	(7,476)	(4,636)	(1,448)	(1,173)
Changes in working capital:-				
Increase in inventories	(2,610)	(532)	-	-
(Increase)/decrease in receivables	(6,052)	888	(18,208)	(7,908)
Increase/(decrease) in payables	4,260	567	(819)	117
	(11,878)	(3,713)	(20,475)	(8,964)
Income tax (paid)/refund- net	(65)	(30)	(1)	10
Interest paid	(911)	(1,492)	-	-
Interest received	67	40	90	4
Net cash flows used in operating activities	(12,787)	(5,195)	(20,386)	(8,950)
Balance carried forward	(12,787)	(5,195)	(20,386)	(8,950)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Balance brought forward		(12,787)	(5,195)	(20,386)	(8,950)
Investing activities:					
Investment in a subsidiary		-	-	(2,178)	-
Issuance of convertible redeemable preference shares		2,000	-	-	-
Redemption of convertible redeemable preference shares		(2,000)	-	-	-
Purchase of property, plant and equipment	A	(4,763)	(492)	-	-
Net cash flows used in investing activities		(4,763)	(492)	(2,178)	-
Financing activities:					
Drawdown of term loans and other borrowings		1,200	1,691	-	-
Placement/(withdrawal) of deposits pledged to licensed banks		142	(29)	-	-
Proceeds from disposal of property, plant and equipment		222	-	-	-
Proceeds from issuance of ordinary shares pursuant to private placement		57,342	-	57,342	-
Proceeds from issuance of ordinary shares pursuant to exercise of warrants		35	9,466	35	9,466
Repayment of finance lease liabilities		(2,089)	(2,656)	-	-
Repayment of lease liabilities		(486)	(227)	-	-
Repayment of term loans and other borrowings		(2,471)	(3,412)	-	-
Repurchase of treasury shares		-	(4)	-	(4)
Net cash flows generated from financing activities		53,895	4,829	57,377	9,462
Net increase/(decrease) in cash and cash equivalents		36,345	(858)	34,813	512
Cash and cash equivalents at 1 May		417	1,279	736	224
Effect of foreign exchange gain/(loss) on cash and cash equivalents		77	(4)	-	-
Cash and cash equivalents at 30 April	B	36,839	417	35,549	736

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Note	Preference shares RM'000	Loans and borrowings RM'000	Lease liabilities RM'000	Total RM'000
Group					
At 1 May 2019	19	-	8,787	-	8,787
Acquisition of new leases	20	-	-	1,446	1,446
Repayment of lease liabilities	20	-	-	(227)	(227)
Drawdown of term loans and other borrowings	19	-	1,691	-	1,691
Repayment of term loans and other borrowings	19	-	(3,412)	-	(3,412)
At 30 April 2020 and 1 May 2020	19 & 20	-	7,066	1,219	8,285
Issuance of preference shares		2,000	-	-	2,000
Redemption of preference shares		(2,000)	-	-	(2,000)
Repayment of lease liabilities	20	-	-	(486)	(486)
Drawdown of term loans and other borrowings	19	-	1,200	-	1,200
Repayment of term loans and other borrowings	19	-	(2,471)	-	(2,471)
Effects of foreign exchange rates		-	-	2	2
At 30 April 2021	19 & 20	-	5,795	735	6,530

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

NOTES

A. PURCHASES OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group and the Company purchased the property, plant and equipment by way of:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash	4,763	492	-	-
Finance lease arrangements	91	-	-	-
Total cash payments during the financial year	4,854	492	-	-

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deposits with licensed banks	703	1,614	-	680
Cash and bank balances	9,150	1,232	5,493	56
Short-term funds	30,056	-	30,056	-
	39,909	2,846	35,549	736
Less: - Bank overdrafts	(2,367)	(1,584)	-	-
- Deposits pledged with licensed banks	(703)	(845)	-	-
	36,839	417	35,549	736

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

1. Corporate information

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

The registered office is located at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor Darul Ehsan whilst the principal place of business of the Company is located at Lot 132, Jalan 16/1, Kawasan Perindustrian Cheras Jaya, Balakong, 43200 Cheras, Selangor Darul Ehsan.

The Company is principally engaged in the business of investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year except for the new subsidiary incorporated during the financial year.

2. Basis of preparation and summary of significant accounting policies

2.1 Basis of preparation

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

The financial statements of the Group and of the Company have also been prepared on the historical cost basis except as disclosed in the accounting policies below. The accounting policies below are adhered to by the Group and the Company except when otherwise indicated.

The financial statements of the Group and the Company are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Changes in accounting policies

On 1 May 2020, the Group and the Company adopted the following amendments which are effective for annual periods beginning on or after 1 January 2021.

Description	Effective for annual periods beginning on or after
Amendment to MFRS16: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform – Phase 2	1 January 2021

The adoption of these amendments did not have any material effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MF RS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018- 2020	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred

The directors do not expect any material impact from the adoption of the above standards in the period of initial application.

2.4 Basis of consolidation

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

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (b) exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (a) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (b) potential voting rights held by the Company, other vote holders or other parties;
- (c) rights arising from other contractual arrangements; and
- (d) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intro-group balances, income and expenses and unrealized gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between:

- (i) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) The previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests, are recognized in the statement of profit or loss.

The subsidiary's cumulative gain or loss which has been recognized in other comprehensive income and accumulated in equity are reclassified to statement of profit or loss or where applicable, transferred directly to retained profit. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of an investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed off and included in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

Business combinations (cont'd)

Business combinations under common control are accounted for using the pooling of interest method, where the results of entities or businesses under common control are accounted for as if the combination had been effected throughout the current and previous financial periods. The assets, liabilities and reserves of these entities are recorded at their pre-combination carrying amount or existing carrying amounts are accounted for from the perspective of the common shareholder. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination that would otherwise be done under the acquisition method. No new goodwill is recognized as a result of the combination. Any difference between the consideration paid or transferred and the equity acquired is reflected within equity as reserve on acquisition arising from common control.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with contractual terms, economic circumstances and pertinent conditions as at acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognized in the statement of comprehensive income.

2.5 Subsidiaries

A subsidiary is an entity over which the Group has:

- (a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (b) exposure, or rights, to variable returns from its investment with the investee; and
- (c) the ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.6 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.7 Investment in associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

On acquisition of an investment in associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.7 Investment in associates (cont'd)

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies MFRS 9 Financial Instruments: Recognition and measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136: Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in associates are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.8 Transaction with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Total comprehensive income is attributed to the non-controlling interests based on their respective interest in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Changes in the Company owners' ownership interest in a subsidiary that do not result in loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interest in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2.9 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.9 Foreign currency (cont'd)

(b) Foreign currency transactions (cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

When entity's ownership interest in an associate is reduced, but the entity continues to apply the equity method, the entity reclassifies to profit or loss the proportion of gain or loss that has been previously recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss upon the disposal of the related assets or liabilities.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rates of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment are recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment, except for freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Certain freehold and leasehold properties are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.10 Property, plant and equipment (cont'd)

The Group intends to perform revaluation review on all land and buildings of the Group and of the Company in every 5 years.

Freehold land has unlimited useful lives and therefore are not amortised. Leasehold properties are amortised over their unexpired lease terms. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold buildings	10 to 50 years
Motor vehicles	5 to 10 years
Moulds and die cutters	2 to 10 years
Office equipment, furniture and fittings	4 to 20 years
Plant and machinery	4 to 20 years
Renovation	5 to 10 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet ready for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate. An item of property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

A contract which involves the use of an item of property, plant and equipment that meets the definition of a lease is recognised as a right-of-use asset.

2.11 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purposes of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's Cash Generating Unit ("CGU") that are expected to benefit from the synergies of the combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognized in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative fair values of the operations disposed off and the portion of the CGU retained.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.11 Intangible assets (cont'd)

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Gain or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset that has a finite economic useful life may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal or its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognized in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rate basis.

Impairment losses are recognized in statement of profit or loss in expense categories consistent with the function of the impaired asset.

As assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying that would have been determined, net of depreciation, had no impairment loss been recognized previously. Such reversal is recognized in the statement of profit or loss. Impairment loss recognised on goodwill is not reversed in subsequent period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials and consumables: costs of purchases on a first-in first-out basis.
- Finished goods and work-in-progress: costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity but excluding borrowing costs. These costs are assigned on a first-in-first out basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Financial instruments

(a) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(b) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(i) Amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Fair value through profit or loss ("FVTPL")

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.14 Financial instruments (cont'd)

(b) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model. (cont'd)

(iii) Fair value through OCI ("debt instruments")

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(i) Fair value through profit or loss ("FVTPL")

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- If doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- A group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- If a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.14 Financial instruments (cont'd)

(b) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities (cont'd)

The categories of financial liabilities at initial recognition are as follows (cont'd):

(i) Fair value through profit or loss ("FVTPL") (cont'd)

Financial liabilities categorised as fair value through profit or loss is subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities Where it is designated as fair value through profit or loss upon initial recognition, the Group and Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(ii) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss is subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(c) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of awards of ownership of the financial asset are transferred to another party. On derecognition of financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash asset transferred or liabilities assumed, is recognised in profit or loss.

(d) Offsetting

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.15 Impairment of financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at the amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk. The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt instruments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flow of the financial assets have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedure for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.16 Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value measurement of a non-financial asset takes into account a market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments with original maturities of three months or less that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and the activities to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are recognised in profit or loss in the period they are incurred.

2.20 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are classified within the same line item as the corresponding underlying assets would be presented if they were owned. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Factory building	3 years
Leasehold office premises	3 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.20 Leases (cont'd)

(a) As a lessee (cont'd)

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. (cont'd)

(i) Right-of-use assets (cont'd)

If ownership of the leased asset is transferred to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset instead of the lease term. The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and by the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). They also apply the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) As a lessor

Leases in which the Group or the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.21 Revenue

Revenue is measured based on the consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group and the Company satisfy a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from sale of goods is measured based on the consideration specified in a contract with a customer in exchange for transferring goods to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product to customer. An asset is transferred when (or as) the customer obtains control over the asset.

The Group transfers control of a good at a point in time unless one of the following over time criteria is met:

- the customer simultaneously receives and consumes the benefits provided as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to-date.

(b) Services rendered

Revenue from services is recognised when the Group and the Company transfer control upon performance of services over time to customers where the customer simultaneously receives and consumes the benefits provided as the Group and the Company perform.

Revenue from provision of management service is recognised in the period in which services are rendered in accordance with the terms of the contracts.

(c) Other revenue

Revenue from other sources are recognised as follows:

- (i) dividend income is recognised when the Group's and the Company's right to receive payment is established, which is generally when shareholders approve the dividend;
- (ii) interest income is recognised on an accrual basis using the effective interest method; and
- (iii) rental income is recognised on a straight-line basis over the tenure of the lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.22 Income taxes

(a) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.22 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales and Services Tax ("SST")

Revenue, expenses and assets are recognised net of the amount of SST except:

- Where the SST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the SST are recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of SST included.

The net amount of SST recoverable from, or payable to, the taxation authority is included as part of receivables and payables in the statements of financial position.

2.23 Employee benefits

(a) Short-term benefits

Wages, salaries, overtimes, allowances and social security contributions are recognised as an expense in the year in which the associated services are rendered by the employees.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plan

The Group participates in the national pension schemes as Defined by the laws of the countries in which it has operations. The Malaysian companies in the Group and Company make contributions to the Employees' Provident Fund in Malaysia, a Defined contribution pension scheme. Contributions to the Defined contribution pension scheme are recognised as expenses in the period in which the related service is performed.

(c) Defined benefit plan and other long-term employee benefits

Post-employment benefits and other long-term employee benefits such as long service leave and awards are accrued and recognised as expense when services have been rendered by qualified employees.

The post-employment benefits and other long-term employee benefits are actuarially determined using the Projected Unit Credit Method. The estimated benefit liability at statements of financial position date represents the present value of the defined benefits obligation at statements of financial position date, less the fair value of plan assets, and adjusted for unrecognised actuarial gains, non-vested past service costs, termination costs and curtailment gain or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.23 Employee benefits (cont'd)

(c) Defined benefit plan and other long-term employee benefits (cont'd)

The post-employment benefits expense recognised during the current year consists of current service cost, interest on obligation, actuarial gain or losses and past service costs and reduced by employees' contributions and expected return on plan assets.

Provisions made pertaining to past service costs are deferred and amortised over the expected average service years of the qualified employee. Furthermore, provisions for current service costs are directly charged to operations of the current year. Actuarial gains or losses arising from adjustments and changes in actuarial assumptions are recognised as income or expense when the net cumulative unrecognised actuarial gains or losses at the end of the previous reporting period exceed 10% of the present value of the defined benefit obligations or 10% of the fair value of plan assets, as that date. The actuarial gains or losses in excess of the aforementioned 10% threshold are recognised on a straight-line method over the expected average remaining service years of the qualified employees.

Actuarial gains or losses and past service costs from other long-term employee benefits are recognised directly in the statement of comprehensive income of the current-period.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers' report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information

2.25 Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(a) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity

(b) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(c) Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividend are discretionary. Dividends thereon are recognised as distribution within equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

2. Basis of preparation and summary of significant accounting policies (cont'd)

2.25 Equity instruments (cont'd)

(c) Preference share capital (cont'd)

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

(d) Repurchased, disposal and reissued of share capital (treasury shares)

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in retained earnings.

2.26 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group or of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company but discloses its existence in the notes to the financial statements.

3. Significant accounting judgements and estimates

The preparation of the Group's and the Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Critical judgements made in applying accounting policies

There were no critical judgements made by management in the process of applying accounting policies that have significant effect on the amount recognised in the financial statements during the current year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful life of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 5 to 20 years. These are common life the expectancies applied in the manufacturing industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of the Group and the Company's property, plant and equipment at the reporting date is disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(b) Impairment of property, plant and equipment

The Group and the Company test non-financial assets for impairment when there are indications that the assets may be impaired.

During the financial year, the Group and the Company carried out the impairment test based on estimation of the value in use ("VIU") of the CGU to which the property, plant and equipment are allocated. Estimating the VIU requires the Group and the Company to make an estimate of the expected future cash flows from the CGU and apply a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used in VIU calculations are disclosed in Note 4 to the financial statements.

(c) Impairment of investment in subsidiaries

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

The carrying amount at the reporting date for investments in subsidiaries is disclosed in Note 6 to the financial statements.

(d) Impairment of investment in Associate

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

The carrying amount at the reporting date for investments in associate is disclosed in Note 7 to the financial statements.

(e) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash-generating units to which goodwill is allocated.

When value in use calculation is undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are given in Note 9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(f) Allowance for expected credit losses of trade and other receivables

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in Note 11 to the financial statements.

(g) Allowance for impairment loss of trade and other receivables

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

The information on allowance for impairment loss of loans and receivables is disclosed in Note 11 to the financial statements.

(h) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation.

These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences. Further details of recognised and unrecognised deferred tax assets are disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(i) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(j) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

4. Property, plant and equipment

Group	Freehold land RM'000	Freehold buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Moulds and die cutters RM'000	Renovation RM'000	Total RM'000
Cost/Valuation								
At 1 May 2019	18,700	14,400	64,001	2,250	1,761	540	2,088	103,740
Additions	-	-	364	48	-	80	-	492
Written off	-	-	-	-	-	(447)	(23)	(470)
Gain on revaluation	200	3,600	-	-	-	-	-	3,800
Foreign exchange differences	-	-	627	44	9	-	38	718
At 30 April 2020 and 1 May 2020	18,900	18,000	64,992	2,342	1,770	173	2,103	108,280
Additions	-	-	2,885	763	96	145	965	4,854
Disposals	-	-	-	-	(489)	-	-	(489)
Written off	-	-	(18)	-	-	-	-	(18)
Foreign exchange differences	-	-	(439)	(19)	4	-	(20)	(474)
At 30 April 2021	18,900	18,000	67,420	3,086	1,381	318	3,048	112,153

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

4. Property, plant and equipment (cont'd)

Group (cont'd)	Freehold land RM'000	Freehold buildings RM'000	Plant and machinery RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Moulds and die cutters RM'000	Renovation RM'000	Total RM'000
Accumulated depreciation:								
At 1 May 2019	-	1,440	31,581	1,615	1,215	386	1,611	37,848
Charge for the year	-	307	3,303	134	175	158	58	4,135
Written off	-	-	-	-	-	(447)	(23)	(470)
Foreign exchange differences	-	-	389	34	6	-	36	465
At 30 April 2020 and 1 May 2020	-	1,747	35,273	1,783	1,396	97	1,682	41,978
Charge for the year	-	360	3,493	150	125	91	212	4,431
Disposals	-	-	-	-	(280)	-	-	(280)
Written off	-	-	(12)	-	-	-	-	(12)
Foreign exchange differences	-	-	(311)	(16)	4	-	(19)	(342)
At 30 April 2021	-	2,107	38,443	1,917	1,245	188	1,875	45,775
Accumulated impairment losses:								
At 1 May 2020 and 30 April 2021	-	-	360	-	-	-	-	360
Net carrying amount:								
At 30 April 2020	18,900	16,253	29,359	559	374	76	421	65,942
At 30 April 2021	18,900	15,893	28,617	1,169	136	130	1,173	66,018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

4. Property, plant and equipment (cont'd)

(a) Assets acquired under hire-purchase arrangements

Property, plant and equipment held under hire purchase arrangements are as follows:

	Group	
	2021 RM'000	2020 RM'000
Carrying amount		
Motor vehicles	133	321
Plant and machinery	15,737	15,620
	15,870	15,941

(b) Assets charged

Properties pledged to licensed banks and financial institutions as securities for borrowings granted to the Company and its certain subsidiaries as disclosed in Note 19 to the financial statements.

	Group	
	2021 RM'000	2020 RM'000
Net carrying amount		
Freehold land and buildings	33,453	33,803

5. Right-of-use of assets

	Group	
	2021 RM'000	2020 RM'000
Net carrying amount		
At 1 May	1,446	-
Additions	-	1,446
	1,446	1,446
Accumulated amortisation	(746)	(239)
Effects of foreign exchange gain	3	-
At 30 April	703	1,207

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

5. Right-of-use of assets (cont'd)

The movement in the accumulated amortisation during the year is as follow:

	Group	
	2021 RM'000	2020 RM'000
Accumulated amortisation		
At 1 May	239	-
Charge for the year	505	239
Effects of foreign exchange gain	2	-
At 30 April	746	239

The Group has lease contracts for various items of land, factory and hostel used in its operations.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective lease.

6. Investment in subsidiaries

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost		
At 1 May	83,049	30,337
Addition during the year	2,178	52,712
	85,227	83,049
Accumulated impairment losses	(58,653)	(52,777)
At 30 April	26,574	30,272

The movement in accumulated impairment losses is as follows:-

	Company	
	2021 RM'000	2020 RM'000
Accumulated impairment losses		
At 1 May	52,777	28,722
Charge during the year	5,876	24,055
At 30 April	58,653	52,777

The Company has recognised impairment loss on investment in subsidiaries to the extent of the difference between the Company's share in net assets of the subsidiaries and its cost of investment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

6. Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows:-

Name of company	Country of incorporation	Effective equity interest		Principal activities
		2021 %	2020 %	
Subsidiaries of the Company:				
General Labels & Labelling (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing of self-adhesive labels and stickers, and labelling machines and trading of related products
Komark International (M) Sdn. Bhd	Malaysia	100	100	Manufacturing of self-adhesive labels
General Labels & Labelling (JB) Sdn. Bhd.	Malaysia	100	100	Manufacturing of self-adhesive labels and stickers, and trading of related products.
General Labels & Labelling Pte. Ltd. *+	Singapore	100	100	Printer of labels and stickers
Komark (Thailand) Co., Ltd *+	Thailand	100	100	Manufacturing and selling of self-adhesive labels
Komark Mask (M) Sdn. Bhd.	Malaysia	92.70	-	Manufacturing of surgical face mask and protective apparels.
Subsidiary of Komark International (M) Sdn. Bhd.:				
PT Komark Labels and Labelling Indonesia *+	Indonesia	85	85	Manufacturing and trading of self-adhesive labels

* Audited by another firm of auditors.

+ The financial statements of the subsidiary are prepared on a going concern basis.

The non-controlling interests at the end of the reporting period comprise the following:-

	Non-controlling interests Effective equity interest		Group	
	2021 %	2020 %	2021 %	2020 %
Komark Mask (M) Sdn. Bhd.	7.30	-	92.70	-

Summarised financial information of non-controlling interests has not been presented as the amounts involved are immaterial.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

7. Investment in an associate

	Group	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	2	2
Accumulated impairment losses	(2)	(2)
	-	-
Represented by:		
Group's share in net assets	-	-

The details of the associate of Komark International (M) Sdn. Bhd. are as follows:

Name of company	Country of incorporation	Effective equity interest		Principal activities
		2021 %	2020 %	
Komark Enterprise Co. Ltd. *	Thailand	49	49	Trading of self-adhesive labels and related tools and equipment.

* Audited by another firm of auditors.

Financial information of the associate

The following table summarises the financial information of the associates (not the Group's share of those amounts):

	2021 RM'000	2020 RM'000
As at 30 April		
Current assets	287	315
Current liabilities	(2,669)	(2,737)
Net liabilities	(2,382)	(2,422)
Year ended 30 April		
Revenue	14	10
Profit/(loss) for the year	11	(36)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

7. Investment in an associate (cont'd)

	Komark Enterprise Co. Ltd.	
	2021	2020
	RM'000	RM'000
As at 30 April		
Net liabilities	(2,382)	(2,422)
Non-controlling interests	(1,215)	(1,235)
	(1,167)	(1,187)
Group's share of results not accounted for:		
For the year ended 30 April	6	(18)

8. Deferred tax assets/(liabilities)

	Group	
	2021	2020
	RM'000	RM'000
At 1 May	(712)	(174)
Transferred to/(from) statements of profit or loss and other comprehensive income	345	(538)
At 30 April	(367)	(712)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group					
	Assets		(Liabilities)		Net	
	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(Provision)/reversal of revaluation surplus	-	-	(380)	(380)	(380)	(380)
Temporary timing differences	13	55	-	(387)	13	(332)
Net tax assets/(liabilities)	13	55	(380)	(767)	(367)	(712)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority and same entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

8. Deferred tax assets/(liabilities) (cont'd)

As at 30 April 2021, the Group has not recognised the estimated deferred tax assets/(liabilities) computed at their respective current tax rates for the following items:

	Group	
	2021 RM'000	2020 RM'000
Deferred tax assets/(liabilities) not recognized		
Temporary timing differences	1,450	(503)
Unabsorbed capital allowances	1,817	3,425
Unutilised tax losses	12,067	11,107
Unutilised reinvestment allowances	10,828	10,828
At 30 April	26,162	24,857

At the reporting date, the Group has losses and allowances as shown above that are available for offset against future taxable profits of the Group in which the losses and allowances arose, for which no deferred tax asset is recognised due to uncertainty of their recoverability and they may not be used to offset taxable profits elsewhere in the Group.

The availability of unutilised tax losses and unutilized reinvestment allowances for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to a time limit of 7 consecutive years of assessment effective from the year of assessment of 2019.

9. Goodwill on consolidation

	Group	
	2021 RM'000	2020 RM'000
Amount recognised on acquisitions	2,413	2,413
Accumulated amortisation	(663)	(663)
	1,750	1,750
Amount written off	(1,750)	-
Net carrying value	-	1,750

Negative goodwill amounting to RM7,195,813 had been fully amortised and recognised in the statements of profit or loss and other comprehensive income in the previous financial years. Goodwill on consolidation is no longer amortised since financial year 2007, instead it is subject to impairment assessment by the management at end of each financial year.

During the financial year, goodwill amounting to RM1,749,867 (2020 : Nil) had been fully written off.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

10. Inventories

	Group	
	2021 RM'000	2020 RM'000
At cost:		
Raw materials	7,055	4,579
Work-in-progress	601	290
Finished goods	1,987	2,243
	9,643	7,112
Less : Loss allowance for slow-moving, defective and obsolete items	(3,861)	(3,488)
At 30 April	5,782	3,624

The movement in loss allowance for slow-moving, defective and obsolete items is as follows:-

	Group	
	2021 RM'000	2020 RM'000
At 1 May	3,488	3,294
Additions	380	180
Effects of foreign exchange gain/(loss)	(7)	14
At 30 April	3,861	3,488

During the year, the amount inventories recognised as cost of sales in the profit or loss is RM 25,931,671 (2020: RM 26,900,458).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

11. Trade and other receivables

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade receivables				
- Third parties	7,249	7,950	-	-
- Associate	1,233	1,233	-	-
- Related parties	61	-	-	-
- Subsidiaries	-	-	570	570
	8,543	9,183	570	570
Less: Allowance for impairment loss				
- Third parties	(188)	(76)	-	-
- Associate	(1,233)	(1,233)	-	-
- Subsidiaries	-	-	(570)	(570)
	(1,421)	(1,309)	(570)	(570)
Less: Allowance for expected credit loss				
- Third parties	(137)	(152)	-	-
- Related parties	(2)	-	-	-
	(139)	(152)	-	-
Total net trade receivables	6,983	7,722	-	-
Other receivables				
Other receivables, deposits and prepayments	7,583	1,220	10	34
Amount due from associate	1,308	1,325	-	-
Amount due from subsidiaries	-	-	30,545	12,314
	8,891	2,545	30,555	12,348
Less: Allowance for Impairment loss				
- Amount due from associate	(1,308)	(1,325)	-	-
- Amount due from subsidiaries	-	-	(12,207)	(7,130)
- Third party	(24)	(7)	(7)	(7)
	(1,332)	(1,332)	(12,214)	(7,137)
Less: Allowance for expected credit loss				
- Amount due from subsidiaries	-	-	(2,291)	(1,081)
Total net other receivables	7,559	1,213	16,050	4,130
Total trade and other receivables	14,542	8,935	16,050	4,130

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

11. Trade and other receivables (cont'd)

(a) Trade receivables

(i) Credit terms of trade receivables

Trade receivables are non-interest bearing and are generally on 30 - 120 (2020: 30 - 120) days credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(ii) Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2021 RM'000	2020 RM'000
Current (not past due)	3,998	4,929
Past due:		
1 - 30 days	2,258	1,286
31 - 60 days	342	854
61 - 90 days	256	280
More than 90 days	129	373
	6,983	7,722
Amount impaired	1,560	1,461
At 30 April	8,543	9,183

(iii) Receivables that are not impaired

Trade receivables that are not impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are not impaired have been renegotiated during the year.

(iv) Receivables that are impaired

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The expected credit losses on trade receivables are estimated using provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

11. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

(iv) Receivables that are impaired (cont'd)

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the expected credit loss and impairment are as follows:

	← Trade receivables →		
	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Group			
At 1 May 2020	152	1,309	1,461
Reversal of impairment losses	(13)	112	99
At 30 April 2021	139	1,421	1,560
At 1 May 2019	152	1,329	1,481
Reversal of impairment losses	-	(20)	(20)
At 30 April 2020	152	1,309	1,461

Trade receivables that are collectively and individually determined to be impaired at the reporting date mainly relate to balances which have been significantly long outstanding. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

(i) Amounts due from associate

The amount due from an associate is unsecured, non-interest bearing and are repayable upon demand and such amounts are to be settled by cash.

(ii) Amounts due from subsidiaries

The amounts due from subsidiaries of the Company are unsecured, non-interest bearing and are repayable upon demand and such amounts are to be settled by cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

12. Short-term funds

	Group and Company	
	2021	2020
	RM'000	RM'000
At cost:		
At 1 May	-	-
Addition during the year	30,000	-
	30,000	-
Fair value gain for the year	56	-
At 30 April	30,056	-

Short-term funds are mainly designated to manage free cash flows and optimise working capital so as to provide a steady stream of income returns. It is an integral part of the overall cash management.

Short-term funds of the Group and of the Company represent investment in highly liquid money market, which are readily convertible to known amounts of cash and are subject to an insignificant change in value.

The weighted average effective interest rates of the short-term funds as at the end of reporting period is as follows:

	Group and Company	
	2021	2020
	%	%
Short-term funds	1.8%	-

13. Cash and bank balances

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	703	1,613	-	680
Cash in hand and at banks	9,150	1,233	5,493	56
	9,853	2,846	5,493	736
Less: Bank overdraft	(2,367)	(1,584)	-	-
Total cash and bank balances	7,486	1,262	5,493	736

Included in deposits with licensed banks for the Group is an amount of RM702,757 (2020: RM845,095) pledged as security for banking facilities extended to its subsidiaries (Note 19).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

13. Cash and bank balances (cont'd)

The range of the interest rate on deposits with licensed banks (per annum) and the range of the remaining maturities as at the reporting date are as follows:

	Group		Company	
	2021	2020	2021	2020
Interest rate (%)	1.00	1.81	-	2.35
Maturities (days)	1 - 1,095	1 - 1,095	-	1 - 30

14. Share capital

		Number of ordinary shares		Amount	
	Note	2021 Unit	2020 Unit	2021 RM'000	2020 RM'000
Group and Company					
Issued and paid-up shares classified as equity instruments					
Ordinary shares:	(a)				
At 1 May		205,586,593	164,433,704	62,789	48,425
Issuance of new shares pursuant to private placement		61,675,000	-	59,208	-
Issuance of new shares pursuant to exercise of warrants		35,400	41,152,889	35	14,364
Share issuance expenses		-	-	(1,866)	-
Effect of share split		213,836,555	-	-	-
At 30 April		481,133,548	205,586,593	120,166	62,789
Treasury Shares:	(b)				
At 1 May		10,000	-	4	-
Acquisition		-	10,000	-	4
Effect of share split		8,000	-	-	-
At 30 April		18,000	10,000	4	4

(a) Ordinary shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

14. Share capital (cont'd)

(b) Treasury shares

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

None of the treasury shares held was resold or cancelled during the financial year. As at 30 April 2021, the number of treasury shares after the share split was 18,000 (2020: 10,000) units with the acquisition cost of RM3,547 (2020: RM3,547).

15. Warrants 2021/2024 ("Warrants C")

On 23 November 2020, the Company issued 133,625,329 free Warrants 2021/2024 ("Warrants C") on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company at an exercise price of RM1.00 per warrant. The warrants were listed and quoted on the Bursa Malaysia on 15 January 2021. During the year, 35,400 outstanding Warrants 2021/2024 have been exercised at an exercise price of RM1.00 each for a total cash consideration of RM35,400.

On 10 February 2021, additional 106,870,761 free Warrants 2021/2024 were issued subsequent to the share split and an adjustment was made by adjusting down the exercise price from RM1.00 to RM0.56 each to reflect the effects from the share split. These additional issued warrants were listed and quoted on the Main Market of Bursa Malaysia on 22 February 2021.

The salient terms of the warrants are as follows:

- (a) The exercise period commenced on the date of issue of the warrants and will expire 3 years from the date of issuance. Warrants that are not exercised during the exercise period will thereafter lapse and cease to be valid.
- (b) The warrants were issued in registered form and constituted by a Deed Poll dated 23 November 2020.
- (c) The exercise price is RM0.56 payable in full in respect of each new share of the Company issued upon the exercise of the warrant. Each warrant carries the entitlement to subscribe for one (1) new ordinary share of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

15. Warrants 2021/2024 ("Warrants C") (cont'd)

The movement of the outstanding warrants is as follows:

	Number of warrants		Warrant reserve	
	2021	2020	2021	2020
	Unit	Unit	RM'000	RM'000
Group and Company				
At 1 May	-	50,551,921	-	6,017
Bonus issue	133,625,329	-	-	-
Exercised	(35,400)	(41,152,889)	-	(4,898)
Lapsed	-	(9,399,032)	-	(1,119)
Effect of share split	106,870,761	-	-	-
At 30 April	240,460,690	-	-	-

16. EMPLOYEE SHARE OPTION SCHEME ("ESOS")

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

The salient features of the ESOS are as follows:

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

16. Employee Share Option Scheme (“ESOS”) (cont’d)

The salient features of the ESOS are as follows (cont’d):

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

17. Other reserves

	General reserve Note (a) RM'000	Translation reserve Note (b) RM'000	Revaluation reserve Note (c) RM'000	Capital reserve Note (d) RM'000	Total RM'000
Group					
At 1 May 2020	361	659	15,274	33,882	50,176
Other comprehensive income/(expenses)	-	(26)	-	-	(26)
At 30 April 2021	361	633	15,274	33,882	50,150
At 1 May 2019	361	433	11,854	33,882	46,530
Gain on revaluation of properties	-	-	3,800	-	3,800
Other comprehensive Income/(expenses)	-	226	(380)	-	(154)
At 30 April 2020	361	659	15,274	33,882	50,176
Company					
At 1 May 2020 and at 30 April 2021	-	-	-	33,882	33,882
At 1 May 2019 and at 30 April 2020	-	-	-	33,882	33,882

(a) General Reserve

General reserve of the Group is maintained by an Thai associate in compliance with Section 1202 of the Thai Civil and Commercial Code, that at each distribution of dividend, at least 5% of the profit or more must be appropriated to a reserve fund until such appropriations reach 10% of the registered capital of the associate.

(b) Translation Reserve

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

(c) Revaluation Reserve

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

(d) Capital Reserve

Capital reserve of the Group and of the Company relates to the excess credit arising from par value reduction of the then issued and paid-up share capital in previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

18. Post-employment benefits

The total post-employment benefits are as follows:

		Group	
	Note	2021 RM'000	2020 RM'000
Post-employment benefits of subsidiary:			
- PT Komark Labels and Labelling Indonesia	(a)	391	288
- Komark (Thailand) Co., Ltd	(b)	747	745
		1,138	1,033

(a) PT Komark Label and Labelling Indonesia

The liability for post-employment benefits consists of service payments, severance and termination benefits based on Indonesia Labour Law No. 13/2003 and other compensations.

The actuarial valuation of other long-term employee benefits for the years ended 30 April 2021 and 2020 was performed by a registered actuarial consulting firm, PT Gemma Aktuaria, using the "Projected Unit Credit" method.

Employee benefit expenses are recognised in its statements of comprehensive income as follows:

	Group	
	2021 RM'000	2020 RM'000
Current service cost	56	48
Interest cost	24	25
Actuarial gain/(loss)	-	(1)
	80	72

Reconciliation of prepaid expenses/(reserves) is as follows:

	Group	
	2021 RM'000	2020 RM'000
At 1 May	288	295
Payment of benefits	-	(1)
Expenses	56	48
Measurement of defined benefit	24	25
Recognised to OCI of actuarial loss/(gain)	30	(78)
Effects of foreign exchange loss	(7)	(1)
At 30 April	391	288

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

18. Post-employment benefits (cont'd)

(b) Komark (Thailand) Co., Ltd

The liability for post-employment benefits represents the obligations payable to the employees when they reach retirement age. The provision amounts are based on the employee's age, length of employment services, salary increase rate and other relevant assumptions.

The valuation of other long-term employee benefits for the years ended 30 April 2021 and 2020 was generally based on management's discretion and no registered actuarial consulting firm had been engaged in calculating the post-employment benefits.

The directors are of the opinion the cost may outweigh the benefits derived as the amount involved is immaterial.

Employee benefit expenses are recognised in its statements of comprehensive income as follows:

	Group	
	2021	2020
	RM'000	RM'000
Current service cost	11	319

Reconciliation of prepaid expenses/(reserves) is as follows:

	Group	
	2021	2020
	RM'000	RM'000
At 1 May	745	419
Recognised to statement of comprehensive income	11	319
Effects of foreign exchange (loss)/gain	(9)	7
At 30 April	747	745

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

19. Loans and borrowings

	Group	
	2021 RM'000	2020 RM'000
Current		
Secured:		
Bank overdrafts	2,367	1,584
Bankers' acceptance	-	851
Term loans	422	375
Total current loans and borrowings	2,789	2,810
Non-current		
Secured:		
Term loans	5,373	5,840
Total non-current loans and borrowings	5,373	5,840
Total loans and borrowings	8,162	8,650

The remaining maturities of the loans and borrowings were as follows:

	Group	
	2021 RM'000	2020 RM'000
On demand or within 1 year	2,789	2,810
Between 1 year and 2 years	842	375
Between 2 and 5 years	1,264	1,125
More than 5 years	3,267	4,340
	8,162	8,650

(a) The interest rates of the loans and borrowings of the Group were as follows:

	Group	
	2021 %	2020 %
Bank overdraft	6.88	4.73
Bankers' acceptance	3.89	5.25
Term loans	3.95	6.85

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

19. Loans and borrowings (cont'd)

- (b) The bank overdrafts, bankers' acceptance and term loans are secured by a legal charge over the freehold land and building of a subsidiary with a carrying value of RM33,452,500 (2020: RM33,802,500) and also corporate guarantee from the Company.

20. Lease liabilities

	Group	
	2021 RM'000	2020 RM'000
Current		
Lease liabilities	473	501
Non-current		
Lease liabilities	262	718
Total lease liabilities	735	1,219

The movement of lease liabilities during the financial year is as follows:

	Group	
	2021 RM'000	2020 RM'000
At 1 May	1,219	-
Additions	-	1,446
Accretion of interest charged (Note 24)	60	33
Payment of:		
- principal	(486)	(227)
- interest	(60)	(33)
Effects of foreign exchange gain	2	-
At 30 April	735	1,219

The expenses relating to payments not included in the measurement of the lease liabilities are as follows:

	Group	
	2021 RM'000	2020 RM'000
Amortisation of right-of-use assets	505	239
Interest expense on lease liabilities	60	33

The Group had total cash outflows for leases amounted to RM546,650 in 2021 (2020: RM258,641).

There were no leases with residual value guarantee or leases not yet commenced to which the Group and the Company are committed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

21. Finance lease liabilities

	Group	
	2021 RM'000	2020 RM'000
Minimum payment		
- not later than one year	3,146	2,968
- later than one year and not later than five years	2,350	4,901
	5,496	7,869
Future finance charges on finance lease	(346)	(721)
Present value of finance lease liabilities	5,150	7,148
Current	2,961	2,547
Non-current	2,189	4,601
	5,150	7,148
Present value of finance lease liabilities		
- not later than one year	2,961	2,547
- later than one year and not later than five years	2,189	4,601
	5,150	7,148

Finance lease liabilities are subject to effective interest rates ranging from 2.33% to 3.99% (2020: 3.58% to 4.83%).

22. Trade and other payables

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade payables				
- Third parties	7,947	6,584	-	-
- Related parties	161	-	-	-
Total trade payables	8,108	6,584	-	-
Other payables				
Other payables, accruals and deposits received	4,338	2,197	45	781
Amount due to subsidiaries	-	-	1,735	1,800
Total other payables	4,338	2,197	1,780	2,581
Total trade and other payables	12,446	8,781	1,780	2,581

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

22. Trade and other payables (cont'd)

(a) Trade Payables

Trade payables are unsecured, non-interest bearing and are normally settled on an average term 60 - 120 days (2020: 60 - 120 days) credit term.

(b) Other Payables

Other payables are unsecured, non-interest bearing and are repayable on demand. Other payables are normally settled on an average term of 90 days (2020: 90 days) credit term.

(c) Amounts due to subsidiaries

Amounts due to subsidiaries are unsecured, non-interest bearing and are repayable on demand.

23. Revenue

Revenue consists of the following:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers:				
Sales of adhesive labels and stickers and related products	35,201	39,547	-	-
Sales of face masks	2,426	-	-	-
Total revenue	37,627	39,547	-	-
Timing of revenue recognition:				
- At a point in time	37,627	39,547	-	-

Significant terms of sales is as follows:

- (i) Sale of goods - Credit period of 30 to 120 days (2020: 30 to 120 days) from the invoicing date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

24. Finance costs

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest expense for financial liabilities:				
- Bank overdrafts interest	109	69	-	-
- Bankers' acceptance interest	30	59	-	-
- Finance lease interest	425	626	-	-
- Lease interest	60	33	-	-
- Term loan interest	281	352	-	-
- Interest on loan from a credit company	6	353	-	-
	911	1,492	-	-
Dividend on preference shares	160	-	-	-
	1,071	1,492	-	-

25. Loss before taxation

In addition to those disclosed elsewhere in the financial statements, the following amounts have been charged out/ (credited) in arriving at loss before taxation:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Allowance/(reversal) for impairment losses on:				
- Trade receivables	112	(20)	-	217
- Amount due from associate	(17)	35	-	-
- Amount due from subsidiaries	-	-	5,077	7,130
- Other receivables	17	-	-	-
- Investment in subsidiaries	-	-	5,876	24,055
Amortisation of right-of-use assets	505	239	-	-
Auditors' remuneration				
- Current year's provision	201	210	40	41
- (over)/under provision in prior years	(2)	25	-	23
- Non-statutory audit	54	6	54	6
Bad debts recovered	(5)	-	-	-
Bad debts written off	14	15	-	-
Compensation for late delivery	492	-	-	-
Depreciation of property, plant and equipment	4,431	4,135	-	-
Directors' remuneration (Note 27)	1,940	2,843	347	447
Employee benefit expense (Note 26)	11,888	10,909	329	323
Employee retrenchment benefit expense	453	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

25. Loss before taxation (cont'd)

In addition to those disclosed elsewhere in the financial statements, the following amounts have been charged out/ (credited) in arriving at loss before taxation (cont'd):

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Allowance/(reversal) for expected credit loss on:				
- Trade receivables	(13)	-	-	-
- Amount due from subsidiaries	-	-	1,211	1,081
Gain on disposal of property, plant and equipment	(13)	-	-	-
Goodwill written off	1,750	-	-	-
Interest income	(11)	(40)	(34)	(4)
Inventories written off	79	248	-	-
Loss/(gain) on foreign exchange				
- Realised	61	406	-	-
- Unrealised	337	(563)	18	8
Loss allowance for defective and obsolete inventories	380	180	-	-
Property, plant and equipment written off	6	-	-	-
Rental of hostel	13	22	-	-
Rental of premises	26	317	-	-
Rental income	(57)	(171)	-	-

26. Employee benefit expenses

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and others	9,676	9,129	290	285
Contributions to a defined contribution plan	795	750	36	35
Contributions to social security plans	149	155	3	3
Overtimes	702	632	-	-
Incentives	5	5	-	-
Bonuses	561	238	-	-
	11,888	10,909	329	323

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

27. Directors' remuneration

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors of the Company:				
Executive				
Fees	215	728	60	-
Salaries and other emoluments	798	664	37	118
Defined contribution and social security plans	75	48	-	-
Gratuity	6	160	6	160
Total short-term employee benefits	1,094	1,600	103	278
Non-Executive				
Fees	214	155	214	155
Other emoluments	30	14	30	14
Total short-term employee benefits	244	169	244	169
Total remuneration of the directors of the Company	1,338	1,769	347	447
Other directors:				
Executive				
Fees	18	109	-	-
Salaries and other emoluments	540	888	-	-
Defined contribution and social security plans	44	77	-	-
Total short-term employee benefits	602	1,074	-	-
Total directors' remuneration	1,940	2,843	347	447

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

28. Tax expense

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Statements of profit or loss and other comprehensive income:				
Current income tax				
- Current year	156	193	-	-
- Under/(over) provision in prior year	1	18	-	(5)
	157	211	-	(5)
Deferred taxation				
- Current year's (reversal)/provision	(333)	138	-	-
Income tax expense recognised in statement of profit or loss and other comprehensive income	(176)	349	-	(5)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate is as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Loss before taxation	(16,131)	(10,357)	(13,596)	(33,660)
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	(3,872)	(2,486)	(3,263)	(8,078)
Effect of different tax rates in foreign jurisdictions	(3,499)	(10,291)	-	-
Non-deductible expenses	5,403	11,951	3,263	8,078
Income not subject to tax	(278)	(772)	-	-
Deferred tax assets not recognised	2,069	1,930	-	-
	(177)	332	-	-
Under/(over) provision of income tax in prior year	1	18	-	(5)
Others	-	(1)	-	-
Tax expense	(176)	349	-	(5)

- (a) Domestic income tax is calculated at the Malaysian statutory rate of 24% of the estimated assessable profit for the year.

In the previous financial year, the Malaysian corporate tax rate was reduced to a range of 20% to 24% from the tax rate of 24%. The reduction in income tax rate is based on the percentage of increase in chargeable income as compared to immediate preceding year of assessment.

- (b) Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

28. Tax expense (cont'd)

- (c) Tax savings during the financial year arising from:

	Group	
	2021 RM'000	2020 RM'000
Utilisation of current tax incentives	167	182

- (d) At the reporting date, subject to the agreement of the tax authority, the Group has the following tax losses and allowances to offset against future taxable income.

	Group	
	2021 RM'000	2020 RM'000
Unutilised tax losses	60,346	50,712
Unabsorbed capital allowances	22,759	18,932
Reinvestment allowances	45,115	45,115

- (e) Pursuant to Section 44(5F) of the Income Tax Act, 1967, the unutilised tax losses and unutilised reinvestment allowances that can only be carried forward until the following years of assessment:

	Group	
	2021 RM'000	2020 RM'000
Unutilised tax losses to be carried forward until:		
- Year of assessment 2025	27,071	27,071
- Year of assessment 2026	2,811	2,811
- Year of assessment 2027	2,807	2,807
- Year of assessment 2028	3,318	-
	36,007	32,689
Reinvestment allowances to be carried forward until:		
- Year of assessment 2025	45,115	45,115

- (f) The Company and its subsidiaries are subject to tax audits to be conducted by tax authorities of Malaysia and other jurisdictions, potential tax liabilities may arise from such audits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

29. Loss per share

Basic loss per share amounts is calculated by dividing loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2021	2020
	RM'000	RM'000
Loss net of tax attributable to owners of the Company	(15,834)	(10,706)
Weighted average number of ordinary shares in issue for basic earnings per share	261,780	224,067
Effects of dilution :		
- Exercise of outstanding warrants	240,461	-
Weighted average number of ordinary shares in issue for diluted earnings per share computation	502,241	224,067
Basic loss per share (sen)	(6.05)	(4.78)
Diluted loss per share (sen)	-*	-*

* Anti-dilutive in nature

30. Significant related party transactions

- (a) In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Group and related parties took place at terms agreed between the parties during the financial year:-

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Transactions with companies connected to directors of the Company:				
- Sales of goods	1,160	-	-	-
- Purchase of goods	396	-	-	-

Information regarding outstanding balance arising from related party transactions as at 30 April 2021 is disclosed in Notes 11 and 22.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

30. Significant related party transactions (cont'd)

(b) Compensation of key management personnel

The remuneration of directors of the Group and of the Company and other key management personnel during the year was as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Key management personnel				
Directors (Note 27)				
- Fees	447	992	274	155
- Other emoluments (including defined contribution and social security plans)	1,487	1,691	67	132
- Gratuity	6	160	6	160
Total key management personnel benefits	1,940	2,843	347	447

31. Financial instruments

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

31.1 Financial risk management policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Thai Baht ("THB"), Euro ("EURO") and Indonesian Rupiah ("IDR"), a small percentage in other currencies. Foreign currencies denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

31. Financial instruments (cont'd)

31.1 Financial risk management policies (cont'd)

(a) Market risk (cont'd)

(i) Foreign Currency Risk (cont'd)

Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

	2021 RM'000	2020 RM'000
Group		
Net unhedged financial assets/(liabilities):		
United States Dollar ("USD")	203	282
Singapore Dollar ("SGD")	1,256	746
Thailand Baht ("THB")	(1,350)	(166)
Euro Dollar ("EUR")	(392)	(12)
Indonesian Rupiah ("IDR")	(251)	(308)
	(534)	(542)

Sensitivity Analysis for Foreign Currency Risk

The following table demonstrates the sensitivity of the Group's profit to a reasonably possible change in the USD, SGD, THB, EUR and IDR exchange rates against the respective functional currencies of the Group component entities, with all other variables held constant.

(ii) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debts as the Group had no substantial long-term interest-bearing assets as at 30 April 2021. The investments in financial assets are mainly short-term in nature and they are not held for speculative purposes.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

31. Financial instruments (cont'd)

31.1 Financial risk management policies (cont'd)

(a) Market risk (cont'd)

(ii) Interest rate risk (cont'd)

The interest rate profile of the Group's and the Company's interest-bearing financial instruments, based on carrying amount as at reporting date was:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Financial Assets				
- Deposits with licensed banks	703	1,613	-	680
Financial Liabilities				
- Bank overdraft	(2,367)	(1,584)	-	-
- Finance lease liabilities	(5,150)	(7,148)	-	-
- Term loans	(5,794)	(6,215)	-	-
- Lease liabilities	(735)	(1,219)	-	-
	(14,046)	(16,166)	-	-
Floating rate instruments				
Financial Assets				
- Short-term funds	30,056	-	30,056	-
Financial Liabilities				
- Bankers' acceptance	-	(851)	-	-
	-	(851)	-	-

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's loss net of tax and total equity would have been RM41,780 (2020: RM38,510) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

31. Financial instruments (cont'd)

31.1 Financial risk management policies (cont'd)

(b) Credit risk

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

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

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimize credit risk, the Group has developed and maintained the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when

- There is a significant difficulty of the debtor
- A breach of contract such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

31. Financial instruments (cont'd)

31.1 Financial risk management policies (cont'd)

(b) Credit risk (cont'd)

The Group determined that its financial assets are credit-impaired when

- There is a significant difficulty of the debtor
- A breach of contract such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Group's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
III	Amount is > 60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL - credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

31. Financial instruments (cont'd)

31.1 Financial risk management policies (cont'd)

(b) Credit risk (cont'd)

The table below details the credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	12-month or lifetime ECL	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
Group					
30 April 2021					
Trade receivables	11	Lifetime ECL (simplified)	8,543	(1,560)	6,983
Other receivables	11	Lifetime ECL (simplified)	8,891	(1,332)	7,559
				(2,892)	
30 April 2020					
Trade receivables	11	Lifetime ECL (simplified)	9,183	(1,461)	7,722
Other receivables	11	Lifetime ECL (simplified)	2,545	(1,332)	1,213
				(2,793)	

For trade receivables and other receivables, the Group has applied the simplified approach in MFRS 139 to measure the loss allowance at lifetime ECL. The Group determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect the current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade and other receivables is presented based on their past due status in terms of the provision matrix.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

31. Financial instruments (cont'd)

31.1 Financial risk management policies (cont'd)

(b) Credit risk (cont'd)

		Trade receivables				
		Past due				
	Not past due	1 - 30 days	31 - 60 days	61 - 90 days	> 90 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
30 April 2021						
ECL rate	0.25%	2.5%	1.2%-5%	1.9%-10%	2.5%-15%	
Estimated total gross carrying amount at default	4,009	2,320	359	283	1,572	8,543
ECL – not credit-impaired	(10)	(62)	(18)	(26)	(23)	(139)
ECL – credit-impaired	-	-	-	-	(1,421)	(1,421)
						6,983
30 April 2020						
ECL rate	0.25%	2.5%	1.2%-5%	1.9%-10%	2.5%-15%	
Estimated total gross carrying amount at default	4,941	1,321	886	332	1,703	9,183
ECL – not credit-impaired	(13)	(27)	(32)	(27)	(53)	(152)
ECL – credit-impaired	-	-	-	(24)	(1,285)	(1,309)
						7,722

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

31. Financial instruments (cont'd)

31.1 Financial risk management policies (cont'd)

(b) Credit risk (cont'd)

	Other receivables					
	Past due					
	Not past due	1 - 30 days	31 - 60 days	61 - 90 days	> 90 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
30 April 2021						
Estimated total gross carrying amount at default	7,559	-	-	-	1,332	8,891
ECL – credit-impaired	-	-	-	-	(1,332)	(1,332)
						7,559
30 April 2020						
Estimated total gross carrying amount at default	1,213	-	-	-	1,332	2,545
ECL – credit-impaired	-	-	-	-	(1,332)	(1,332)
						1,213

Information regarding loss allowance movement of trade and other receivables is disclosed in Note 11 to the financial statements.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Exposure to credit risk

The Group has no significant concentration of credit risk other than those balances with associate comprising 14% (2020: 13%) of trade receivables. The Group has credit policies and procedures in place to minimize and mitigate its credit risk exposure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

31. Financial instruments (cont'd)

31.1 Financial risk management policies (cont'd)

(c) Liquidity Risk

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

Analysis of financial instruments by remaining contractual maturities

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

			Cash Flows		
	Carrying amount RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group					
At 30 April 2021					
Financial Liabilities:					
- Trade and other payables	12,446	12,446	-	-	12,446
- Loans and borrowings	8,162	2,789	2,106	3,267	8,162
- Finance lease liabilities	5,150	2,961	2,189	-	5,150
- Lease liabilities	735	473	262	-	735
	26,493	18,669	4,557	3,267	26,493
At 30 April 2020					
Financial Liabilities:					
- Trade and other payables	8,781	8,781	-	-	8,781
- Loans and borrowings	8,650	2,810	1,500	4,340	8,650
- Finance lease liabilities	7,148	2,547	4,601	-	7,148
- Lease liabilities	1,219	501	718	-	1,219
	25,798	14,639	6,819	4,340	25,798

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

31. Financial instruments (cont'd)

31.1 Financial risk management policies (cont'd)

(c) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

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

			Cash Flows			
	Carrying amount RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000	
Company						
At 30 April 2021						
Financial Liabilities:						
- Trade and other payables	45	45	-	-	45	
- Amount due to subsidiaries	1,735	1,735	-	-	1,735	
	1,780	1,780	-	-	1,780	
At 30 April 2020						
Financial Liabilities:						
- Trade and other payables	781	781	-	-	781	
- Amount due to subsidiaries	1,800	1,800	-	-	1,800	
	2,581	2,581	-	-	2,581	

31.2 Capital risk management

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

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

There was no change in the Group's approach to capital management during the financial year and the Group is not required to comply with any externally imposed capital requirements in respect of their external borrowings for the financial years ended 30 April 2021 and 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

31. Financial instruments (cont'd)

31.2 Capital risk management (cont'd)

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

	Group	
	2021 RM'000	2020 RM'000
Loans and borrowings (Note 19)	8,162	8,650
Lease liabilities (Note 20)	735	1,219
Finance lease liabilities (Note 21)	5,150	7,148
Total debts	14,047	17,017
Total equity attributable to members of the Company	98,536	56,930
Debts to equity ratio (times)	0.14	0.29

31.3 Determination of fair value and the fair value hierarchy

Fair value hierarchy

The Group and the Company use the following levels of hierarchy for determining and disclosing the fair value of those financial instruments and non-financial assets:

- Level 1 - Quoted market prices: quoted prices (unadjusted) in active market for identical instruments;
- Level 2 - Fair values based on observable inputs: inputs other than quoted prices include within Level 1 that are observable for the instrument, whether directly (i.e. prices) or indirectly (i.e. derived from prices), are used; and
- Level 3 - Fair values derived using unobservable inputs: inputs used are not based on observable market data and the unobservable inputs may have a significant impact on the valuation of the financial instruments and non-financial assets.

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	11
Lease liabilities	20
Trade and other payables	22

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

31. Financial instruments (cont'd)

31.3 Determination of fair value and the fair value hierarchy (cont'd)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or they are already discounted at appropriate discount rates.

For lease liabilities with remaining maturity of more than one year, the fair values are estimated based on discounted cash flows using a rate based on the current market rate of borrowing of the respective entity at the reporting date.

The following table sets out the fair value profile of financial instruments that are carried at fair value at the end of the reporting period:-

	Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Group					
At 30 April 2021					
Financial asset					
Short-term funds (Note 12)	-	30,056	-	30,056	30,056
Financial liabilities					
Loans and borrowings	-	8,162	-	8,162	8,162
Lease liabilities	-	735	-	735	735
Finance lease liabilities	-	5,150	-	5,150	5,150
	-	14,047	-	14,047	14,047

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

31. Financial instruments (cont'd)

31.3 Determination of fair value and the fair value hierarchy (cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value at the end of the reporting period (cont'd):-

	Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Group					
At 30 April 2020					
Financial asset	-	-	-	-	-
Financial liabilities					
Loans and borrowings	-	8,650	-	8,650	8,650
Lease liabilities	-	1,219	-	1,219	1,219
Finance lease liabilities	-	7,148	-	7,148	7,148
	-	17,017	-	17,017	17,017
Company					
At 30 April 2021					
Financial asset					
Short-term funds (Note 12)	-	30,056	-	30,056	30,056
Financial liabilities	-	-	-	-	-

At 30 April 2020 - Nil

The fair value of Level 2 financial asset is based on the confirmation by a licensed fund manager regulated by the Securities Commission of Malaysia.

There were no transfers between the various fair value measurement levels during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

32. Segment information

(a) Operating segment

Segmental information is prepared on the basis of the “management approach”, which requires presentation of the segments on the basis of internal reports about the components of the entity.

The Group is organised into businesses based on their activities, and has three reportable operating segments as follows:

- | | | | |
|-------|-----------------------------------|---|---|
| (i) | Self-adhesive labels and stickers | - | manufacturing and sales self-adhesive labels and stickers. |
| (ii) | Face masks | - | manufacture and wholesale of face masks. |
| (iii) | Others | - | head office, management services, investment holding and dormant companies. |

For each of the divisions, the Group Chief Operation Officer reviews the internal management reports on a monthly basis and conducts performance dialogues with the divisions on a regular basis. The Group assesses the performance of the operating segments based on measure of revenue and profit before tax.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities, income and expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

32. Segment information (cont'd)

(a) Operating segment (cont'd)

	Label and sticker manufacturing		Face mask manufacturing		Others		Adjustments and elimination		Consolidated	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue										
External customers	35,201	39,547	2,426	-	-	-	-	-	37,627	39,547
Inter-segment sales	4,966	5,889	7	-	-	-	(4,973)	(5,889)	-	-
Total revenue	(A) 40,167	45,436	2,433	-	-	-	(4,973)	(5,889)	37,627	39,547
Results										
Other operating income	1,873	1,928	-	-	1,147	1,101	(1,287)	(1,101)	1,733	1,928
Finance cost	(867)	(1,475)	(160)	-	-	-	(44)	(17)	(1,071)	(1,492)
Depreciation and amortisation expenses	(4,813)	(4,600)	(118)	-	-	-	(5)	226	(4,936)	(4,374)
Other non-cash items	(593)	(43,237)	(24)	-	-	-	(2,035)	43,342	(2,652)	105
Segment loss before tax	(30,548)	(59,984)	(1,653)	-	1,147	1,101	15,427	48,526	(15,627)	(10,357)
Segments assets	172,730	134,713	12,292	-	-	-	(57,865)	(50,180)	127,157	84,533
Segment liabilities	71,259	63,944	11,595	-	-	-	(54,233)	(36,341)	28,621	27,603

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

32. Segment information (cont'd)

(a) Operating segment (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the Consolidated financial statements

A Inter-segment revenues are eliminated on consolidation. Revenue reported above represents revenue generated from the reportable segments. Intersegment sales for the current year is RM4,973,066 (2020: RM5,889,505).

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	2021 RM'000	2020 RM'000
Allowance for obsolete inventories	(380)	(180)
(Allowance)/reversal for impairment losses on:		
- Trade receivables	(112)	20
- Amount due from associate	17	(35)
- Other receivables	(17)	-
Bad debts written off	(14)	(15)
Reversal for expected credit losses on:		
- Other receivables	13	-
Gain on disposal of property, plant and equipment	13	-
Goodwill written off	(1,750)	-
Inventories written off	(79)	(248)
Property, plant and equipment written off	(6)	-
Unrealized (loss)/gain on foreign exchange	(337)	563
	(2,652)	105

	2021 RM'000	2020 RM'000
C Unallocated corporate expenses	18	-
D Additions to non-current assets consist of:		
	2021 RM'000	2020 RM'000
Property, plant and equipment	66,018	65,942
E The following item is added to/(deducted from) segment assets to arrive at total assets reported in the Group's statement of financial position:		
	2021 RM'000	2020 RM'000
Inter-segment assets	(57,865)	(50,180)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

32. Segment information (cont'd)

(b) Geographical segment

Segmental information is presented in respect of the Group's geographical segments based on the Group's management and internal reporting structure.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on location of the assets. The non-current assets do not include financial instruments, investment in associate and deferred tax assets.

Geographical information

	External revenue		Non-current assets	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Group				
Malaysia	19,177	17,077	55,336	53,502
Singapore	7,083	9,170	101	135
Thailand	15,415	17,491	7,088	7,898
Others	925	1,699	3,306	4,540
Inter geographical location elimination	42,600 (4,973)	45,437 (5,890)	65,831 187	66,075 (133)
	37,627	39,547	66,018	65,942

33. Contingent liabilities

	Group and Company	
	2021	2020
	RM'000	RM'000
Secured		
Corporate guarantees granted to licensed banks for the banking facilities extended to certain subsidiaries within the Group.	13,416	15,988

34. Significant events

(a) Incorporation of a new subsidiary

On 15 June 2020, the Company incorporated a wholly-owned subsidiary known as Komark Mask (M) Sdn. Bhd. whose principal activities are manufacturing and sales of face masks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

34. Significant events (cont'd)

(b) Corporate exercises undertaken by the Company

(i) Approval of ESOS by shareholders

On 5 August 2020, the shareholders of the Company at an Extraordinary General Meeting had approved an ESOS to be granted to eligible persons of the companies within the Group.

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

(ii) Private placement of 61,675,000 ordinary shares

On 28 December 2020, the Company undertook a private placement of up to 61,675,000 new ordinary shares representing 30% of the Company's issued and paid-up ordinary shares to independent third party investors at an issue price of RM 0.96 each for a cash consideration of RM59,208,000.

(iii) Bonus issue of 133,625,329 Warrants 2021/2024 ("Warrants C")

On 15 January 2021, the Company undertook a bonus issue of 133,625,329 Warrants 2021/2024 ("Warrants C") on the basis of 1 to 2 existing shares held by the shareholders.

(iv) Share split and subdivision of ordinary shares

On 11 February 2021, the Company had completed the share split by subdividing every 10 existing shares held by the shareholders into 18 shares.

(c) Impact of Covid-19 virus ("Covid-19") pandemic

Covid-19 pandemic has significantly affected many businesses and the Malaysian economy as a whole. On 16 March 2020, the Malaysian Government issued the Movement Control Order ("MCO") from 18 March to 12 May 2020 as a preventive measure against the spread of Covid-19 which requires the closure of all government and private premises except for those involved in the provision of essential services. The MCO was subsequently followed by Conditional MCO, Extended MCO, Recovery MCO and Enhanced MCO, in addition to the state of Emergency for the country until 1 August 2021 declared by the King of Malaysia on 12 January 2021.

The restrictions imposed have not adversely impacted the Group's financial performance in Malaysia as its main manufacturing facilities were allowed to operate throughout the MCO period, under restrictions as set by the Ministry of International Trade and Industry ("MITI").

As the situation is fluid and still evolving and given the widespread nature of the outbreak and the uncertainties of future development of Covid-19, it is not practicable to provide a quantitative estimate of the potential financial impact of Covid-19 on the financial statements of the Group and of the Company for the financial year ending 30 April 2022 reliably at this juncture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

35. Subsequent events

(a) Private placement of 96,223,000 ordinary shares

On 7 May 2021, a private placement of 96,223,000 ordinary shares representing 20% of the Company's issued and paid-up ordinary shares had obtained the approval from Bursa Malaysia.

The private placement was completed on 31 May 2021 by an issuance of 96,223,000 units of ordinary shares at RM0.1344 each to an independent third party for a cash consideration of RM12,932,371.

(b) Pending litigation

On 17 May 2021, the Company filed a Writ and Statement of Claim in the High Court in Kuala Lumpur bearing Suit Number of WA-22NCvC-357-05/2021 against the Edge Communications Sdn Bhd ("The Edge"), among others, seeking damages and an injunction to restrain The Edge and its agents, servants or otherwise from publishing or caused to be published any articles, statements, sentences or words which are defamatory to the Company.

(c) Proposed winding up of a foreign subsidiary

On 16 June 2021, the Board of Directors of the Company had approved the proposed winding up of its indirect Indonesian subsidiary, PT Komark Labels and Labelling Indonesia in order to minimize potential losses in the future.

The winding up process of the same is in progress and is expected to be completed in the following financial years.

36. Authorisation for issue

The financial statements of the Company for the financial year ended 30 April 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 17 August 2021.

LIST OF PROPERTIES

Owner	Title No/ Location	Existing usage	Expiry Date	Land Area/ Build Up Area Sq. Ft	Age Of Building (Year)	Tenure	Date of last revaluation/ acquisition	Net book Value as at 30.04.2021 RM ('000)
Komark International (M) Sdn. Bhd	GM No. 439, Lot 132, Mukim of Kajang District, Hulu Langat, Selangor.	Factory Cum Office (HQ)	-	L-147,756 B-150,000	18	Freehold	06/03/2020	33,453
General Labels & Labelling (M) Sdn. Bhd	Lot PTD 112290, Mukim of Plentong District, Johor Bahru.	Factory Cum Office	-	L-10,200 B-5,394	24	Freehold	03/02/2021	1,340

ANALYSIS OF SHAREHOLDINGS

AS AT 1 SEPTEMBER 2021

Total Issued Share	:	577,356,548 Ordinary Shares
Types of Shares	:	Ordinary Share
Voting Rights	:	One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS AS AT 1 SEPTEMBER 2021

Size of Shareholdings	No. of		Percentage of Shareholdings (%)
	Shareholders	No. of Shares	
Less than 100	561	28,972	0.0050
100 to 1,000	684	302,774	0.0524
1,001 to 10,000	2,953	18,217,064	3.1554
10,001 to 100,000	3,919	148,003,747	25.6355
100,001 to less than 5% of issued shares	770	329,805,191	57.1251
5% and above of issued shares	2	80,980,800	14.0266
TOTAL	8,889	577,338,548	100.0000

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Names	Direct Interest		Indirect Interest	
	No. of Shares	Percentage %	No. of Shares	Percentage %
1. YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	200,000	0.0350	-	-
2. Roy Ho Yew Kee	750,000	0.1300	-	-
3. Ihsan Bin Ismail	-	-	-	-
4. Koo Kien Keat	-	-	-	-
5. Chan Jee Peng	-	-	-	-

SUBSTANTIAL SHAREHOLDER AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Names	Direct Interest		Indirect Interest	
	No. of Shares	Percentage %	No. of Shares	Percentage %
1. Key Alliance Group Berhad	36,600,800	6.3400	-	-

ANALYSIS OF SHAREHOLDINGS

AS AT 1 SEPTEMBER 2021

**THIRTY LARGEST SECURITIES ACCOUNT HOLDERS
(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 1 SEPTEMBER 2021)**

Names	No. of Shares	Percentage of Shareholdings (%)
1. AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	44,170,800	7.6508
2. M & A NOMINEE (ASING) SDN BHD EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	36,810,000	6.3758
3. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CAROL VUN ON NEI	11,451,780	1.9835
4. MAHADI BIN BADRUL ZAMAN	8,752,500	1.5160
5. LIM SOOK CHEAN	8,080,000	1.3995
6. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG CHOW HUAT	6,320,020	1.0947
7. LIM SOON GUAN	5,000,000	0.8660
8. CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (HONG KONG) LIMITED (FOREIGN CLIENT)	5,000,000	0.8660
9. MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR MUTHUKUMAR A/L AYARPADDE	4,865,000	0.8427
10. EE KAN WONG	4,000,000	0.6928
11. PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KHEK KENG (E-TAI)	3,350,000	0.5802
12. LIM KIM YEW	3,135,400	0.5431
13. ACRYL SANI BIN ABDULLAH SANI	3,000,000	0.5196
14. WONG NGIE TIEN	2,590,000	0.4486
15. LIM WEE HUN	2,500,000	0.4330
16. CHEAH JOO KIANG	2,400,000	0.4157
17. TEO TONG KOOI	2,300,000	0.3984
18. CHONG KONG NAM	2,200,000	0.3811
19. CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG TENG CHAI (J BENDAHARA-CL)	2,050,000	0.3551
20. TAN YOKE THENG	2,000,000	0.3464
21. NG TONG LAI	2,000,000	0.3464
22. ONG GIM HAI	2,000,000	0.3464
23. ONG CHONG CHEE	2,000,000	0.3464
24. PERUMAL A/L MANIMARAN	1,935,900	0.3353
25. KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR HO WONG MENG	1,851,300	0.3207
26. DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AFFIN HWANG ASSET MANAGEMENT BERHAD (TSTAC/ CLNT-T)	1,800,000	0.3118
27. RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WENCASTLE HOLDINGS LIMITED	1,800,000	0.3118
28. RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN BOK KOON DATO'	1,794,000	0.3107
29. PUBLIC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABDULLAH BIN JAFFA (E-KLC/CTD)	1,600,000	0.2771
30. PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HAN FOOK FONG (E-PPG)	1,600,000	0.2771

ANALYSIS OF WARRANTS C

AS AT 1 SEPTEMBER 2021

Total Issued Warrants	:	240,496,090 Ordinary Shares
Total Exercised Warrants	:	35,400 Ordinary Shares
Total Outstanding	:	240,460,690 Ordinary Shares

DISTRIBUTION OF WARRANTS C AS AT 1 SEPTEMBER 2021

Size of Warrant Holdings	No. of Warrant Holders	No. of Warrants	Percentage of Warrants Holdings (%)
Less than 100	855	37,197	0.0155
100 to 1,000	319	150,307	0.0626
1,001 to 10,000	1845	8,847,200	3.6793
10,001 to 100,000	1719	66,669,334	27.7257
100,001 to less than 5% of issued warrants	451	150,656,652	62.6533
5% and above of issued warrants	1	14,100,000	5.8637
TOTAL	5,190	240,460,690	100.0000

DIRECTORS' INTEREST IN WARRANTS C

None of the Directors hold any warrants C in the Company as per the Register of Director's Warrant C holdings.

THIRTY LARGEST WARRANT C HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 1 SEPTEMBER 2021)

Names	No. of Warrants	Percentage of Warrants Holdings (%)
1. LIEW SEE KIM	14,100,000	5.8637
2. VICTOR CHAI CHENG WAH	7,120,000	2.9610
3. LIM SOON GUAN	4,000,000	1.6635
4. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD NADZRI BIN MISNI	3,894,000	1.6194
5. MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VINCENT PHUA CHEE EE	2,800,200	1.1645
6. KHAIRUL HISYAM BIN ISMAIL	2,367,600	0.9846
7. MAYBANK NOMINEES (TEMPATAN) SDN BHD MOHD NADZRI BIN MISNI	2,310,000	0.9607
8. MAYBANK NOMINEES (TEMPATAN) SDN BHD HUI CHAN BEN	1,558,000	0.6479
9. LEE SHE CHING	1,540,900	0.6408
10. MAIHIZAM BIN MOHD ZIN	1,500,000	0.6238
11. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LILY SUHANA BINTI ABD RAHMAN	1,417,300	0.5894
12. LIEW SEE WAH	1,400,000	0.5822
13. KHAIRUL ANWAR BIN MOHD SHARIF	1,350,000	0.5614
14. MAYBANK NOMINEES (TEMPATAN) SDN BHD HAMRADHI BIN AB KARIM	1,242,200	0.5166
15. LIEW YOOK KUIW	1,100,000	0.4575

ANALYSIS OF WARRANTS C

AS AT 1 SEPTEMBER 2021

**THIRTY LARGEST WARRANT C HOLDERS
(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 1 SEPTEMBER 2021)**

Names	No. of Warrants	Percentage of Warrants Holdings (%)
16. CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SIEW HUANG (MUAR-CL) L	1,066,400	0.4435
17. ABD HAZIS BIN OMAR	1,000,000	0.4159
18. TAN SUONG CHAI	1,000,000	0.4159
19. HAW SWEE KIM	1,000,000	0.4159
20. MOHAMED AMIN BIN ABDULLAH	1,000,000	0.4159
21. PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUAH GIM KHOON (E-PTS/JAI)	950,000	0.3951
22. TAN MEI LIN	900,000	0.3743
23. TAN SIEW EAN	826,300	0.3436
24. CHUA LAI HONG	800,000	0.3327
25. WONG KON LAN	800,000	0.3327
26. ROSLI BIN MOHD ZAIN	800,000	0.3327
27. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMMAD YA'AKUB YUSRA BIN MOHD YUSOF	800,000	0.3327
28. EWE HONG KHOON	737,500	0.3067
29. JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN TECK LONG (STA 2)	700,000	0.2911
30. LEONG YIN FUNG	700,000	0.2911

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth Annual General Meeting (“**25th AGM**”) of the Company will be held on a fully virtual and entirely via remote participation and electronic voting via online meeting platform at <https://rebrand.ly/KomarkAGM> provided by Mlabs Research Sdn Bhd from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 29 October 2021 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

- | | |
|--|--|
| 1. To receive the Audited Financial Statements for the financial year ended 30 April 2021 together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note to Ordinary Business |
| 2. To re-elect Encik Ihsan Bin Ismail who retires pursuant to Clause 102 of the Company's Constitution and who being eligible, has offered himself for re-election. | Ordinary Resolution 1 |
| 3. To re-elect Mr. Chan Jee Peng who retires pursuant to Clause 109 of the Company's Constitution and who being eligible, has offered himself for re-election. | Ordinary Resolution 2 |
| 4. To approve the payment of Directors' fees and benefits amounting to RM600,000 to the Directors of the Company from 25 th AGM up to the conclusion of the 26 th Annual General Meeting (“ AGM ”). | Ordinary Resolution 3 |
| 5. To re-appoint Messrs KC Chia & Noor as Auditors of the Company and to hold office until the conclusion of the next AGM at such remuneration to be determined by the Directors of the Company. | Ordinary Resolution 4 |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

- | | |
|--|------------------------------|
| 6. Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016 | Ordinary Resolution 5 |
|--|------------------------------|

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

- | | |
|---|------------------------------|
| 7. Proposed Renewal of Authority for the Company to Purchase its own Shares (“ Proposed Renewal of Share Buy-Back Authority ”) | Ordinary Resolution 6 |
|---|------------------------------|

“THAT subject to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- i) the aggregate number of shares purchased or held as treasury shares does not exceed 10% of the total number of issued and paid-up shares of the Company as quoted on Bursa Securities as at the point of purchase;

NOTICE OF ANNUAL GENERAL MEETING

- ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares be backed by an equivalent amount of retained profits; and
- iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares, or cancel the shares, or retain part of the shares so purchased as treasury shares and cancel the remainder, or resell the shares, or transfer the shares or distribute the shares as dividends;

AND THAT the authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:

- i) the conclusion of the next AGM at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

8. Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature **Ordinary Resolution 7**

“THAT, subject always to the provisions of the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and its subsidiaries (collectively the “Group”) to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 5 of the Circular to Shareholders dated 30 September 2021, provided that such transactions and/or arrangements which are necessary for the Group’s day-to-day operations are undertaken in the ordinary course of business, at arm’s length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company (hereinafter referred to as the “**Proposed New and Renewal of Shareholders’ Mandate**”):

THAT the Proposed New and Renewal of Shareholders’ Mandate shall only continue to be in full force until:

- i) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at said AGM, such authority is renewed; or
- ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

NOTICE OF ANNUAL GENERAL MEETING

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the "Proposed New and Renewal of Shareholders' Mandate."

9. Retention of Encik Ihsan Bin Ismail as an Independent Non-Executive Director of the **Ordinary Resolution 8** Company

"THAT Encik Ihsan Bin Ismail be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next AGM or at any adjournment thereof in accordance with the Malaysian Code on Corporate Governance."

10. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482 & SSM PC No. 201908002253)
Company Secretary

Selangor
Dated : 30 September 2021

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 the 25th AGM 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 20 October 2021. Only a member whose name appears on this Record of Depositors shall be entitled to participate in the 25th AGM.
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.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

7. If you decide to appoint a proxy or proxies for the 25th AGM, you must complete, sign and return the Form of Proxy and deposit it at the Share Registrar's office at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, Malaysia or email to admin.registrar@boardroom.com.my or fax to +603 7890 1032 not less than forty-eight (48) hours before the time for holding the 25th AGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating in the 25th AGM 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 25th AGM 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.

Explanatory Note to Ordinary Business:

Item 1 of the Agenda - Audited Financial Statements for the financial year ended 30 April 2021

This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Companies Act 2016 does not require the shareholders to formally approve the Audited Financial Statements. Therefore, this item will not be put forward for voting.

Explanatory Notes to Special Business:

Ordinary Resolution 5 - Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 5 if passed, is a renewal of general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The general mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions at any time without convening a general meeting as it would be both costs and time consuming to organise a general meeting.

As at the date of this notice, the Company has issued 96,223,000 new ordinary shares at issue price of RM0.1344 per share by way of private placement pursuant to the General Mandate granted to the Directors at the 24th AGM held on 22 October 2020. The total proceeds of RM59,208,000 was raised from the Private Placement and the details of utilization of proceeds as below:-

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Variation RM'000	Unutilised RM'000
(i) Investment in the new business	17,900	9,483	-	8,417
(ii) Repayment of borrowings	1,423	1,423	-	-
(iii) Working Capital	38,725	9,936	-	28,789
(iv) Estimated expenses for the Proposals	1,160	1,160	-	-

NOTICE OF ANNUAL GENERAL MEETING

Ordinary Resolution 6 - Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 6 is a renewal generate mandate and if passed, will allow the Directors of the Company to exercise the power of the Company to purchase not more than ten percent (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements. This authority, unless revoked or varied by the Company at a general meeting, shall continue to be in full force until the conclusion of the next AGM of the Company.

Further details are set out in the Circular to Shareholders dated 30 September 2021.

Ordinary Resolution 7 - Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 7 is a renewal generate mandate and if passed, will allow the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

Ordinary Resolution 8 - Retention of Encik Ihsan Bin Ismail as an Independent Non-Executive Director of the Company

Encik Ihsan Bin Ismail ("**Encik Ihsan**") was appointed as an Independent Director of the Company on 1 January 2009. He has served the Company for a cumulative term of more than twelve (12) years. The Nomination Committee and the Board of Directors of the Company, after having assessed the independence of Encik Ihsan, consider him to be independent based on amongst others, the following justifications and recommend that Encik Ihsan be retained as an Independent Director of the Company subject to the shareholder's approval through a two-tier voting process as described in the Guidance to Practice 4.2 of the Malaysian Code on Corporate Governance: -

- a) He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and therefore was able to bring independent and objective judgment to the Board's deliberations;
- b) He has not been involved in any business or other relationship which could hinder the exercise of independent judgement, objectivity or his ability to act in the best interest of the Company;
- c) He has no potential conflict of interest, whether business or non-business related with the Company;
- d) His experience enables him to provide the Board with a diverse set of experience, expertise, skills and competence;
- e) He has been with the Company for long period of time and therefore understand the Company's business operations which enable him to participate actively and contribute during deliberations or discussions at Remuneration Committee, Nomination Committee, Audit Committee and Board meetings; and
- f) He has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and Shareholders.

ADMINISTRATIVE GUIDE

Date : 29 October 2021
Time : 10:00 a.m.
Broadcast Venue : 25th AGM will be held on a fully virtual and entirely via remote participation and electronic voting via online meeting platform at <https://rebrand.ly/KomarkAGM> provided by Mlabs Research Sdn Bhd from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan

MODE OF MEETING

As a result of the implementation of the National Recovery Plan (“**NRC**”), the Securities Commission Malaysia had encouraged the company to conduct a fully virtual meeting where all meeting participants are required to participate in the meeting online.

All shareholders of the Company, whether Individual Shareholders, Corporate Shareholders, Proxy Holders, Authorised Nominees or Exempt Authorised Nominees who wish to attend the AGM will have to register to attend remotely by using the Remote Participation and Voting Facilities (“**RPV**”), the details of which is set out below.

RPV Facilities

1. The AGM will be conducted entirely through live streaming and online remote voting. Should you wish to attend the AGM you will be required to do so by registering yourself using the RPV Facilities in accordance with the instructions set out under Section 4 below.

With the RPV Platform, you may exercise your rights as a Shareholder to participate (including to pose questions to the Board of Directors (“**Board**”) and vote at the AGM.

2. If a shareholder is unable to attend the AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.
3. For proxies or corporate representatives / authorised nominees / exempt authorised nominees who wishes to use the RPV Facilities at the AGM, please ensure the duly executed proxy forms or the original certificate of appointment of its corporate representative are submitted to Boardroom.com Sdn Bhd at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor not later than 27 October 2021 at 10:00 a.m.
4. The procedures for the RPV in respect of the live streaming and remote voting at the AGM is as follows:

Procedures		Action
Before AGM		
1.	Register as participant in Virtual AGM  SCAN QR CODE	- Using your computer, access the registration website at https://rebrand.ly/KomarkAGM - Click on the Register link to register for the AGM session. - If you are using mobile devices, you can also scan the QR provided on the left to access the registration page. Click Register and enter your email followed by Next to fill in your details to register for the EGM session. - Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. - The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Refer to the tutorial guide posted on the same page for assistance.
2.	Submit your online registration	Shareholders who wish to participate and vote remotely at the AGM via RPV Facilities are required to register prior to the meeting. The registration will be open from 10:00 a.m. on 1 October 2021 and the registration will close at 10:00 a.m. on 28 October 2021.

ADMINISTRATIVE GUIDE

Procedures		Action
Before AGM (cont'd)		
2.	Submit your online registration (cont'd)	- Clicking on the link mentioned in item 1 will redirect you to the AGM event page. Click on the Register link for the online registration form. - Complete your particulars in the registration page. Your name MUST match your CDS account name (not applicable for proxy). - Insert your CDS account number(s) and indicate the number of shares you hold. - Read and agree to the Terms & Conditions and confirm the Declarations. - Please ensure all information given is accurate before you click Submit to register your remote participation. Failure to do so will result in your registration being rejected. - System will send an email to notify that your registration for remote participation is received and will be verified. - After verification of your registration against the General Meeting Record of Depositors of the Company as at 20 October 2021, the system will send you an email to notify you if your registration is approved or rejected after 21 October 2021. - If your registration is rejected, you can contact the Company's Poll Administrator or the Company for clarifications or to appeal.
On the day of AGM		
3.	Attending Virtual AGM	- Two reminder emails will be sent to your inbox. First is one day before the AGM day, while the 2nd will be sent 1 hour before the AGM session. - Click Join Event in the reminder email to participate the RPV.
4.	Participate with live video	- You will be given a short brief about the system. - Your microphone is muted throughout the whole session. - If you have any questions for the Chairman/Board, you may use the Q&A panel to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions will be collected throughout the session and replied later through your registered email. - The session will be recorded. - Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
5.	Online Remote Voting	- The Chairman will announce the commencement of the Voting session and the duration allowed at the respective AGM. - The list of resolutions for voting will appear at the right-hand side of your computer screen. You are required to indicate your votes for the resolutions within the given stipulated time frame. - Click on the Submit button when you have completed. - Votes cannot be changed once it is submitted.
6.	End of remote participation	Upon the announcement by the Chairman on the closure of the AGM, the live session will end.

Revocation of Proxy

Please note that if a Shareholder has submitted his/her Form of Proxy prior to the AGM and subsequently decides to personally attend and participate in the AGM via RPV Facilities, the Shareholder must contact Boardroom.com Sdn Bhd to revoke the appointment of his/her proxy no later than 10:00 a.m. on 27 October 2021.

ADMINISTRATIVE GUIDE

Poll Voting

The voting at the AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom.com Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic means and BTS Solution Sdn. Bhd. as Scrutineers to verify the poll results.

Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting. The Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolution is duly passed or otherwise.

The results of the voting for all resolutions will be announced at the AGM and on Bursa Malaysia website at www.bursamalaysia.com.

No Recording or Photography

Strictly NO recording or photography of the proceedings of the AGM is allowed.

No Breakfast/Lunch Packs, Door Gifts or Food Vouchers

There will be no distribution of breakfast / lunch packs, door gifts or food vouchers.

Enquiry

If you have any enquiry prior to the meeting, please contact the following officers during office hours (from 9.00 a.m. to 5.30 p.m. (Monday to Friday)):

For Registration, logging in and system related: MLABS Research Sdn. Bhd.

Name : Mr. Bryan / Mr. Hong
Telephone No : +603 7688 1013
Email : vgm@mlabs.com

For Proxy matters: Boardroom.com Sdn. Bhd.

Name : Ms. Jennie Wong / Mr. Rikki Tan
Telephone No : +603 7890 0638
Email : admin.registrar@boardroom.com.my

**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 Twenty-Fifth Annual General Meeting ("**25th AGM**") of the Company will be held on a fully virtual and entirely via remote participation and electronic voting via online meeting platform at <https://rebrand.ly/KomarkAGM> provided by Mlabs Research Sdn Bhd from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 29 October 2021 at 10:00 a.m., or at any adjournment thereof.

My / our proxy is to vote as indicated below:

Resolutions		For	Against
Ordinary Resolution 1	To re-elect Encik Ihsan Bin Ismail who retires pursuant to Clause 102 of the Company's Constitution		
Ordinary Resolution 2	To re-elect Mr. Chan Jee Peng who retires pursuant to Clause 109 of the Company's Constitution		
Ordinary Resolution 3	To approve the payment of Directors' fees and benefits amounting to RM600,000 to the Directors of the Company from 25 th AGM up to the conclusion of the 26 th AGM		
Ordinary Resolution 4	To re-appoint Messrs KC Chia & Noor as Auditors of the Company		
Ordinary Resolution 5	Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016		
Ordinary Resolution 6	Proposed Renewal of authority for the Company to purchase its own shares		
Ordinary Resolution 7	Proposed New and Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
Ordinary Resolution 8	Retention of Encik Ihsan Bin Ismail as an Independent Non-Executive Director of the Company		

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 _____ 2021.

*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 the 25th AGM 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 20 October 2021. Only a member whose name appears on this Record of Depositors shall be entitled to participate in the 25th AGM.
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.
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8. If you have submitted your Form of Proxy and subsequently decide to appoint another person or wish to participate in the 25th AGM 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.

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AFFIX
STAMP

**THE SHARE REGISTRAR OF
KOMARKCORP BERHAD**
Registration No. 199601001919 (374265-A)
c/o Boardroom.com Sdn Bhd
Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150 Shah Alam, Selangor

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

Tel : [603] 9080 3333
Fax : [603] 9080 5233
Email : enquiry@komark.com.my

www.komark.com.my
